

HKMA and banking sector join forces to help Hong Kong's economy overcome outbreak of COVID-19

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) together with the major banks and Hong Kong Mortgage Corporation Insurance Limited (HKMCI) met representatives from the commercial sector (including Members of the Legislative Council) today (March 3) to exchange views on the effectiveness of banks' measures to support SMEs and discuss future follow up work in this regard.

At the meeting, the HKMA reported that, since the establishment of the Banking Sector SME Lending Coordination Mechanism in October 2019, the banking industry has introduced several rounds of measures to help corporate and retail customers. Nearly 9 000 applications from SMEs involving principal repayment holidays, loan extensions and relief loans have been approved thus far, involving over HK\$57 billion. This has helped reduce the cash-flow pressure on customers and lessen the impact of the outbreak of COVID-19 on the local economy.

As the outbreak continues, the HKMA and the HKMCI put forward today another round of five initiatives to further support SMEs in addressing cash-flow pressure:

1. The HKMA will introduce a series of measures aimed at increasing the banking sector's liquidity so that banks will have ample liquidity to support local economic activities. These include obtaining US dollars through repo transactions with the U.S. Federal Reserve for lending to local banks, clarifying aspects of the HKMA's Liquidity Facilities Framework to make it easier to use by banks, and further explaining HKMA's supervisory expectations on liquidity regulatory requirements so as to encourage banks to deploy their liquidity buffers more flexibly to support lending and other business activities. For details, please refer to the [circular](#) issued today.
2. The current level of regulatory reserves [Note 1] will be reduced by half to release a total of HK\$200 billion of lending capacity, providing banks with more room on their balance sheets to cater for future financing needs.
3. The HKMA has asked banks to consider arrangements to automatically offer extensions of loan tenor or principal repayment holidays to qualified SMEs without requiring them to make an application. Borrowers just need to indicate whether they will accept the offer or not.
4. Preparatory work by HKMCI and banks for the special 100 per cent Loan Guarantee under the SME Financing Guarantee Scheme announced in the Budget

has entered an advanced stage. The date for banks to receive applications from qualified SMEs will be announced shortly.

5. Banks said that they will allow SME customers in the import-export and manufacturing sectors facing cash-flow pressure due to delays in shipments to further extend the repayment period of trade financing facilities. They will also consider allowing more customers to apply to convert trade financing lines into temporary overdraft facilities so that customers can manage their cash flow more flexibly.

Since the beginning of the outbreak, the banking industry has responded positively to HKMA's call to introduce various measures to help relieve customers' cash-flow pressure. The key points are:

1. Using the Banking Sector SME Lending Coordination Mechanism, the HKMA has clarified various regulatory requirements, allowing banks to more effectively support SMEs.

2. The banking industry has introduced measures to help SME and retail customers, including principal repayment holidays for SME loans and residential mortgages, extension of loan tenors for SME borrowers, conversion of trade financing lines into temporary overdraft facilities and special loans to customers engaging in sectors affected by the outbreak.

3. The measures have worked as intended. As at the end of March, nearly 9 000 applications have been approved by 16 banks active in SME financing, amounting to over HK\$57 billion. As for personal customers, banks have approved 2 800 applications of principal repayment holidays for residential mortgages and emergency loans, amounting to over HK\$8 billion.

4. Amongst the approved SME cases, around HK\$32 billion relate to the granting of principal repayment holidays and over HK\$20 billion to extension of loan tenors.

5. Sectors such as transportation, import and export, retail and tourism that are hard hit by the outbreak have benefited most from these measures. Nearly 7,800 applications from SMEs engaging in these sectors have been approved with total loans exceeding HK\$40 billion.

In addition, the HKMA has made adjustments to regulatory requirements in a timely way to allow banks more flexibility to provide credit and support the local economy:

1. The HKMA has lowered the Countercyclical Capital Buffer (CCyB) ratio twice by a total of 1.5 percentage points since October last year, releasing around HK\$700-800 billion of lending capacity, enabling banks to provide more credit.

2. Despite the deteriorating economic environment, total loans granted by the banking sector increased by HK\$192 billion during the five months from end-September 2019 to end-February 2020. Overall credit line granted by banks to

SMEs in the fourth quarter of last year also grew by HK\$6.9 billion, indicating that lowering the CCyB ratio had a positive impact on banks' ability to support their customers.

3. The HKMA issued a guideline to banks in March this year, deferring the implementation of the various requirements under the Basel III framework so that banks can focus on addressing the challenges brought about by the coronavirus outbreak.

The HKMA will work closely with the banking industry to actively implement the above measures through the Banking Sector SME Lending Coordination Mechanism and other channels so as to help our society to ride out these difficult times.

[Note 1] Regulatory reserve means that portion of a bank's retained earnings earmarked for the purpose of maintaining adequate provision for possible credit losses.

CHP investigates case of measles in institution

The Centre for Health Protection (CHP) of the Department of Health (DH) is today (April 3) investigating a case of measles infection in an institution and reminded the public that vaccination is the most effective way to prevent measles.

The case involves a 46 year-old man with good past health, who has developed fever and headache since March 20 and was admitted to Queen Elizabeth Hospital on March 22 for treatment. He developed rash since March 24.

A laboratory test of his blood specimen was positive for the measles virus. He is in a stable condition. The patient's measles vaccination history is unknown. He is the inmate of an institution in Sham Shui Po District. He had no travel history during the incubation period and the communicable period.

Upon notification of the case, officers of the CHP have initiated epidemiological investigations and relevant contact tracing immediately to identify other possible patients as soon as possible.

CHP staff visited the institution and has offered measles related health advice to the staff of the institution. To prevent possible spread of infection, measles mop-up vaccination has been offered to close contacts in the institution. All exposed contacts have remained asymptomatic so far and have been put under medical surveillance.

The CHP's investigation is continuing.

"Vaccination is the most effective way to prevent measles. Members of the public who are planning to travel to places with a high incidence or outbreaks of measles should review their vaccination history and past medical history, especially people born outside Hong Kong who might not have received a measles vaccination during childhood. Those who have not received two doses of measles-containing vaccines, with unknown vaccination history or unknown immunity against measles, are urged to consult their doctor for advice on vaccinations at least two weeks before departure," the spokesman said.

Measles is a highly infectious disease caused by the measles virus. It can be transmitted by airborne droplets or direct contact with nasal or throat secretions of infected persons, and, less commonly, by articles soiled with nose and throat secretions. A patient can pass the disease to other persons from four days before to four days after the appearance of a skin rash.

"The incubation period (the period from infection to appearance of illness) of measles ranges from seven days to 21 days. Symptoms of measles include fever, skin rash, cough, runny nose and red eyes. If symptoms arise, members of the public should wear surgical masks, stop going to work or school and avoid going to crowded places. They should also avoid contact with non-immune persons, especially persons with weakened immunity, pregnant women and children aged below 1. Those suspected to have been infected are advised to seek medical attention as early as possible and reveal relevant contact history of measles to healthcare professionals," the spokesman advised.

Besides being vaccinated against measles, members of the public should take the following measures to prevent infection:

- Maintain good personal and environmental hygiene;
- Maintain good indoor ventilation;
- Keep hands clean and wash hands properly;
- Wash hands when they are dirtied by respiratory secretions, such as after sneezing;
- Cover the nose and mouth while sneezing or coughing and dispose of nasal and mouth discharge properly;
- Clean used toys and furniture properly; and
- Persons with measles should be kept out of school till four days from the appearance of a rash to prevent the spread of the infection to non-immune persons in school.

For more information on measles, the public may call the 24-hour health education hotline 2833 0111 or visit the CHP's [measles thematic page](#). For news of measles outbreaks outside Hong Kong or the latest travel health advice, please visit the website of the DH's [Travel Health Service](#).

Chartered flights arranged by HKSAR Government to take Hong Kong residents stranded in Peru to leave

A Government spokesman said today (April 3) that a chartered flight taking Hong Kong residents out of Peru is scheduled to depart from Lima to London at around 4pm on April 3 local time (5am on April 4, Hong Kong time). Upon arrival in London, the Hong Kong residents concerned will take an ordinary connecting flight with secured flight bookings back to Hong Kong. The cost will be borne by the users.

The Hong Kong Special Administrative Region (HKSAR) Government earlier appealed to the Hong Kong residents in Peru who wish to take the chartered flight out of Peru to contact the Assistance to Hong Kong Residents Unit of the Immigration Department (ImmD) by 1pm on April 1, Hong Kong time. Up till this point, the ImmD has received a total of 98 assistance requests from Hong Kong residents stranded in Peru, among whom 13 have left there already through other arrangements. At present, 65 people indicated that they would take the chartered flight arranged by the HKSAR Government to depart from Lima to Hong Kong via London while the rest who are still in Peru will not take the chartered flight on personal preference or because they are subject to quarantine. Regarding the Hong Kong residents in different locations in Peru, depending on the distance between their current location and Lima, would have to take a domestic flight or other long-haul land transports to go to Lima.

As Peru is in a state of national emergency, there are strict restrictions on all land and air traffic and all travel must be approved by the Peruvian authorities. These matters involve consultations with other government at the diplomatic level. With the full assistance of the Office of the Ministry of Foreign Affairs of the People's Republic of China in the HKSAR (OCMFA) and the Chinese Embassy in the Republic of Peru (Chinese Embassy in Peru), despite the difficulties met, the HKSAR Government has arranged an international chartered flight for departing Peru and a domestic chartered flight to take 29 Hong Kong residents in Cusco to Lima, and assisted those in other locations to Lima by land transport through local travel agencies' arrangement. The Chinese Embassy in Peru has been co-ordinating with the Peruvian authorities in issuing travel certificates and permits to Hong Kong residents concerned to ensure that they can reach Lima Airport smoothly.

The Hong Kong residents taking the chartered flight will depart from Lima to London in the afternoon of April 3, Peru time, followed by an ordinary connecting flight to Hong Kong which is estimated to arrive in the afternoon of April 5, Hong Kong time. The Centre for Health Protection (CHP)

advises these passengers to always pay attention to personal hygiene, especially hand hygiene and wearing masks. In this regard, the HKSAR Government has made available masks (a pack of five) for each Hong Kong resident, which will be distributed by the chartered airline for their use during the flight passages. The Hong Kong residents returning from Peru, upon their arrival at Hong Kong International Airport, will proceed to the CHP's testing centre at the AsiaWorld-Expo for taking a mandatory COVID-19 testing. If the test result is negative, they can go home or to a designated place to continue completion of the 14-day compulsory quarantine.

As the Peruvian Government is currently imposing very strict immigration control and quarantine arrangements, any foreigners entering Peru must undergo a 14-day compulsory quarantine there, and other government officials travelling to Peru are no exception. As such, the ImmD is unable to dispatch officers to Peru to participate in this operation for assisting Hong Kong residents by a chartered flight. The ImmD officers will maintain close contact with the Chinese Embassy in Peru and rely on the embassy staff to provide on-site assistance to the affected Hong Kong residents. The ImmD officers will also maintain direct contact with the affected Hong Kong residents to ensure the smooth completion of the operation. To this end, the HKSAR Government is indebted to the support and assistance of the Chinese Embassy in Peru, as well as the support of the OCMFA.

The chartered flights are mainly arranged for Hong Kong residents. All Hong Kong residents who have expressed their wish to the ImmD for taking the chartered flights have been allocated a seat on the flight. For the sake of efficient resources utilisation and of mutual co-operation and benefit, the HKSAR Government has accepted the requests for assistance from other governments for allowing their residents to take the remaining seats of the chartered flights. According to the current estimation, four Malaysian residents will take the chartered flight from Cusco to Lima while six Malaysian residents and five British residents will take the chartered flight from Lima to London. They will arrange the following itinerary by themselves after arriving London. The cost for taking the chartered flights by them is also on user-pays basis.

The cost for taking the chartered flight from Lima to London followed by an ordinary connecting flight to Hong Kong is around HK\$30,000; and that from Cusco to Lima is around HK\$5,600. Residents of other countries will pay the same amount for taking the chartered flights.

The spokesman said that currently at least four Hong Kong residents are required to stay in Peru for quarantine and undergo COVID-19 testing. The HKSAR Government will continue to follow up with the OCMFA and the Chinese Embassy in Peru to provide practicable and appropriate assistance to the affected Hong Kong residents.

Update on COVID-19 test centres

The following is issued on behalf of the Hospital Authority:

From March 20 to 9pm today (April 3), 897 and 196 people have been referred to the test centres at the AsiaWorld-Expo and North Lantau Hospital respectively for COVID-19 viral test. So far, 1036 people have negative test results for COVID-19 and have returned to their residence to continue the home quarantine.

Preliminary positive test results will be further confirmed by the Department of Health and announced as confirmed cases in due course.

Over 580 cases of subsidies disbursed to fishermen under Anti-epidemic Fund

A spokesman for the Agriculture, Fisheries and Conservation Department (AFCD) said today (April 3) that to assist the fisheries industry to tackle the financial difficulties arising from the COVID-19 epidemic, the Government's subsidies under the Anti-epidemic Fund to eligible applicants of a total of 583 cases has been disbursed to owners of fishing vessels or fish collector vessels with Mainland deckhands, and live marine fish wholesale traders operating in the wholesale fish markets of the Fish Marketing Organization (FMO).

The department has approved 538 applications from owners of fishing vessels or fish collector vessels with Mainland deckhands, involving subsidies of \$82,520,000. For live marine fish wholesale traders operating in the wholesale fish markets of the FMO, 45 applications have been approved involving subsidies of \$9,000,000. The department will process the remaining applications as soon as possible in order to provide assistance to eligible applicants.

Owners of fishing vessels or fish collector vessels who have not yet submitted applications can download the application form from the AFCD's website (www.afcd.gov.hk/english/whatsnew/what_fis/what_fis.html). Applicants should submit the completed application forms together with copies of the required documents by mail to the Fisheries Enforcement and Special Projects Division of the AFCD at 8/F of Cheung Sha Wan Government Offices, 303 Cheung Sha Wan Road, Kowloon; or place them in the drop-in boxes at the lift lobby of Cheung Sha Wan Government Offices, and Aberdeen, Castle Peak, and Shau Kei Wan Wholesale Fish Markets under the FMO. The deadline for application is April 17. Vessel owners who are not in Hong Kong can authorise an agent to

handle their applications.

For more details, please contact the department at 2150 7100 or 2150 7108 (owners of fishing vessels or fish collector vessels), or 2150 7103 (live marine fish wholesale traders), or view the department's website (www.afcd.gov.hk).