

# Composite interest rate: end of December 2019

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

The Hong Kong Monetary Authority (HKMA) announced today (January 17) the composite interest rate at the end of December 2019 (note 1).

The composite interest rate, which is a measure of the average cost of funds of banks, increased by 5 basis points to 1.09 per cent at the end of December 2019, from 1.04 per cent at the end of November 2019 (see Chart 1 in the Annex). The increase in composite interest rate reflected increases in the weighted funding cost for both deposits and interbank funds during the month (see Chart 2 in the Annex) (note 2).

The historical data of the composite interest rate from the end of the fourth quarter of 2003 to the end of December 2019 are available in the Monthly Statistical Bulletin on the HKMA website ([www.hkma.gov.hk](http://www.hkma.gov.hk)). The next data release is scheduled for February 19, 2020 and will provide the composite interest rate at the end of January 2020.

Note 1: The composite interest rate is a weighted average interest rate of all Hong Kong dollar interest-rate-sensitive liabilities, which include deposits from customers, amounts due to banks, negotiable certificates of deposit and other debt instruments, and all other liabilities that do not involve any formal payment of interest but the values of which are sensitive to interest rate movements (such as Hong Kong dollar non-interest bearing demand deposits) on the books of banks. Data from retail banks, which account for about 90 per cent of the total customers' deposits in the banking sector, are used in the calculation. It should be noted that the composite interest rate represents only average interest expenses. There are various other costs involved in the making of a loan, such as operating costs (e.g. staff and rental expenses), credit cost and hedging cost, which are not covered by the composite interest rate.

Note 2: Since June 2019, the composite interest rate and weighted deposit rate have been calculated based on the new local "Interest rate risk in the banking book" (IRRBB) framework. As such, these figures are not strictly comparable with those of previous months.

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## Eighteen persons arrested during anti-

# illegal worker operations

The Immigration Department (ImmD) mounted territory-wide anti-illegal worker operations codenamed "Twilight" and "Greenlane" from January 13 to yesterday (January 16). Twelve suspected illegal workers and six suspected employers were arrested.

During the operations, ImmD Task Force officers raided 35 target locations including bars, commercial buildings, a currency exchange company, a fish stall, a fitness center, garbage collection depots, premises under renovation, restaurants and a warehouse. The suspected illegal workers comprised six men and six women, aged 22 to 53. Among them, two men were holders of recognisance forms, which prohibit them from taking any employment. In addition, two women were suspected of using and being in possession of forged Hong Kong identity cards. Meanwhile, five men and a woman, aged 24 to 76, were suspected of employing the suspected illegal workers.

"Any person who contravenes a condition of stay in force in respect of him shall be guilty of an offence. Also, visitors are not allowed to take employment in Hong Kong, whether paid or unpaid, without the permission of the Director of Immigration. Offenders are liable to prosecution and upon conviction face a maximum fine of \$50,000 and up to two years' imprisonment. Aiders and abettors are also liable to prosecution and penalties," an ImmD spokesman said.

The spokesman warned that, as stipulated in section 38AA of the Immigration Ordinance, illegal immigrants or people who are the subject of a removal order or a deportation order are prohibited from taking any employment, whether paid or unpaid, or establishing or joining in any business. Offenders are liable upon conviction to a maximum fine of \$50,000 and up to three years' imprisonment. The Court of Appeal has issued a guideline ruling that a sentence of 15 months' imprisonment should be applied in such cases. It is an offence to use or possess a forged Hong Kong identity card or a Hong Kong identity card related to another person. Offenders are liable to prosecution and a maximum penalty of a \$100,000 fine and up to 10 years' imprisonment.

The spokesman reiterated that it is a serious offence to employ people who are not lawfully employable. The maximum penalty is imprisonment for three years and a fine of \$350,000. The High Court has laid down sentencing guidelines that the employer of an illegal worker should be given an immediate custodial sentence. According to the court sentencing, employers must take all practicable steps to determine whether a person is lawfully employable prior to employment. Apart from inspecting a prospective employee's identity card, the employer has the explicit duty to make enquiries regarding the person and ensure that the answers would not cast any reasonable doubt concerning the lawful employability of the person. The court will not accept failure to do so as a defence in proceedings. It is also an offence if an employer fails to inspect the job seeker's valid travel

document if the job seeker does not have a Hong Kong permanent identity card. The maximum penalty for failing to inspect such a document is imprisonment for one year and a fine of \$150,000.

Under the existing mechanism, the ImmD will, as a standard procedure, conduct initial screenings of vulnerable persons, including illegal workers, illegal immigrants, sex workers and foreign domestic helpers who are arrested during any operation with a view to ascertaining whether they are trafficking in persons (TIP) victims. When any TIP indicator is revealed in the initial screening, the officers will conduct a full debriefing and identification by using a standardised checklist to ascertain the presence of TIP elements, such as threats and coercion in the recruitment phase and the nature of exploitation. Identified TIP victims will be provided with various forms of support and assistance, including urgent intervention, medical services, counselling, shelter, temporary accommodation and other supporting services. The ImmD calls on TIP victims to report crimes to the relevant departments.

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## **S for IT visits SIE Fund flagship project FOOD-CO**

The Secretary for Innovation and Technology, Mr Nicholas W Yang, today (January 17) visited the food support flagship project, FOOD-CO, of the Social Innovation and Entrepreneurship Development Fund (SIE Fund) to gain a better understanding on how the food support collaborative platform has boosted the efficiency of food donations and distribution with the aid of information technology and data analysis.

Staff of St James' Settlement, which was engaged to run FOOD-CO, gave a briefing on the operation of the platform at FOOD-CO's warehouse in Kwai Chung. Through a mobile application for matching service, FOOD-CO facilitates information sharing and matching of the demand and supply of food between donors and service operators in a convenient and time-saving manner. The platform will soon introduce an automated one-stop logistics system comprising food delivery and temporary storage services for operators and an artificial intelligence chatbot to facilitate the donation process. Mr Yang was pleased to see that the platform had enabled an effective allocation of resources and had reinforced the message of "Save and Share" with an increasing number of both donors and beneficiaries.

Mr Yang also went to the Kowloon Women's Organisations Federation Lau Shun Man Fu Cheong Mutual Help Child Care Centre cum Women Services Centre and joined volunteers to distribute sweets collected via the platform to the elderly and the needy to celebrate the advent of the Lunar New Year.

The SIE Fund was inaugurated in 2013 with an allocation of \$500 million

from the Lotteries Fund. It has funded 200 projects so far, benefitting some 178 000 people. To continue the social impact driven by the SIE Fund, the Government will seek another injection of \$500 million from the Lotteries Fund shortly. The fund will be used to launch and support more programmes and projects conducive to the development of the social innovation ecosystem, with a view to further promoting social innovation and entrepreneurship.

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## [Draft Fanling/Sheung Shui Outline Zoning Plan approved](#)

The Chief Executive in Council has approved the draft Fanling/Sheung Shui Outline Zoning Plan (OZP).

"The approved OZP provides a statutory land use planning framework to guide the development and redevelopment in the Fanling/Sheung Shui area," a spokesman for the Town Planning Board said today (January 17).

The planning scheme area, covering about 667 hectares, is located in the river plains associated with the Ng Tung (Indus), Shek Sheung (Sutlej), Sheung Yue (Beas) and Ma Wat Rivers. The main features delineating the New Town boundary are Tin Ping Shan and Ma Sik Road to the north, the Ma Wat River to the east, and the foothills of Wo Hop Shek Cemetery and a golf course to the south and west.

The area is a developed new town with various types of residential developments falling within areas zoned "Residential (Group A)", about 119.91 hectares; "Residential (Group B)", about 8.18 hectares; "Residential (Group C)", about 22.92 hectares; and "Village Type Development", about 83.3 hectares.

The existing market towns of Shek Wu Hui and Luen Wo Hui, with an area of about 22.07 hectares, are zoned "Commercial/Residential" to cater for mixed commercial and residential uses. A site located in the western periphery of the area with an area of about 3.16 hectares is zoned "Comprehensive Development Area" for a low-density residential development.

A total of about 47.84 hectares of land is zoned "Industrial" for general industrial uses. It covers the existing industrial areas of On Lok Tsuen and Planning Areas 4 and 30.

To cater for local and district needs, a total of about 102.91 hectares of land is zoned "Government, Institution or Community", and about 42.3 hectares is zoned "Open Space".

A total of about 34.46 hectares of land is zoned "Other Specified Uses" for specific uses including abattoir, sewage treatment works, flood balancing

reservoir, railway stations and petrol filling stations.

About 68.78 hectares of land is zoned "Green Belt" to define the limits of urban development, contain urban sprawl and provide passive recreational outlets.

A total of about 0.9 hectares of land is zoned "Undetermined", denoting land reserved to meet unforeseen requirements in the longer term and areas for which the appropriate use is to be identified upon further detailed planning study.

The approved Fanling/Sheung Shui OZP No. S/FSS/24 is now available for public inspection during office hours at the Secretariat of the Town Planning Board; the Planning Enquiry Counters of the Planning Department in North Point and Sha Tin; the Fanling, Sheung Shui and Yuen Long East District Planning Office; the North District Office; and the Fanling and Sheung Shui District Rural Committees.

Copies of the approved OZP are available for sale at the Map Publications Centres in North Point and Yau Ma Tei. The electronic version of the plan can be viewed at the Town Planning Board's website ([www.info.gov.hk/tpb](http://www.info.gov.hk/tpb)).

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## **Approved Chai Wan Outline Zoning Plan referred back for amendment**

The Town Planning Board announced today (January 17) that the Chief Executive in Council has referred the approved Chai Wan Outline Zoning Plan (OZP) to the Board for amendment to reflect the latest land use proposals.

The OZP incorporating the respective amendments will be exhibited for public inspection under the provisions of the Town Planning Ordinance.

The Chai Wan OZP was last approved by the Chief Executive in Council in September 2017.