

## SFH starts her visit in Beijing (with photos)

The Secretary for Food and Health, Professor Sophia Chan, today (December 23) embarked on the first day of her visit in Beijing.

Professor Chan met the Vice Minister of the National Health Commission (NHC), Mr Li Bin; the Commissioner of the National Administration of Traditional Chinese Medicine (NATCM), Mr Yu Wenming; and the Director of the National Medical Products Administration (NMPA), Ms Jiao Hong, in Beijing.

"I would like to thank Mr Li, Mr Yu and Ms Jiao for meeting the delegation of the Hong Kong Special Administrative Region (HKSAR) Government amid their busy schedules to show their support for the work of the Food and Health Bureau (FHB) and the Department of Health as well as the Hospital Authority (HA).

"During our meetings with the NHC, the NATCM and the NMPA, we have had in-depth discussions on various aspects of work, including cancer strategy, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, international co-operation, the development of Chinese medicine and the setting up of the Chinese Medicine Hospital in Hong Kong. The HKSAR Government and relevant Mainland authorities will continue to exchange views, share experience and enhance co-operation on different healthcare-related issues in a bid to safeguard the health of the public."

At the meeting with Mr Yu, Professor Chan also signed a co-operation agreement with the NATCM on training of Hong Kong's Chinese medicine practitioners in the Mainland, with a view to enhancing co-operation and exchanges between both sides on clinical training of Chinese medicine.

Officials accompanying Professor Chan at today's meetings included the Permanent Secretary for Food and Health (Health), Ms Elizabeth Tse; the Director of Health, Dr Constance Chan; and the Project Director of the Chinese Medicine Hospital Project Office of the FHB, Dr Cheung Wai-lun. The Chairman of the HA, Mr Henry Fan, and the Chief Executive of the HA, Dr Tony Ko, also joined the visit.

Professor Chan will meet officials of the General Administration of Customs tomorrow (December 24).



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## [SCED speaks on 90 per cent Guarantee Product under SME Financing Guarantee Scheme](#)

Following is the transcript of remarks by the Secretary for Commerce and Economic Development, Mr Edward Yau, on the initial market response to the launch of a new 90 per cent Guarantee Product under the SME Financing Guarantee Scheme today (December 23):

Reporter: I know the Government is already trying to speed up the whole process so that people who need the money can get the money as soon as possible. But given that there are other tycoons in the community like Li Ka-shing who can offer money to some of the businesses faster and simpler, is this scheme that the Government has started for one week really attractive to some of the small and medium businesses in terms of speed and how they can

get the money?

Secretary for Commerce and Economic Development: Again, this 90 per cent financial guarantee scheme (90 per cent Guarantee Product under the SME Financing Guarantee Scheme) is a major response to demands and requests from SMEs, whom we consulted in the last year or so. We have a scheme running for almost a decade, which is 80 per cent (80 per cent Guarantee Product under the SME Financing Guarantee Scheme). In the light of the pressure on SMEs last year arising from the US-China trade war, we have enhanced that scheme. We have raised the ceiling from \$12 million to \$15 million, we have cut the fees, and we have also extended the extension period. Of course, there are still certain limitations in that scheme, because the level of the Government's guarantee is confined to 80 per cent. So there are a lot of suggestions that at this difficult time, particularly in the last six months, companies, micro SMEs in particular, or young professionals wanting to establish their business are in need of cash relief. That's why, since June, we have been talking about the possibility of introducing another scheme which caters for the micro SMEs and also young professionals. That was how the scheme came about.

Among all the difficulties faced by the SMEs, cash flow has been the major issue. Because of the reduction in revenue, in order to keep the business going, cash is in fact the most important. And that's why this 90 per cent guarantee product would provide a level of comfort for banks to provide this relief.

People would obviously ask the question of how soon all this money could be dished out. Timeliness is important, because they are suffering from cash flow every week. In fact, that's what Raymond (the Executive Director and Chief Executive Officer of the Hong Kong Mortgage Corporation Limited, Mr Raymond Li) said, soon after the scheme was approved by the LegCo (the Legislative Council), as late as December 6, the Mortgage Corp (the Hong Kong Mortgage Corporation Limited) and the banks have rolled out the scheme last Monday. Within a week, we are seeing applications, we are seeing applications being approved and money being dished out. So I think this is the kind of promptness we intended to do, but of course this must be done together with the banking sector and Mortgage Corporation. We want to let people know that there is a scheme out there to help them.

But of course the Government does not stop at the mortgage scheme. There are relief measures by cutting costs for small businesses. The Government is setting an example of cutting our rental by half in the next six months. The Financial Secretary has rolled out a number of schemes through waiving charges, electricity subsidy, whatnot. I think these are the packages we would roll out. Together with the scheme I just mentioned, I think we try to leave no stones unturned and do as much as we can. Thank you.

(Please also refer to the Chinese portion of the transcript.)

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## **Report on Artificial Intelligence Application in Banking**

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

The Hong Kong Monetary Authority (HKMA) today (December 23) published a report titled "Reshaping Banking with Artificial Intelligence" as part of a series of publications on the study of the opportunities and challenges of applying Artificial Intelligence (AI) technology in the banking industry.

In 2019, the HKMA has commissioned a consulting firm to conduct a study on the application of AI technology in the Hong Kong banking industry. The findings of the study are presented in this report, which summarises insights from academics and industry experts. This report also shares the result of an industry-wide survey on banks, industry organisations and fintech firms conducted in Q3 2019, with one of the key findings showing almost 90 per cent of the surveyed retail banks have adopted or plan to adopt AI applications.

To help the industry understand the risk and potential of applying AI technology, the report covers the latest development trends, potential use cases, status of AI development in banking, challenges and considerations in designing and deploying the technology, as well as the market outlook.

Senior Executive Director of the HKMA, Mr Edmond Lau said, "AI will bring profound changes to the way in which the banking industry operates. The appropriate adoption of the technology may have the potential to reshape banking in the future. Understanding the technology and its implications from the outset is crucial to fully unleashing the power of AI. We hope this AI report as well as the subsequent reports will offer the industry some useful references for further adoption of the technology."

The report is available on the [HKMA website](#).

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## **Steady increase in Hong Kong's gross expenditure on research and development in 2018**

According to the report "Hong Kong Innovation Activities Statistics 2018" released today (December 23) by the Census and Statistics Department,

the gross domestic expenditure on research and development (GERD) of Hong Kong in 2018 amounted to \$24,497 million, representing an increase of 10 per cent compared with the corresponding figure in 2017. The GERD as a ratio to the Gross Domestic Product in 2018 was 0.86 per cent.

A government spokesman said, "The Government is committed to promoting innovation and technology (I&T) development in Hong Kong. Over the past two and a half years, the Government has committed over HK\$100 billion to build and enhance the local I&T ecosystem along the eight major areas set out by the Chief Executive in her 2017 Policy Address."

The spokesman said that a number of new initiatives have been introduced to support research and development (R&D) work by universities and public research institutes, encourage R&D investment by the private sector, and provide R&D infrastructure to the industry. New measures have also been announced to attract and retain talent for R&D work.

"The Steering Committee on Innovation and Technology, established and chaired by the Chief Executive, monitors regularly the implementation of the above measures as well as other initiatives under the Government's eight major areas to develop I&T. We expect the effect of these measures to be realised gradually in subsequent years, contributing to a further increase in the GERD," the spokesman said.

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## **SWD's response to media enquiries on disbursement of donations from charities to victims of traffic accident**

â€‹In response to media enquiries about the disbursement arrangement for donations from charities to the families of the deceased victims and persons injured in the traffic accident on the Fanling Highway on December 18, a spokesman for the Social Welfare Department (SWD) gave the following response today (December 23):

Up to this moment, the SWD has received donations from eight charities for the families of the deceased victims and people injured in the traffic accident and will co-ordinate the disbursement. The eight charities are:

Pok Oi Hospital Emergency Relief Fund;  
Yan Chai Emergency Assistance Relief Fund;  
Yan Oi Tong "Love and Care" Project;  
LST Caring Fund;

Po Leung Kuk Charity Fund for the Disadvantaged;  
Tung Wah Group of Hospitals Emergency Relief Fund;  
The Jockey Club Emergency Relief Fund; and  
Haitong International Charitable Foundation Limited.

The SWD has assigned a social worker for the family of each deceased victim and for each injured victim to follow up on their welfare needs. Donations from various charities will start to be disbursed to the families of the deceased victims and persons injured from tomorrow.

Organisations or members of the public who want to make donations to the families of the deceased victims and persons injured in the traffic accident may call the SWD's 24-hour hotline (2343 2255) or email [fcwenq@swd.gov.hk](mailto:fcwenq@swd.gov.hk).