

# Analysis of poverty situation in Hong Kong in 2017 announced

The Chief Secretary for Administration and Chairperson of the Commission on Poverty (CoP), Mr Matthew Cheung Kin-chung, held a press conference this afternoon (November 19) to announce the analysis of the poverty situation in Hong Kong in 2017. Joining him were the Secretary for Labour and Welfare, Dr Law Chi-kwong; the Deputy Commissioner for Census and Statistics, Ms Marion Chan; and the Principal Economist from the Office of Government Economist, Ms Reddy Ng.

This is the sixth annual update of the poverty situation analysis by the CoP since the publication of the first official poverty line by CoP in 2013.

Mr Cheung said, "In 2017, the poverty rate before policy intervention was 20.1 per cent. After recurrent cash policy intervention, the poverty rate maintained at 14.7 per cent, the same level as that of 2016. This demonstrates Hong Kong's overall poverty situation remained largely stable and the increased effectiveness of the Government's poverty alleviation work."

As for poor population, the poor population before and after policy intervention both recorded a slight increase (to 1 376 600 persons and 1 008 800 persons respectively), similar increases were seen in recent years, partly affected by structural changes in demographics and household size. With a broad-based tightening of the labour market and a notable expansion of the economy, overall wages recorded an year-on-year increase of 3.8 per cent. Alongside the increase in wages, there was a general increase of the poverty line thresholds by household size. For example, the poverty line threshold for 4-person households increased to \$19,900, representing a 7.6 per cent increase from 2016.

Other than recurrent cash measures, the Government has been rendering a lot of resources to provide grassroots with various in-kind benefits, in particular public rental housing (PRH). Taking into account the in-kind benefits (mainly comprising PRH), an additional 288 000 persons were lifted out of poverty, and the post-intervention poverty rate was further reduced to 10.5 per cent. This indicates the important role of PRH in poverty alleviation work. The effectiveness of PRH in reducing grassroots' housing expenditure and thereby improving their livelihood is beyond doubt. Non-recurrent cash measures further reduced the post-intervention poverty rate to 13.9 per cent.

Mr Cheung pointed out that the poverty statistics reflected the outcome of various factors at play, including the implementation of the Government's poverty alleviation initiatives, the number of beneficiaries involved, the economic situation, the change in overall employment income, and demographic changes, some of which were beyond the Government's control. In addition, the

poverty alleviation effectiveness of some non-means tested relief measures, such as the Elderly Health Care Voucher, the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities were not captured by the poverty line analytical framework. The slight increase in the overall poor population in 2017 did not imply a reduction of resources nor the effectiveness of the Government's poverty alleviation work. In fact, the Government's recurrent expenditure on social welfare has been on a rise. In 2018/19, that expenditure was estimated to reach \$79.8 billion, representing a substantial growth of 86 per cent compared to that on 2012/13. This demonstrates the Government's steadfast commitment in poverty alleviation.

On the effectiveness of policy intervention, Government recurrent cash measures continued to provide effective support to poor households in 2017, lifting 367 900 persons out of poverty, and the poverty rate was reduced by 5.4 percentage points, one percentage point more than five years earlier. Among various measures, the means-tested Comprehensive Social Security Assistance (CSSA) and the Old Age Living Allowance (OALA) were most impactful on poverty alleviation, respectively reducing the overall poverty rate by 2.5 percentage points and 2.0 percentage points.

It is worth mentioning that, with the implementation of the enhanced OALA since May 2017, the poverty situation statistics in 2017 only reflected its impact on poverty alleviation for eight months, its full year effect will be reflected in the poverty situation statistics in 2018. In 2017, OALA lifted 91 200 senior citizens out of poverty, reducing the elderly poverty rate by 8.2 percentage points. OALA was the most effective measure in alleviating elderly poverty amongst various recurrent cash policies. In addition, the improved Low-income Working Family Allowance (LIFA), renamed as the Working Family Allowance (WFA), has been implemented since April 2018. As the claim period of WFA covers the past six months, its effect (from one to three months) was partially reflected in the poverty statistics analysis in 2017. It drove down the child poverty rate by 1.1 percentage points, higher than that achieved in 2016. Its effectiveness was also comparable to that of the poverty alleviation effectiveness of education benefits. This reflects that the scheme was helpful to children in poor working households, and thereby alleviating inter-generational poverty.

Looking ahead, in view of the rapid structural population ageing, the continued upward adjustment of the poverty line thresholds alongside wages increase as well as the fact that the poverty line only takes into account income but not assets, there would be not much room for significant improvement in the poverty figures in future. However, various measures on poverty alleviation and support for the elderly, including OALA, WFA, and the Life Annuity Scheme launched by the HKMC Annuity Limited have been rolled out and their effectiveness will be reflected in future poverty situation analyses. The Government will continue to monitor the effectiveness of these measures.

The "Hong Kong Poverty Situation Report 2017" and the presentation slides on the analysis of the poverty situation in 2017 have been uploaded to

the CoP's dedicated website ([www.povertyrelief.gov.hk](http://www.povertyrelief.gov.hk)).

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## **Fraudulent websites related to Bank of China (Hong Kong) Limited**

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

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by Bank of China (Hong Kong) Limited on fraudulent websites, which has been reported to the HKMA. Hyperlink to the press release is available on the [HKMA website](#) for ease of reference by members of the public.

Anyone who has provided his or her personal information to the websites concerned or has conducted any financial transactions through the websites should contact the bank concerned using the contact information provided in the press release, and report to the Police or contact the Cyber Security and Technology Crime Bureau of the Hong Kong Police Force at 2860 5012.

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## **Two illegal workers jailed**

Two illegal workers comprising a Bangladeshi and a Vietnamese were jailed at Shatin Magistrates' Courts and Fanling Magistrates' Courts on November 16 and 17 respectively.

Immigration Department (ImmD) investigators received a referral from the Hong Kong Police Force to further investigate an illegal employment case in May. Enforcement officers arrested a male Bangladeshi illegal worker, aged 31, who was found conveying goods in Kwai Chung. Upon identity checking, he produced for inspection a recognisance form issued by the ImmD, which prohibits him from taking employment. Further investigation revealed that he was a non-refoulement claimant. An employer suspected of employing the illegal worker was arrested and the investigation is ongoing.

In addition, during an anti-illegal worker operation mounted on November 15, ImmD investigators raided a restaurant in Tsuen Wan. A female Vietnamese illegal worker, aged 46, was arrested. When intercepted, she was working as dishwashing worker. Upon identity checking, she produced for inspection a recognisance form issued by the ImmD, which prohibits her from taking employment. Further investigation revealed that she was a non-refoulement

claimant. She was also suspected of using and being in possession of a forged identity card. An employer suspected of employing the illegal worker was arrested and the investigation is ongoing.

The two illegal workers were charged at Shatin Magistrates' Courts and Fanling Magistrates' Courts on November 16 and 17 respectively with taking employment after landing in Hong Kong unlawfully and remaining in Hong Kong without the authority of the Director of Immigration or while being a person in respect of whom a removal order or deportation order was in force. They were sentenced to 22 months and two weeks and 15 months' imprisonment respectively. In addition, the female Vietnamese illegal worker was also charged with one count of using a forged Hong Kong identity card and was sentenced to 16 months' imprisonment. All sentences are to run concurrently, making a total of 16 months' imprisonment.

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 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 screening 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 threat 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 interference, 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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## **Phishing email related to Hongkong and Shanghai Banking Corporation Limited**

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

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by the Hongkong and Shanghai Banking Corporation Limited on phishing email, which has been reported to the HKMA. Hyperlink to the press release is available on [the HKMA website](#) for ease of reference by members of the public.

Anyone who has provided his or her personal information to the email concerned or has conducted any financial transactions through the email should contact the bank concerned using the contact information provided in the press release, and report to the Police or contact the Cyber Security and Technology Crime Bureau of the Hong Kong Police Force at 2860 5012.

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## **Re-appointment of Chairman of MTR Corporation Limited**

The Government announced today (November 19) that, in accordance with the Articles of Association of the MTR Corporation Limited (MTRCL) and as the majority shareholder, the Financial Secretary Incorporated has re-appointed Professor Frederick Ma Si-hang the Chairman of the board of directors of the Corporation for six months.

The re-appointment of Professor Ma will take effect from January 1, 2019, to June 30, 2019. Professor Ma was first appointed as Chairman of the board of directors of the MTRCL in January 2016.

The Government is identifying a suitable candidate to succeed Professor Ma as the Chairman of the board of directors of the MTRCL and will announce the appointment at an appropriate time.