

Composite Interest Rate: End of February 2025

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

The Hong Kong Monetary Authority (HKMA) announced today (March 19) the composite interest rate at the end of February 2025 (Note 1).

The composite interest rate, which is a measure of the average cost of funds of banks, decreased by 7 basis points to 2.09 per cent at the end of February 2025, from 2.16 per cent at the end of January 2025 (see Chart 1 in the Annex). The decrease in composite interest rate reflected the decreases in the weighted funding cost for deposits 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 February 2025 are available in the Monthly Statistical Bulletin on the HKMA website (www.hkma.gov.hk).

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.

LCQ5: Students with dependent visa being admitted to local schools

Following is a question by the Hon Lam Chun-sing and a reply by the Secretary for Education, Dr Choi Yuk-lin, in the Legislative Council today

(March 19):

Question:

According to the definition of local students by the Education Bureau (EDB) for the purpose of admission to post-secondary programmes, students holding dependent visa or entry permit who were below 18 years old when they were first issued with such visa or entry permit by the Immigration Department are also defined as local students. There are views that the definition of local students is too loose, which may affect the fairness of competition for places and the accurate use of resources by the University Grants Committee (UGC). In this connection, will the Government inform this Council:

(1) of the number of persons aged between 12 and 17 who were admitted to Hong Kong as dependants under various talent admission schemes in each of the past three years and so far this year, together with a breakdown by age;

(2) whether it will collect data on whether students admitted to UGC-funded programmes through the Joint University Programmes Admissions System are holders of dependent visas, and consider introducing a tiered system of tuition fees for UGC-funded bachelor's degree programmes, under which local students with dependent visas will be charged higher tuition fees; if so, of the details; if not, the reasons for that; and

(3) as it has been learnt that the EDB has indicated earlier that it is reviewing the definition of local students for the purpose of admission to post-secondary institutions, of the current progress of the relevant work?

Reply:

President,

Hong Kong possesses a sound education infrastructure, and diversified and quality basic education, and the quality of teaching and learning ranks high in a number of international rankings. Coupled with highly internationalised and diversified post-secondary education, education in Hong Kong is highly attractive. The eight University Grants Committee (UGC)-funded universities provide 15 000 first-year-first-degree (FYFD) places for local students each year, and local senior secondary school graduates may apply for admission to publicly-funded degree programmes through the Joint University Programmes Admissions System (JUPAS) and the non-JUPAS route. As for non-local students, at present, institutions may admit non-local students (up to 40 per cent) by way of over-enrolment. All institutions follow the principles of fairness and meritocracy in selecting and admitting students in accordance with established mechanisms and procedures.

Under the prevailing arrangements for student admission, students who are dependant visa/entry permit holders who were below 18 years old when first issued with such visa/entry permit by the Immigration Department (ImmD) of the Hong Kong Special Administrative Region are classified as local students. There have been recent concerns that if the holders of the

aforesaid dependant visas have never come to Hong Kong to study or live, but as local students on the basis of their dependant visas alone are allowed to enrol in the subsidised places of the UGC-funded universities and enjoy university fee subsidies, the fairness of competition for the places and the targeted use of public funds will be affected. In this connection, the Government is conducting a comprehensive review of the relevant arrangements and considering various feasible options in a holistic manner, with a view to optimising the use of public resources and addressing the concerns of the community.

Our reply to the questions raised by the Member is as follows:

(1) The Government has since 2022 implemented a series of proactive initiatives to attract talents, including the Top Talent Pass Scheme, etc. From the end of December 2022 to the end of February this year, more than 450 000 applications were received under the various talent admission schemes, of which more than 290 000 were approved. During the same period, around 196 000 talents arrived in Hong Kong, with some of them bringing along their families to settle in Hong Kong. From 2022 to the end of February this year, around 132 000 unmarried dependant children under the age of 18 were permitted to come to Hong Kong as dependants under the various talent admission schemes. (Detailed annual statistics are at Annex.) The ImmD does not maintain statistics on dependant children broken down by age.

(2) According to the JUPAS Office, the number of dependants admitted to UGC-funded FYFD programmes through the JUPAS route in the three years from the 2022-23 to 2024-25 academic years are 62, 68 and 185 respectively.

At present, the tuition fee level for local students of UGC-funded undergraduate programmes is a flat rate of \$42,100 per annum. All non-local students enrolled in UGC-funded programmes are not publicly-funded and the universities are required to charge tuition fees at least sufficient to recover all additional direct costs. In accordance with the above principle, universities may determine the appropriate level of tuition fees for non-local students, having regard to their own circumstances and programme costs, and taking into account various factors. At present, the Government has no plan to change the relevant principles and arrangements. However, for dependant visa holders with residence requirements, we will consider making reference to the practices of other countries/regions and review the conditions and requirements for subsidising tuition fees for local students on undergraduate programmes, e.g. considering requiring the visa holders to have ordinarily resided in Hong Kong for a certain period of time prior to admission before they become eligible for a tuition fee subsidy for local students, so as to ensure the effective use of public funds.

(3) The review of the definition of "local students" is now well underway. We have met with different stakeholders and listened to their views. At the same time, we have made reference to the policies of the United Kingdom and Singapore, and been in close contact with other policy bureaux and departments. We are consolidating comments from various parties, conducting in-depth examination and carefully assessing the feasibility of different options and their implementation details, having regard to their impact on

the attractiveness of various talent admission schemes, tertiary institutions' arrangements for student admission, and entry restrictions for overseas persons. At the same time, in order to minimise the impact of the new measures on the children of talents, we will actively consider putting in place transitional arrangements. The Education Bureau (EDB) will announce the latest arrangements as soon as possible after considering various options.

President, education is the key to a hundred-year plan. Education is the key to nurturing talents, who are the driving force behind Hong Kong's development and the foundation of a strong nation building and national revival. Under the leadership of the Committee on Education, Technology and Talents, the EDB will continue to proactively complement various measures for the admission of talents. Whilst strengthening the educational support for children of incoming talents, the EDB will continuously nurture local talents, enhance the quality of education in Hong Kong, and tie in with the direction of the integrated development of education, technology and talents.

Thank you, President.

LCQ18: Places for religious activities in Hong Kong

Following is a question by the Hon Benson Luk and a written reply by the Secretary for Home and Youth Affairs, Miss Alice Mak, in the Legislative Council today (March 19):

Question:

According to the Hong Kong Fact Sheets issued by the Government in October 2024, more than three million people in Hong Kong adhere to a religion. It is learnt that, from time to time, various religious bodies have a demand for places to conduct religious activities. However, in recent years, some religious bodies have encountered difficulties with the approval processes and procedures when applying for the construction of permanent places for religious activities. In this connection, will the Government inform this Council:

(1) of the number of applications received from religious bodies of different religions for the construction of permanent places for religious activities in the past five years; among such applications, the respective numbers of those that have been approved, those that are pending approval and those that have been rejected, as well as the reasons for the rejection of those applications (set out in a table);

(2) whether the Government currently has established approval mechanisms in

place, including a dedicated land allocation system for religious purposes and a special land premium system for the conversion of land designated for non-religious uses into places for religious activities; if so, of the details; if not, the reasons for that and whether the Government will consider introducing specific and relevant mechanisms in the future;

(3) whether the Government will provide assistance or financial support to religious bodies for the construction of permanent religious places; if so, of the details; if not, the reasons for that; and

(4) whether the Government will provide funding schemes to religious bodies for the construction of religious places, expedite the vetting and approval of applications in this regard, and assist religious bodies in carrying out renovation or enhancement works for new or existing religious places, so as to promote tourism activities and enable more members of the public to visit and tour such places; if so, of the details; if not, the reasons for that?

Reply:

President,

In consultation with the Development Bureau (DEVB), I give the consolidated reply to the Hon Benson Luk's question on behalf of the Government as follows:

Hong Kong is an open and inclusive city in which religious freedom is the fundamental rights enjoyed by Hong Kong residents as protected by the Basic Law and other relevant legislation. The Hong Kong Special Administrative Region Government has been maintaining close liaison with religious groups and attends events organised by them with a view to promoting the communications with them and understanding their needs.

The Home and Youth Affairs Bureau (HYAB) is responsible for liaising with local religious groups and plays a co-ordinating role in local religious affairs. While adhering to the principle of non-intervention of the freedom of religion and religious groups' internal affairs, HYAB listens to the views of respective religious groups and, where necessary, renders assistance to them through appropriate channels.

According to the DEVB, while sites are currently not reserved specifically for religious purposes in the course of land use planning, "Religious Institution" is always permitted under a number of statutory planning uses, including "Government, Institution or Community" and "Commercial" zones. Religious groups may acquire or lease from the market private land or premises for religious use according to their needs. So long as the religious use is compatible with the specified uses under the relevant approved Outline Zoning Plans and land leases, the relevant land or premises may be used for religious purposes without the need for any applications or approval. For example, for a commercial building situated in "Commercial" zone with the permitted use under lease as commercial use, religious use is a permitted use. In fact, a number of churches or places of worship are

situated in commercial buildings. If a site is within a "Residential" zone, the proponent only needs to submit a simple planning application to the Town Planning Board (TPB). If the land or premises is restricted to residential use under lease, applications may be made to the Lands Department (LandsD) for lease modification. When processing the relevant applications, the TPB and the LandsD will take into account the views from the relevant bureau(x)/department(s), including the HYAB.

Also, under the current land policy, if religious groups wish to develop religious facilities on Government land, they may apply to the Government by way of private treaty grant (PTG). When processing the relevant land grant applications, the LandsD would consult the relevant bureau(x)/department(s) with regard to the actual circumstances of the case, and seek the HYAB's policy support. If the HYAB's policy support can be secured for the project, there will be concessionary premium arrangement for the respective religious facilities. The HYAB does not provide any other financial support to religious groups for acquiring permanent religious facilities at present.

As regards applications from religious groups to develop permanent religious facilities as mentioned in the question, the LandsD received a total of four PTG applications related to religious use in the past five years or so (three of which are solely for religious use, and the other application covers other facilities). So far, two applications have been withdrawn by the applicants while the remaining two are under processing. Separately, in the past five years the LandsD also approved two applications, both of which were received prior to 2021. The relevant information is set out in the table below:

Year	Number of Applications Received	Number of Applications Approved*	Number of Applications Withdrawn
2021	1	1	0
2022	2	0	0
2023	0	0	0
2024	1	1	2
2025 (as of March 2025)	0	0	0

Note: The Government does not separately compile statistics on the number of lease modifications or planning applications which are solely for religious use.

*The applications approved in a year do not necessarily correspond to the applications received in the same year.

The relevant bureau(x)/department(s) will continue to expedite the processing of the applications. Meanwhile, the HYAB will continue to keep in touch with religious groups to render appropriate and practicable assistance.

Regarding promoting tourism activities as mentioned in the question, it is stated in the Development Blueprint for Hong Kong's Tourism Industry 2.0 promulgated in December 2024 that the Government will focus on diversified development of religious tourism to enrich Hong Kong's tourism offerings, including engaging with religious groups to explore opening up religious venues as tourist attractions on a limited scale without affecting religious activities. The HYAB will assist in liaison with relevant religious groups to explore the feasible arrangements and actively collaborate with the Culture, Sports and Tourism Bureau's work.

Besides, to encourage the preservation of graded historic buildings, including religious premises, the Commissioner for Heritage's Office of the DEVB launched the Financial Assistance for Maintenance Scheme on Built Heritage in 2008 to provide financial assistance to the owners of privately-owned graded historic buildings, as well as tenants, who are non-profit-making organisations, of Government-owned declared monuments and graded historic buildings for them to carry out minor maintenance works by themselves. Private owners of declared monuments may seek technical advice from the Antiquities and Monuments Office (AMO) or apply to the AMO for the AMO to carry out maintenance and repair works for their declared monuments, and the cost of which will be borne by the AMO.

Inspection of aquatic products imported from Japan

In response to the Japanese Government's plan to discharge nuclear-contaminated water at the Fukushima Nuclear Power Station, the Director of Food and Environmental Hygiene issued a Food Safety Order which prohibits all aquatic products, sea salt and seaweeds originating from the 10 metropolis/prefectures, namely Tokyo, Fukushima, Ibaraki, Miyagi, Chiba, Gunma, Tochigi, Niigata, Nagano and Saitama, from being imported into and supplied in Hong Kong.

For other Japanese aquatic products, sea salt and seaweeds that are not prohibited from being imported into Hong Kong, the Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department is conducting comprehensive radiological tests to verify that the radiation levels of these products do not exceed the guideline levels before they are allowed to be supplied in the market.

As the discharge of nuclear-contaminated water is unprecedented and will continue for 30 years or more, the Government will closely monitor the situation and continue to implement the enhanced testing arrangements. Should anomalies be detected, the Government does not preclude further tightening the scope of the import ban.

From noon on March 18 to noon today (March 19), the CFS conducted tests on the radiological levels of 263 food samples imported from Japan, which were of the "aquatic and related products, seaweeds and sea salt" category. No sample was found to have exceeded the safety limit. Details can be found on the CFS's thematic website titled "Control Measures on Foods Imported from Japan"

(www.cfs.gov.hk/english/programme/programme_rafs/programme_rafs_fc_01_30_Nuclear_Event_and_Food_Safety.html).

In parallel, the Agriculture, Fisheries and Conservation Department (AFCD) has also tested 50 samples of local catch for radiological levels. All the samples passed the tests. Details can be found on the AFCD's website (www.afcd.gov.hk/english/fisheries/Radiological_testing/Radiological_Test.html).

The Hong Kong Observatory (HKO) has also enhanced the environmental monitoring of the local waters. No anomaly has been detected so far. For details, please refer to the HKO's website (www.hko.gov.hk/en/radiation/monitoring/seawater.html).

From August 24, 2023, to noon today, the CFS and the AFCD have conducted tests on the radiological levels of 123 505 samples of food imported from Japan (including 81 108 samples of aquatic and related products, seaweeds and sea salt) and 28 478 samples of local catch respectively. All the samples passed the tests.

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