

Supply of three storage type electric water heaters and six refrigerating appliances forbidden in HK

The Electrical and Mechanical Services Department (EMSD) today (May 25) removed three storage type electric water heaters and six refrigerating appliances from the record of listed models under the Energy Efficiency (Labelling of Products) Ordinance (the Ordinance). Supply of these products are no longer allowed in Hong Kong with immediate effect.

Details of these products are as follows:

Storage type electric water heater

Importer/ Hotline/ Email	Brand	Model	Reference number
Hang Tat Heating Systems Consultant Co Ltd 2363 2334 sales@berlin1967.com	berlin	NPF-603	E200030
Sunrise Enterprise HK Limited 2690 1865 sunrise@sunrisehk.biz	DEUTSCHOONER	DNP-6.5TS	E190158
Great Rich Trading Company 2471 5990 yunglapsang@gmail.com	MILOBRAT	MBPU-35SIS	E190120

Refrigerating appliance

Importer/ Hotline/ Email	Brand	Model(s)	Reference number(s)
Kelvin Electric Trading Co Ltd 2421 1210 info@kelvinelectric.com	Fisher & Paykel	RF521TLPX6 RF521TRPW6 RF521TRPX6	U1-R160125 U1-R160126 U1-R160127
Dometic Asia Co Limited 2456 5199 info.ap@dometic.com	DOMETIC	DF 1000	U1-R200080
Many Profit Industrial Limited 2422 1244 cs@manyprofit.com	Imarflex	IRF-40K	U1-R200132
Toshiba Hong Kong Limited 2635 9233 lcd@toshiba.com.hk	TOSHIBA	GR-A25HSZ	U1-R210011

The EMSD administers the Mandatory Energy Efficiency Labelling Scheme in accordance with the Ordinance and selects samples of the listed models regularly for conducting compliance monitoring tests to check whether they conform with the energy efficiency and performance characteristics submitted to the EMSD. As the test results of the products concerned showed that they failed to reach the relevant energy efficiency and/or performance characteristics, the EMSD has decided to remove these products from the record of listed models.

The EMSD has served notices under the Ordinance to the importers concerned. The importers will publish newspaper notices respectively, announcing the termination of supply of the concerned products.

Members of the public can contact the above importers for enquiries.

LCQ16: Importation of labour

Following is a question by the Hon Shiu Ka-fai and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (May 25):

Question:

Operators of quite a number of industries have relayed that with a shortage of labour in Hong Kong, they have for a long time been facing recruitment difficulties. Moreover, some studies have pointed out that the ageing population and the persistently low fertility rate in Hong Kong have resulted in a continuous decline in the labour force. In this connection, will the Government inform this Council:

(1) of the "child dependency ratio" and "elderly dependency ratio" in Hong Kong in each of the past 10 years; whether it has assessed the changes in such ratios in the coming 10 and 20 years, and their impacts on Hong Kong's labour force, society and economy;

(2) of (i) the respective numbers of applications received and approved by the Government for importation of labour at technician level or below (excluding foreign domestic helpers), as well as (ii) the respective numbers of workers involved (with a tabulated breakdown of these two figures by type of industry), in each of the past five years; the number of enterprises involved in such applications;

(3) of the conditions that enterprises in general have to meet at present for applying for importation of labour, as well as the application procedure and the time required;

(4) whether it has assessed if the existing measures relating to application for importation of labour at technician level or below meet the actual needs of Hong Kong's different industries, economy and society; if it has assessed, of the details; if not, the reasons for that; whether it will consider improving the measures concerned; if so, of the details; if not, the reasons for that; and

(5) whether it has made reference to the policies of other jurisdictions (such as Singapore, Macao and Japan) on importation of labour, and the effects produced by such policies; if so, of the details; if not, the reasons for that?

Reply:

President,

Having consulted the concerned bureaux, I provide a consolidated reply to the Member's question as follows:

(1) The child dependency ratio and the elderly dependency ratio of Hong Kong during 2012 to 2021 are shown in the table below:

Year	Child dependency ratio (Note 1)	Elderly dependency ratio (Note 2)
2012	152	183
2013	149	190
2014	150	198
2015	154	208
2016	155	218
2017	157	228
2018	159	238
2019	160	249
2020	159	262
2021	157	282

Note 1: Child dependency ratio refers to the number of persons aged under 15 per 1 000 persons aged between 15 and 64.

Note 2: Elderly dependency ratio refers to the number of persons aged 65 and over per 1 000 persons aged between 15 and 64.

According to results of the population projections released by the Census and Statistics Department using the mid-2019 population estimate as the base, population ageing is expected to continue. It is projected that there will be a significant increase in the number of deaths, coupled with a decrease in the number of births. Therefore, the child dependency ratio of Hong Kong is projected to decrease gradually, while the elderly dependency ratio is projected to rise continuously in the next 20 years. The projected child dependency ratio and elderly dependency ratio in selected years are

shown in the table below:

Year	Child dependency ratio	Elderly dependency ratio
2026	158	357
2031	144	435
2036	132	483
2041	125	521

In the face of population ageing, the Government will continue to adopt various measures to encourage more people to join the labour market. The Government will also continue to actively invest in education and training to enhance labour productivity.

(2) and (3) Pursuant to the established policy of the Government, employers must accord employment priority to local workers and only employers with genuine difficulties in local recruitment may be allowed to import workers. The Government operates different schemes for employers to apply for importation of workers on account of their actual operational circumstances so as to supplement skills that are not readily available in the local labour market, and sustain the competitiveness and meet the development needs of Hong Kong. Depending on the skill level and/or education requirement of the jobs concerned, employers may apply to the Immigration Department or the Innovation and Technology Commission for admission of professionals, or to the Labour Department (LD) for importation of workers at technician level or below under the Supplementary Labour Scheme (SLS).

Employers are required under the SLS to launch a four-week open recruitment exercise to accord priority to filling job vacancies with local workers. Upon employers' completion of the above recruitment procedures, the LD will analyse each application so as to assess whether the employer has sincerity to recruit/train local workers, its genuine need for manpower, size of its local workforce, the views of training bodies/professional organisations on the local manpower supply situation of the concerned job title, etc. The LD will then make recommendations and invite members of the Labour Advisory Board (LAB) to give views. The Commissioner for Labour will thoroughly assess various factors and the views and justifications provided by the LAB members, before approving or refusing the concerned applications for importation of labour as appropriate.

The time for the LD to process each SLS application is affected by various factors. In recent years, the processing of most SLS applications has taken about five months.

The numbers of applications received and approved under the SLS by the LD from 2017 to 2021 are at Annex 1. Breakdowns of the numbers of imported workers applied for and approved by industry are at Annexes 2 to 6. The LD does not keep the number of enterprises involved in such applications.

(4) and (5) Relevant government bureaux and departments have been closely monitoring the manpower supply and demand of different sectors, as well as enhancing training and attracting new recruits. On the premise of safeguarding the employment priority of local workers, the Government allows admission of professionals and importation of workers, and will explore with stakeholders the possibility of increasing imported labour on an appropriate and regulated basis, to alleviate the shortage of manpower in individual sectors/job categories. The Government will make reference to the policies of other places on importation of workers when required.

LCQ22: Enhancing the competitiveness of the securities market of Hong Kong

Following is a question by Dr the Hon Tan Yueheng and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (May 25):

Question:

According to the statistics released by an accounting firm, Hong Kong ranked sixth in the world in terms of funds raised through initial public offerings (IPOs) in the first quarter of this year, with the amount slumping nearly 90 per cent year-on-year to only about \$13.6 billion, hitting a record low in nearly nine years. On the other hand, some members of the financial sector are of the view that, as announced by the Hong Kong Exchanges and Clearing Limited (HKEX) in March this year, the contents of the three strategic pillars (i.e. Connecting China and the World, Connecting Capital with Opportunities and Connecting Today with Tomorrow) to be implemented are relatively vague and general and lack concrete measures, and the pillars are unattractive to investors. In this connection, will the Government inform this Council:

(1) whether it has conducted an in-depth analysis of the reasons for the slump in the amount of IPO funds raised in Hong Kong in the first quarter of this year; if so, of the details, including whether there were reasons other than the epidemic;

(2) of the measures in place to boost Hong Kong's IPO fundraising market, as well as the specific implementation timetable;

(3) whether it knows the specific measures that the HKEX has put in place in the short to medium term (i.e. three to five years) to implement the aforesaid three strategic pillars, as well as the new highlights and breakthroughs of such measures; and

(4) whether it knows the specific proposals that the HKEX has put in place to pursue differentiated development, so as to cope with the competition from other exchanges in the region?

Reply:

President,

In 2022, the uncertainties in global economy and financial markets have brought tremendous challenge to worldwide markets, among which the stock markets have been particularly volatile. The Government, the Hong Kong Exchanges and Clearing Limited (HKEX) and financial regulators have been closely monitoring market conditions to ensure that Hong Kong's stock market and financial system are operating in an orderly and smooth manner, while continuing to take forward market development and endeavouring to enhance the overall competitiveness of Hong Kong's listing platform.

In consultation with the Securities and Futures Commission (SFC) and the HKEX, my reply to the four parts of the question is as follows:

(1) In light of various macroeconomic factors such as heightened geopolitical tensions, uncertainty of COVID-19 situation, inflation and interest rate increase by major central banks, the leading financial markets around the globe have been relatively volatile in recent months. Initial public offerings (IPOs) have also been affected as issuers generally are more cautious. According to market information, the amount of fund raised through IPOs globally decreased by more than 50 per cent year-on-year in the first quarter. The ranking on IPO fund raised of other markets, such as the major exchanges in the United States and Europe, also declined. The ranking on IPO fund raised of Nasdaq dropped from the first in 2021 to the fifth in the first quarter, whereas the ranking of New York Stock Exchange and London Stock Exchange, which were the second and sixth in 2021 respectively, fell out of the global top ten places. As an international financial centre, Hong Kong's IPO performance was also affected by external factors. Notwithstanding this, the HKEX received 22 new listing applications in April 2022, and was processing a total of 168 listing applications as at the end of April. This reflects that the demand for listing has not slowed down.

(2) Despite the short term market situation, the Government, SFC and the HKEX are committed to continuously strengthening the competitiveness of our fundraising platform, building a solid foundation for future development. Over the past few years, we implemented a series of enhancements to the listing regime in forging a more diverse, dynamic and sustainable listing platform, promoting the prosperity of the securities market.

To cater for the fundraising needs of emerging and innovative companies, the HKEX launched a new listing regime in April 2018 to allow emerging and innovative enterprises that have weighted voting rights (WVR) structures and pre-revenue / pre-profit biotechnology companies to list in Hong Kong, and establish a new concessionary route for qualifying issuers to seek secondary listing in Hong Kong. As at the end of April 2022, a total of 74 companies

had been listed through the new regime with \$580.7 billion raised, representing over 40 per cent of the total fund raised through IPOs in the same period. Hong Kong has also become Asia's largest and the world's second-largest fundraising hub for biotechnology.

The HKEX launched a listing regime for special purpose acquisition companies (SPACs) in January 2022, introducing a brand new listing avenue for emerging enterprises with potential. At the same time, the HKEX has implemented enhancement measures to allow Greater China companies without WVR structures which are not from innovative sectors to seek secondary listing in Hong Kong and offer greater flexibility for issuers seeking dual-primary listings. Such measures would further attract quality "China Concept Stocks" to list in Hong Kong and provide more choices to investors, thereby increasing market liquidity.

The Financial Secretary announced in the 2022-23 Budget that, in order to cater for the emerging new economy in the Mainland in recent years and considering the fundraising needs of large-scale advanced technology enterprises, SFC and the HKEX would review the Main Board Listing Rules and, having due regard to the risks involved, examine the revision of the listing requirements to meet the fundraising needs of such enterprises. The HKEX is approaching relevant market participants for views, with a view to putting forward concrete recommendations as soon as practicable.

In addition, in response to market views, the HKEX commenced a review on the functions and positioning of GEM last year, and established a dedicated panel under the Listing Committee to handle the work concerned. The review will be conducted under the principle of further strengthening the competitiveness of Hong Kong as a global premier listing hub and enhancing the overall quality of the Hong Kong capital market. Alongside facilitating different types of enterprises to list in Hong Kong, the HKEX will take into consideration market attractiveness and liquidity, and safeguard the interests of the investing public. The HKEX is engaging different parties and will make reference to the experiences of similar markets in other places.

(3) and (4) The HKEX unveiled in March 2022 its vision to build the "Marketplace of the Future", with a view to facilitating the two-way capital flows between East and West as well as delivering vibrant and diversified markets, thereby strengthening Hong Kong's position as an international financial centre. Building on Hong Kong's unique advantages in leveraging the strengths of our country and engaging the world, the HKEX put forward three strategic pillars, namely "Connecting China and the World", "Connecting Capital with Opportunities", and "Connecting Today with Tomorrow". The HKEX has devised concrete measures in the short, medium and long term under each of the three strategic pillars. With the continuous growth of the Mainland economy and the opportunities brought by Hong Kong's position in connecting the financial markets in the Mainland and the rest of the world, the HKEX will enhance Hong Kong's overall competitiveness relative to other overseas markets. The concrete details and measures on the HKEX's vision have been uploaded to its dedicated webpage www.hkexgroup.com/about-hkex/about-hkex/our-strategy.

Overall speaking, leveraging on the Mainland strength, the HKEX will continue to bring the Mainland growth story to international investors, while facilitating Mainland enterprises to raise funds in Hong Kong and Mainland capital in offshore asset allocation through the Hong Kong capital market. By further developing the mutual access programme and growing its portfolio of Mainland-related product offerings, the HKEX's goal is to develop Hong Kong into Mainland's go-to offshore hub for fundraising, trading, and risk management. In the short term, the HKEX will work to expand the mutual access schemes, take forward the inclusion arrangements for exchange traded funds (ETFs) in Stock Connect and allow stocks traded via the Southbound Trading of Stock Connect to be denominated in Renminbi. The HKEX will also look into including more products and services under the mutual access programme, such as listed bonds, and expand the suite of risk management tools in equity and fixed income products.

In addition, the HKEX is committed to enhancing the depth, vibrancy and diversity of its markets, strengthening Hong Kong's position as a premier fundraising, risk management and trading hub by improving the primary market attractiveness and enabling more efficient trading, clearing and settlement. Apart from the initiatives mentioned in part (2) and this part as above, the HKEX will also strive to optimise the efficiency of IPO price discovery, as well as to enhance the trading hours of derivatives products and trading calendar of mutual access programmes, thereby enhancing market structure.

In face of the new trends including digitisation, tokenisation, big data, personalised finance, and the new mission of incorporating environmental, social and governance (ESG) considerations, the HKEX is actively developing digital capabilities and exploring new opportunities in digital assets, ESG, private markets and other emerging sectors, leveraging its data as well as agile and modern infrastructure to develop new business. In the short and medium term, the HKEX plans to launch FINI (Fast Interface for New Issuance), an electronic IPO settlement platform, and will look into the introduction of ESG equity index derivatives and voluntary carbon credit trading, as well as enhance its Sustainable and Green Exchange (STAGE).

Over the next few years, the HKEX will, in collaboration with the Government, take forward various business reforms following the above plans and drive the development of the local financial services sector in collaboration with the Government, with a view to supporting the development of the financial market for the future of Hong Kong.

Government finishes exercise on

“restriction-testing declaration” in respect of specified “restricted area” in Oi Chiu House, Tin Oi Court, Tin Shui Wai, and enforcement operation for breaches of compulsory testing notice

The Government yesterday (May 24) exercised the power under the Prevention and Control of Disease (Compulsory Testing for Certain Persons) Regulation (Cap. 599J) to make a "restriction-testing declaration" effective from 5pm yesterday, under which people (hereafter referred to as "persons subject to compulsory testing") within the specified "restricted area" in Tin Shui Wai (i.e. Oi Chiu House, Tin Oi Court, Tin Shui Wai, excluding Tin Oi Court Management Office on G/F) were required to stay in their premises and undergo compulsory testing. Persons subject to compulsory testing were required to stay in their premises until all such persons identified in the "restricted area" had undergone testing and the test results were mostly ascertained.

Moreover, the Government issued a compulsory testing notice yesterday, requiring persons who had been present at the above building for more than two hours from May 18 to May 24, 2022, even if they were not present in the "restricted area" at the time when the declaration took effect, to undergo compulsory testing on or before May 26, 2022. The Government announced the completion of the compulsory testing exercise at around 7.30am today (May 25) and carried out enforcement action in the "restricted area" afterwards to verify that all people in the "restricted area" had undergone compulsory testing in accordance with the requirements of the relevant declaration and compulsory testing notice. The Government announced that the enforcement operation ended at around 9.50am today.

Staff from the Agriculture, Fisheries and Conservation Department, the Home Affairs Department (including the Yuen Long District Office), the Hong Kong Police Force, the Food and Environmental Hygiene Department and the Department of Health took part in this exercise to arrange for implementation of the declaration and enforcement actions for breaches of the compulsory testing notice issued earlier.

The Government provided food packs for persons subject to compulsory testing to facilitate their meal arrangements. Anti-epidemic proprietary Chinese medicines donated by the Central Government and rapid antigen test kits were also distributed to persons subject to compulsory testing to help them fight against the virus.

The Government thanks persons subject to compulsory testing for their

support and understanding. With everyone's co-operation and efforts, coupled with the efforts of the testing contractors throughout the night, residents have been informed about their testing results by SMS notification. After finishing the compulsory testing exercise at around 7.30am today, the Government took enforcement action in the "restricted area" immediately to verify that all people in the "restricted area" had undergone testing according to the requirements of the declaration and the compulsory testing notice. Persons who could present an SMS notification containing a negative testing result or wore a wristband as proof of having undergone the compulsory testing could leave the "restricted area" through the designated exit after providing personal information to a prescribed officer. The enforcement operation was completed at around 9.50am. Test records of 759 persons subject to compulsory testing were checked. Four persons were found not having undergone compulsory testing and compulsory testing orders were issued to them. Taking into account the above situation, the Secretary for Food and Health revoked the "restriction-testing declaration" in accordance with Cap. 599J (see attachment).

The Government reminds the 68 households who have not answered the door to undergo a nucleic acid test as soon as possible after reading the notices put up by the Government, in the hope of eliminating the possible risk of further spread of the virus in the community.

The Government thanks all participating government staff and the testing agencies for their hard work. The Government is also grateful to those subject to compulsory testing for their support and understanding, and their full co-operation during this period in undergoing testing and waiting for the results at home.

The Government will seriously follow up on the compliance situation of the compulsory testing notices and the "restriction-testing declaration" by persons subject to compulsory testing. Any person who fails to comply with the compulsory testing notices commits an offence and may be liable to a fixed penalty of \$10,000. The person will also be issued with a compulsory testing order, requiring him or her to undergo testing within a specified time frame. Failure to comply with the order or the "restriction-testing declaration" is an offence and the offender may be liable to a fine of level 5 (\$50,000) and imprisonment for six months.

Government announces latest situation of fresh food supply from Mainland

A Government spokesman announced today (May 25) that the supply of fresh food from the Mainland yesterday (May 24) was sufficient and stable.

According to the latest information, the quantity of vegetables supplied

from the Mainland to Hong Kong yesterday (as of midnight) by land and water transportation was over 2 600 tonnes, comparable to the average daily supply from the Mainland on a normal day. The volume of vegetables sold through the wholesale markets of the Agriculture, Fisheries and Conservation Department (AFCD) and the Vegetable Marketing Organization was over 894 tonnes. The average wholesale prices of choi sum and pak choi stood at \$6.0 and \$5.9 per catty respectively yesterday, comparable to their average daily wholesale prices last year. The supply of eggs to the wholesale market remained steady, with the average daily supply standing at about 3.5 million for the past week, comparable to the average daily supply on a normal day last year.

The total supply of chilled meat from the Mainland yesterday was about 43 tonnes. The supply of live pigs was plentiful.

The supply of chilled poultry from the Mainland was over 150 000 head yesterday, and over 8 000 live chickens were slaughtered locally. The supply was abundant.

Regarding the rice supply, in compliance with the requirement by the Government, stockholders of rice have to maintain the reserve stock of rice at a level sufficient for consumption by the local population for 15 days. The trade generally stocks double the required amount, which is sufficient for one month's consumption by Hong Kong citizens. In recent years, the import and consumption of rice in Hong Kong has stood at a steady level of around 320 000 to 330 000 tonnes per year. The import quantity (including reserve stock) as of end-April 2022 was 28 800 tonnes. Suppliers also maintain a reserve for food that can be stored, such as frozen meat, for around three months' stock generally.

The Government will continue to maintain close liaison with the Mainland authorities and major food suppliers to ensure a stable food supply.

The AFCD updates and publishes the fresh food supply information daily. Members of the public may visit the AFCD website for updates on daily supplies and wholesale prices of fresh food (www.afcd.gov.hk/english/agriculture/agr_fresh/agr_fresh.html).