

## LCQ6: Handling of waste styrofoam boxes

Following is a question by the Hon Chan Hak-kan and a reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council today (May 18):

Question:

It has been reported that due to the severe epidemic situation in Hong Kong, the Mainland authorities have, since early February this year, refused to take back the styrofoam boxes which have been used for carrying vegetables supplied to Hong Kong, in a bid to reduce the risk of spreading the epidemic. This has led to a phenomenon of "styrofoam box sieges" in many districts in Hong Kong, with the situation in markets being particularly severe, and caused problems of hygiene, street obstructions and fire hazards. In this connection, will the Government inform this Council:

- (1) whether it has estimated the current daily number of styrofoam boxes transported to Hong Kong along with vegetables supplied to Hong Kong, and whether it has assessed the pollution caused to the environment and the ocean by such styrofoam boxes; if so, of the details; if not, the reasons for that;
- (2) of the measures in place to handle the aforesaid substantially increased waste styrofoam boxes, and the current daily number of such waste styrofoam boxes handled by the Food and Environmental Hygiene Department; whether the Environmental Protection Department (EPD) has assisted in handling such waste styrofoam boxes; if so, of the details, and whether the EPD will play a more active role in this; if the EPD has not, the reasons for that; and
- (3) as it is learnt that at present the Missing Link – Polyfoam Recycling Scheme funded by the Government and the pilot scheme on waste plastics collection and recycling under the EPD are far from adequate to recycle the aforesaid additional waste styrofoam boxes, whether the Government will support more recycling projects on local waste styrofoam boxes; if so, of the target recovery rate; if not, the reasons for that?

Reply:

President,

Styrofoam boxes for supplying vegetables to Hong Kong were generally returned to the Mainland for reuse in the past. However, due to the epidemic recently, the relevant transport chain of reused styrofoam boxes has been interrupted. To this end, the Government has stepped up inter-departmental collaboration and adopted a multi-pronged approach, with a view to reducing their impact on Hong Kong's environmental hygiene. The Government has been tackling the problem on three fronts. Firstly, the Food and Environmental Hygiene Department (FEHD) and the Agriculture, Fisheries and Conservation

Department (AFCD) are speeding up and increasing the frequency of handling of abandoned styrofoam boxes to reduce the impact on environmental hygiene on the street. Secondly, the Environmental Protection Department (EPD), in addition to supporting proper handling of styrofoam boxes at refuse transfer stations (RTSs) and landfills, has also actively liaised with and provide support to more local recyclers to increase our relevant local recycling capacity when it is cost-effective. Thirdly, the Food and Health Bureau (FHB), the AFCD and the EPD are actively liaising with the relevant Mainland units, under the premise of epidemic prevention and control, to explore the possibility of formulating a set of mutually-agreed solutions, including making arrangement on workflow and standard for disinfection of styrofoam boxes so as to allow these disinfected styrofoam boxes to resume returning to the Mainland for reuse, thereby alleviating the problem at source.

The consolidated reply to the questions raised by the Hon Chan is as follows:

Styrofoam boxes are commonly used for daily supplies of vegetables and fruits to Hong Kong and could be reused across the boundary before the epidemic, with good market values. The trade estimates that there are currently some 120 000 styrofoam boxes entering Hong Kong every day, with a total of about 48 tonnes. Currently, the FEHD cleans up an average of about 40 000 to 50 000 styrofoam boxes every day. Moreover, the AFCD and other private contractors have also disposed of other relevant styrofoam boxes. Meanwhile, some styrofoam boxes are handled and recycled through local recyclers.

As the cross-boundary reuse of these styrofoam boxes cannot be resumed temporarily at the moment, the EPD has rendered support through different channels, including the Environment and Conservation Fund and the Recycling Fund, to more local styrofoam recycling projects. The EPD has liaised with a number of local recyclers and collaborated with them providing support to raise their styrofoam boxes recycling capacity in the short-term. The overall recycling capacity of styrofoam boxes will thus be significantly increased to a total of around seven tonnes per day. In addition, the EPD through the AFCD, has launched a pilot scheme to provide reusable plastic containers to the trade for trial use in four wholesale markets, so as to encourage the trade to adapt to using reusable plastic containers for food delivery, thereby reducing the reliance on styrofoam boxes at source.

The FEHD has also stepped up refuse collection services to clean up the abandoned styrofoam boxes in a timely manner. The FEHD has proactively posted notices providing the locations of nearby refuse collection points for the public to dispose of refuse properly. In parallel, the FEHD has also strengthened law enforcement to combat illegal waste disposal. From February 14 to May 1 this year, the FEHD has issued some 800 fixed penalty notices at various locations where styrofoam boxes were disposed of.

Regarding the RTSs, the EPD has timely collaborated with the FEHD and other stakeholders, including enhancing the efficiency of cleaning up and diverting some of these styrofoam waste vehicles away from busy RTSs.

Styrofoam cannot be decomposed readily and will affect the marine ecosystem once it enters the marine environment accidentally. The EPD has been monitoring the marine environment and so far has not observed any increase in styrofoam refuse at sea recently.

On the whole, the Government has stepped up inter-departmental collaboration and adopted a multi-pronged approach, in order to further resolve the problem at source. The FHB, the AFCD and the EPD will continue to liaise with the relevant Mainland units to explore different effective ways to deal with the challenges of the current epidemic and take forward the work jointly.

Thank you, President.

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## LCQ4: Health care vouchers

Following is a question by the Hon Ngan Man-yu and a reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (May 18):

Question:

The Government currently provides, through the Elderly Health Care Voucher Scheme, subsidies for the elderly to choose private primary healthcare services in their neighbourhood that best suit their health needs. Quite a number of comments in society have pointed out that the Government should extend the scope of application of elderly health care vouchers (HCVs) and the age range of recipients, with a view to alleviating the pressure on the public healthcare system. In this connection, will the Government inform this Council:

(1) whether it has considered extending the scope of application of HCVs to cover inpatient services, day surgery procedures, as well as healthcare services provided by the hospitals of Tier 3 Class A in Guangdong province and major hospitals and clinics in Macao, and allowing the elderly to use HCVs to buy or rent gerontechnology products and procure medical equipment (including hearing aids); if so, of the details; if not, the reasons for that;

(2) whether it has considered extending progressively the age range of voucher recipients to include younger people or even all adults and, through introducing a family health care voucher scheme under which \$1,000 will be injected annually into the voucher account of each non-elderly adult, allowing family members to use each other's vouchers for preventive, therapeutic and rehabilitative services, with a view to alleviating the burden of medical expenses on families; if so, of the details; if not, the

reasons for that; and

(3) whether it has considered introducing a child health care voucher scheme under which, for example, \$2,000 will be injected annually into the voucher account of each child; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government has implemented the Elderly Health Care Voucher Scheme (the Scheme) since 2009, under which an annual voucher amount of \$2,000 is provided for eligible elderly persons aged 65 or above to receive private primary healthcare services that best suit their health needs. The Scheme has been in smooth operation over the years. As at end-April this year, over 1.45 million elderly persons had made use of the vouchers, accounting for about 97 per cent of the eligible elderly population. Furthermore, more than 10 800 healthcare service providers have participated in the Scheme, allowing the elderly to use the vouchers at nearly 30 000 service locations. The estimated expenditure for the Scheme in this financial year is \$4.37 billion. With an ageing population, we expect a continued increase in the resources allocated to the Scheme.

My consolidated reply to the various parts of the question raised by the Hon Ngan Man-yu is as follows:

We understand that people of different age groups have needs for primary healthcare. The Scheme is currently targeted to serve the elderly. Its objective is to enhance primary healthcare for the elderly and provide them with an added choice of services, thereby supplementing the public healthcare services and making it easier for the elderly to receive healthcare services from their chosen service providers. The Government will continue to promote primary healthcare through the Scheme to support the elderly on enhancing their awareness of disease prevention and self-management of health, as well as complementing the development of District Health Centres (DHCs). We will continue to review the operation of the Scheme, and will make appropriate adjustments and take suitable measures as necessary. We are also currently studying the enhancement and regulation of the use of vouchers under the framework of the blueprint for the sustainable development of primary healthcare services (the Blueprint) to be published by the present-term government, including specifying a certain amount of vouchers for designated use related to primary healthcare, such as health risk assessment, chronic disease assessment and management; requiring the elderly to register their family doctors; and introducing the co-payment concept for non-designated uses. The aim is to enable the elderly to make good use of their vouchers on primary healthcare services for disease prevention and health management to achieve the policy objective.

As regards the primary healthcare needs of people in other age groups, the public healthcare system provides a safety net for society so that no members of the public will be denied necessary healthcare services due to

lack of means. We will propose in the Blueprint the establishment of a primary healthcare system that will improve public health and enhance the quality of living of the people. The Blueprint will examine the feasibility of engaging more private healthcare services in the management of chronic diseases and review the positioning of public primary healthcare services for targeting those most in need in order to achieve effective and optimum use of resources. Having regard to the restructuring of a district-based and prevention-oriented primary healthcare system and the public's healthcare needs, we will suitably adjust the balance of the public and private health sectors and support the development of quality private healthcare services, with a view to supplementing the services provided by public organisations and providing more choices for members of the public. In view of this, we consider that the suggestion to introduce vouchers for other age groups mirroring the Scheme may render the overall mode of subsidisation overly fragmented or complicated, and may easily result in abuse, thereby hindering the efficient use of valuable resources in a targeted manner.

As for Hon Ngan's suggestions on the Scheme, we have in fact been making efforts to enhance the Scheme over the years, including progressively increasing the voucher amount to \$2,000 per year; lowering the face value of each voucher to \$1 to allow greater flexibility of use; lowering the eligibility age to 65; and raising the accumulation limit to \$8,000. To tie in with the opening of DHCs and DHC Expresses, we also allow the use of vouchers for the relevant services, so as to increase the options of primary healthcare services for the elderly under the Scheme. Furthermore, since 2015, vouchers can be used to pay for the fees of outpatient services provided by designated clinics/departments of the University of Hong Kong-Shenzhen Hospital (HKU-SZH) to facilitate Hong Kong elders who reside in Shenzhen or nearby areas to receive relevant services.

We allow the use of vouchers at the HKU-SZH having regard to various considerations including its adoption of the "Hong Kong management model" and its healthcare service quality and clinical governance structure being similar to those of Hong Kong, thus making it easier for the Hong Kong elderly persons to adapt and accept. As to whether it is worth further extending the scope of application of vouchers to other medical institutions in the Mainland, we need to consider the quality of healthcare services, clinical governance structure, administrative procedures, financial and charging arrangements, operating environment and employee skills of the institution concerned, as well as the views of other stakeholders (including healthcare professionals and patients in Hong Kong). We also need to carefully consider the issue of monitoring. As currently the elderly are quite at liberty to use the vouchers and there is no specific stipulation on service charges, the Department of Health may not be able to effectively follow up on complaint cases concerning cross-border services given that the relevant laws and codes of practice of Hong Kong are not applicable to medical institutions or healthcare professionals in places outside of Hong Kong.

On the other hand, to ensure the optimisation of resources, effectively achieve the objective of promoting primary healthcare and prevent abuse, the

Scheme all along does not allow vouchers to be used solely for purchasing medications, or for purchasing/renting medical products, including gerontechnology products. Furthermore, vouchers should not be used for in-patient services or day surgery procedures, and must be used for the elderly person himself/herself and cannot be transferred to or shared with another person. The Government has no plan to change these arrangements.

Thank you, President.

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## Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday, May 18, 2022 is 99.9 (down 0.2 against yesterday's index).

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## LCQ10: Anti-epidemic Fund

Following is a question by the Hon Chan Pui-leung and a written reply by the Financial Secretary, Mr Paul Chan, in the Legislative Council today (May 18):

Question:

To cope with the coronavirus disease 2019 epidemic, the Government has introduced one after another six rounds of measures through the Anti-epidemic Fund (AEF). In this connection, will the Government inform this Council:

- (1) whether it has assessed the overall effectiveness of the AEF in coping with the epidemic;
- (2) whether it has reviewed what percentage of the funding allocated from the AEF has been spent on the administrative costs involved in the implementation of various measures, and whether there is any waste of public money;
- (3) as it has been reported that in the past two years, the expenditure on frontline anti-epidemic efforts accounted for less than 10 per cent of the funding allocated from the AEF, and the additional funding received by the Hospital Authority was insufficient to cope with the epidemic, whether the Government has reviewed the effectiveness of the AEF in enhancing the anti-epidemic capability of public hospitals; if so, of the details as well as the improvement measures in place; and
- (4) given that at present, the Government needs to apply to the Finance

Committee of this Council from time to time for injection into the AEF to introduce a new round of relief measures, whether the Government has considered establishing, under section 29 of the Public Finance Ordinance (Cap. 2), a fund with purposes same as those of the AEF, so that the Government can transfer resources from the General Revenue Account to the newly established fund, thereby responding to the development of the epidemic more speedily?

Reply:

President,

In response to the various parts of the question raised by the Hon Chan Pui-leung, having consulted relevant bureaux, the reply on behalf of the Chief Secretary for Administration's Office is as follows:

(1) In light of the development of the COVID-19, the Government has taken vigilant anti-epidemic measures to contain the public health risk. Having regard to the impact of these measures on the livelihood of individuals and business operation, the Government secured the approval of the Legislative Council (LegCo) Finance Committee (FC) on February 21, 2020, to set up the Anti-epidemic Fund (AEF). The purposes of the AEF are to provide suitable relief to businesses and individuals hard hit by the pandemic or more seriously affected by anti-epidemic measures, and to enhance Hong Kong's overall capability in combating the pandemic.

The Government secured the LegCo's approval of a total \$250.9 billion injection into the AEF to introduce six rounds of measures. Over 220 measures were introduced, including two rounds of the Employment Support Scheme, three rounds of the Job Creation Scheme, over 180 measures providing support for sectors and individuals hard hit by the pandemic and tightening of the social distancing measures, as well as some 20 anti-epidemic measures. As at early May 2022, the Government has deployed over \$170 billion from the AEF, benefitting over 7 million individuals and 950 000 applications submitted by enterprises/businesses.

The various rounds of AEF measures were introduced having regard to the latest pandemic situation to provide timely support to individuals and businesses in need. A number of LegCo Members also affirmed the role played by the AEF in providing timely relief to help relevant individuals and businesses cope with the impact brought by the pandemic.

(2) Among the over 220 AEF measures introduced, most measures were implemented using the existing resources of the implementation departments and units, with only a few measures involving additional administrative fees. The relevant administrative fees account for less than 1 per cent of the total financial commitment of all measures. In formulating the implementation details of measures, relevant bureaux and departments would have regard to the measures' objectives, intended beneficiaries and the actual situation of industries, etc, and would ensure the funding allocated are appropriately deployed according to the criteria and details approved by the AEF Steering Committee (SC).

To continuously monitor the implementation progress of individual AEF measures, the secretariat of the SC regularly invites implementation departments and units to submit progress report. The Government also submits quarterly report to the LegCo to report on the latest progress of various measures. In addition, the Audit Commission conducts annual audit on the AEF. The annual financial statements of the AEF and the Report of the Director of Audit are presented for LegCo's perusal.

(3) Since the outbreak of COVID-19 in Hong Kong, the Government has introduced some 20 measures under the AEF to strengthen anti-epidemic work, including allocating resources to the Hospital Authority (HA) to tackle the epidemic, in particular for ensuring sufficient support and protection for frontline healthcare staff. The total financial commitment of these measures are around \$25 billion, accounting for around one-tenth of the total financial commitment of AEF measures.

Apart from allocating resources from the AEF, the Government has provided additional resources to the HA to combat the pandemic through other channels. For example, an additional funding of \$3.044 billion was allocated to the HA in September 2020 to strengthen its service capacity in combating the fourth wave of epidemic; an additional subvention of \$7.5 billion was allocated to the HA in 2022-23 for enhancing its capacity in combating the new wave of COVID-19 epidemic and sustaining anti-epidemic measures; and \$1.141 billion was provided to the HA to continuously support its different areas of work, including the operation of the North Lantau Hospital Hong Kong Infection Control Centre, the implementation of the COVID-19 Vaccination Programme and Enhanced Laboratory Surveillance Programme at general out-patient clinics. As at February 28, 2022, the HA has incurred around \$8.565 billion for implementing various anti-epidemic measures, among which about \$3.1 billion is for manpower-related expenditure; about \$1.3 billion for expenditure regarding establishment and operation of extra isolation and treatment facilities (excluding manpower-related expenditure); and about \$4.2 billion for remaining expenditure items (including support for testing, vaccination, procurement of drugs and medical equipment, personal protective equipment and other equipment). The Government and the HA will continue to closely monitor the epidemic development and resources need in order to ensure there is sufficient resources in combating the epidemic and continue to implement various anti-epidemic measures as required.

(4) Measures under different rounds of the AEF were formulated having regard to the latest development in the pandemic situation and its impact on different sectors. In the past, the Government was able to submit funding applications swiftly after announcing the relevant measures. The Government's funding applications were efficiently vetted and approved by the FC. Such arrangements are conducive to effective monitoring of the use of public financial resources, and enable the Government to make funding application for the needed resources more flexibly according to the latest epidemic development.

On the contrary, the existing funds established under section 29 of the Public Finance Ordinance (PFO) are all standing government funds and operate

with funding transferred from the General Revenue Account (GRA). If a new fund was established by resolution of the LegCo under that section for the purpose of coping with the epidemic situation, when additional injection is needed, the Government still has to submit a funding application to the FC as required under section 8 "Changes to the approved estimates of expenditure" of the PFO for approval of changes/increases to the estimates of expenditure under Head 184 "Transfers to Funds" of the GRA, and then transfer the additional funding needed to the new fund from the GRA. As such, the suggestion of establishing a new fund under section 29 of the PFO to cope with the epidemic cannot effectively streamline the procedures.

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## LCQ2: Export credit insurance services

Following is a question by the Hon Sunny Tan and a reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (May 18):

Question:

Some members of the industrial and commercial sectors such as the textiles and garment industry have relayed that when they export goods on credit payment terms, they need to take out export credit insurance (ECI) with insurance companies in the market or the Hong Kong Export Credit Insurance Corporation (HKECIC) against the risks of failing to recover the receivables arising from the temporary non-payment by non-local buyers. Nevertheless, in respect of the credit risks of Mainland private enterprises, assessments by insurance companies and HKECIC are generally too much on the high side, resulting in their declining to underwrite insurance policies or charging high insurance premiums. This has deterred micro-, small- and medium-enterprises (MSMEs) that wish to develop their markets on the Mainland from doing so. In this connection, will the Government inform this Council:

- (1) whether it knows if the HKECIC has considered collaborating with the authorities or financial and insurance companies on the Mainland to provide Hong Kong's enterprises with more detailed risk management and credit risk assessment services in respect of Mainland buyers, so as to assist Hong Kong's MSMEs in developing their markets on the Mainland; if the HKECIC has, of the details (including the timetable); if not, the reasons for that;
- (2) given that online retailing has become a major sales channel for quite a number of enterprises at present, whether the authorities have considered keeping abreast of the times by introducing new ECI products for enterprises which engage in e-commerce and sell goods to Mainland buyers; if so, of the details; if not, the reasons for that; and
- (3) whether the authorities have considered providing financial and policy

support for the HKECIC to assume more risks in respect of the ECI for Hong Kong's enterprises exporting goods to Mainland buyers, thereby giving an impetus to Hong Kong's industrial and commercial sectors for better grasping the opportunities brought about by the country's economic development strategy on the domestic internal circulation of expanding domestic demand; if so, of the details; if not, the reasons for that?

Reply:

President,

The Hong Kong Export Credit Insurance Corporation (ECIC) has been providing key support to Hong Kong exporters in expanding into global markets and protecting the trade against risks. Over the years, in response to the challenges brought about by the China-United States trade conflict and the pandemic, the ECIC has actively provided support to small and medium enterprises (SMEs), and implemented a number of measures including premium discount, free pre-shipment cover and expediting claims settlement. As at end-April 2022, over \$1.3 billion credit limits were uplifted and additional discounts amounted to \$18 million were provided under the various measures, benefitting over 2 500 policyholders. The ECIC also launched the "100% Credit Limit Top-Up Scheme" (the Scheme) in 2020, proactively uplifting the credit limits of policyholders to support the export sector in face of credit risks. As at end-April 2022, over 1 780 exporters have benefited under the Scheme, providing protection for a cumulative amount of around \$22 billion of shipments.

Regarding the new initiatives introduced in the 2021 Policy Address, the ECIC has, as scheduled, launched in December last year the upgraded online self-service platform for SMEs, "EC-Reach 2.0", enabling eligible policyholders to set their own credit limits, simplifying and expediting application approvals. The ECIC also launched the Export Credit Guarantee Programme on a pilot basis this March to provide guarantee up to 70 per cent of the export financing of its policyholders at a maximum guarantee limit of \$50 million, thereby enhancing banks' confidence in granting loan facilities to SMEs so that the SME exporters would secure trade finance more easily. The ECIC will also implement the "Flexible Indemnity Ratio" arrangements in the second half of this year to strengthen the insurance coverage to exporters under different risk situations. We will continue to closely monitor the market needs and further enhance these measures.

As regards the three parts of the question raised by the Hon Sunny Tan, my reply is as follows:

With respect to parts (1) and (3) of the Hon Tan's question regarding the market of Mainland buyers and the full utilisation of opportunities arising from our country's domestic market, the ECIC attaches great importance to the vast market in the Mainland. Over the past five years, the Mainland market accounted for about 30 to 40 per cent of the ECIC's total insured business. In the 2020-21 financial year, the total amount of insured business for the Mainland market was around \$56.2 billion, taking up 43 per

cent of the ECIC's total insured business as the largest market for the year.

The ECIC has been actively supporting exporters to leverage the new opportunities brought by the "dual circulation" development under the National 14th Five-Year Plan. In this regard, quite a number of listed companies in the Mainland are under the ECIC's insurance coverage. Generally speaking, credit and financial information is more readily available with regard to listed companies, making it easier for the ECIC to approve the insurance applications. However, the level of disclosure of credit and financial information varies for some private enterprises in the Mainland, bringing considerable pressure for the ECIC to conduct credit and risk assessment for these enterprises. This is also the question raised by the Hon Tan.

To further expand into the Mainland market, the ECIC is actively studying how it may have better access to the credit information of companies in the Mainland, including strengthening the co-operation with relevant agencies like credit agencies and its Mainland counterparts to supplement buyer information, as well as risk sharing with reinsurance companies, etc. These measures will facilitate the ECIC in further enhancing its insurance coverage for the Mainland market, at the same time supporting the trade to tap into the opportunities arising from our country's domestic circulation.

In pursuing the aforementioned market development, the ECIC will continue to uphold the principle of operating on a self-sufficient basis, ensure effective and professional risk management and make its best effort to respond to the needs of the trade including the Hon Tan.

For part (2) of the question, cross-border e-commerce market development has been rapid in recent years, and the ECIC has been providing credit risk protection for Hong Kong exporters' sales of goods to overseas and Mainland e-commerce platforms. The buyers involved include familiar Mainland e-commerce platforms. Last year, the total insured business in this aspect amounted to over \$800 million, registering a 20 per cent year-on-year increase. The ECIC will continue to strengthen support for local exporters in expanding into the e-commerce market. In addition, with the development of financial technology (fintech), sources of trade finance for exporters are not confined to banks as in the past but include fintech companies as well. As such, the ECIC has also, through providing risk protection to fintech companies, expanded the avenues for exporters to obtain trade finance.