

LCQ6: Coronavirus disease 2019 vaccines

Following is a question by the Hon Paul Tse and a reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (June 2):

Question:

From the commencement of the COVID-19 Vaccination Programme on 26 February this year to the middle of last month, only about 1.2 million members of the public in Hong Kong received the first dose of the vaccines, accounting for less than 20 per cent of the population aged 16 or above in Hong Kong, and such a vaccination rate was far below the level needed to achieve herd immunity. Some members of the public have indicated that while the Government has appealed to the public from time to time to receive vaccination, they are worried about the side effects of the vaccines and have no confidence in government policies at all, and therefore they have still adopted a wait-and-see attitude. It has been reported that the Governments of the Mainland and many countries have encouraged their nationals to receive vaccination through a wide variety of preferential policies and measures, such as reducing property tax, giving away tickets of ball game matches and food, and holding grand draws. On the contrary, the SAR Government has not offered any incentive in this regard so far. In this connection, will the Government inform this Council:

(1) as it has been reported that a nasal vaccine, currently being researched and developed by the University of Hong Kong (HKU) with relatively less side effects, is not expected to be available for use in Hong Kong until three years from now, whether the Government has gained an understanding of the reasons for the need for such a long time (including the difficulties faced);

(2) as it is learnt that HKU has commenced phase 1 clinical trial of the nasal vaccine and the preliminary results have shown that the vaccine has not caused serious adverse effects, whether the Government will render appropriate manpower or financial assistance to HKU, in order that the research and development of the vaccine can be completed expeditiously and the vaccine can be used in Hong Kong to provide the public with an additional choice of vaccine; and

(3) whether it will, by following the practices of the Governments of the Mainland and many countries as well as local commercial organisations, offer incentives to encourage members of the public to receive vaccination, such as tax relief measures as well as handing out cash, travel tickets and admission tickets for cultural and leisure facilities?

Reply:

President,

My reply to the various parts of the question raised by the Hon Paul Tse is as follows:

(1) & (2) Research and development to market use of a new vaccine typically takes five to ten years. In response to the COVID-19 pandemic, drug manufacturers around the world have raced against time and pooled together resources to develop vaccines, with a view to compressing the development timeline for effective vaccines on the premise that safety and quality are ensured. Currently, there are around 10 COVID-19 vaccines being used in large scale around the world, including eight vaccines listed for emergency use by the World Health Organization (WHO) (note). Furthermore, according to information by the WHO, there are more than 100 types of COVID-19 candidate vaccines worldwide still in clinical development stage, and there are nearly 200 of them still in pre-clinical development stage. From time to time, there are drug manufacturers which announce the halting of the development of their candidate vaccines for various reasons.

The Department of Microbiology of the University of Hong Kong (HKU) have partnered with Xiamen University and Beijing Wantai Biopharmaceutical Company to develop a nasal spray COVID-19 vaccine ("VectorFlu™ ONE"). The development of this vaccine has received funding of around \$20 million from the Health and Medical Research Fund (the Fund) under the Food and Health Bureau to support the first phase safety clinical trial so as to evaluate the safety and immunogenicity of the vaccine. Before the vaccine can be authorised formally for emergency use, it needs to pass various tests, including conducting first to third phase clinical trials and obtaining the relevant certification, in order to ensure the safety and efficacy of the vaccine.

The successful development of a vaccine hinges upon various circumstantial factors. As far as the above nasal spray vaccine is concerned, if the third phase clinical trial is to commence, the research team needs to recruit at least 10 000 volunteers as research participants. The trial also needs to be conducted in places where there is continuous transmission of SARS-CoV-2. As the population size of Hong Kong is small and the epidemic situation is very mild, we cannot fully support clinical trials of such scale. Hence, the research team needs to recruit research participants from outside of Hong Kong. According to our understanding of HKU's current arrangement, the research team will first recruit around 100 voluntary research participants in Hong Kong, 30 of whom have started the first part of the trial. The second part will commence in July 2021.

There are currently no manufacturers of vaccines in Hong Kong. Based on our understanding, the research team has commissioned a company in Mainland China to produce the nasal spray vaccine which has undergone the first phase safety clinical trial in Hong Kong. Last year, the Government rendered support to the HKU research team in its application for a permit to enable cross-province and cross-boundary transport of vaccines. The development process of a drug is often confronted by different challenges and uncertainties. The Government has all along welcomed vaccine development in

Hong Kong. The Fund will also provide additional resources in a timely manner to support local research and development so as to tie in with the Government's anti-epidemic efforts.

(3) Since the start of the COVID-19 Vaccination Programme, about 2.4 million doses of vaccines had been administered and about 1.37 million of them were the first dose, accounting for 21 per cent of the population aged 16 or above in Hong Kong. To further encourage members of the public to get vaccinated as soon as possible, the Government and different sectors in the community will roll out various measures and reward programmes.

Facilitating vaccination

From June 1 to August 31, government employees will be entitled to a day of vaccination leave for each vaccination dose received. Moreover, all government employees who were vaccinated on or before May 31 will be allowed to apply for one day of authorised absence for each dose already received. The Government appeals to statutory bodies/public organisations, as well as employers of enterprises, to encourage their staff to get vaccinated, and to arrange vaccination leave or other facilitation measures for them.

Facilitating gatherings

The Government will further relax social distancing measures with the vaccine bubble concept as the basis, including relaxation of the maximum number of persons allowed at premises and group gatherings, the maximum capacity of premises and operation hours, the types of activities allowed, the distance among groups, and the mask-wearing requirement. Among them, the Government is considering allowing vaccinated persons to bring children and elderly persons who are not vaccinated to dine together at Type D catering businesses, and raising the number of persons allowed to be seated at the same table in bars/pubs, clubs/nightclubs and karaoke establishments.

Vaccination in lieu of regular testing

The vaccination in lieu of regular testing approach is being implemented for front-line government employees to safeguard their health. Front-line employees who have received the first dose of a vaccine and provided their vaccination record could be exempted from regular testing.

Vaccination promotion activities

The Government welcomes the incentives actively provided by the commercial sector and organisations to encourage members of the public to receive the COVID-19 vaccines. We understand that the commercial sector and many organisations are considering to organise lucky draw activities for this. In order to facilitate their applications for the relevant licence(s),

the Government will provide consultation services for licence applications, and will expedite the processing of the relevant applications.

The fourth wave of the local epidemic has basically come to an end. However, the community must stay vigilant amid the current situation and prepare well for a possible fifth wave of the epidemic that could strike at any time. The fifth wave of the epidemic will probably hit with higher transmissibility and more serious infectious mutant strains. The two vaccines provided by the Government fulfil the criteria of safety, efficacy and quality. Only through the "Early Vaccination for All" campaign can Hong Kong build a barrier for protection with no delay.

Thank you, President.

Note: WHO has listed the Pfizer/BioNTech, AstraZeneca-SK Bio, Serum Institute of India, Astra Zeneca EU, Janssen, Moderna, Sinopharm and Sinovac vaccines for emergency use.

[Interest rate of fifth interest payment for Silver Bond Series due 2021](#)

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

The Hong Kong Monetary Authority, as representative of the Hong Kong Special Administrative Region Government, announces today (June 2) the relevant per annum interest rate for the fifth interest payment of Silver Bond Series due 2021 (issue number: 03GB2112R) (the Bonds) issued under the Retail Bond Issuance Programme of the Government Bond Programme.

According to the Issue Circular dated November 22, 2018 for the Bonds, the fifth interest payment of the Bonds is scheduled to be made on June 17, 2021, and the relevant interest rate is scheduled to be determined and announced on June 2, 2021 as the higher of the prevailing floating rate and fixed rate.

On June 2, 2021, the floating rate and fixed rate are as follows:

Floating rate: +0.53 per cent (Annex)

Fixed rate: +3.00 per cent

Based on the floating rate and fixed rate set out above, the relevant interest rate for the fifth interest payment is determined and announced as 3.00 per cent per annum.

LCQ3: Uncertain prospects faced by import and export trade

Following is a question by the Hon Jimmy Ng and a reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (June 2):

Question:

Quite a number of Hong Kong businessmen have relayed that under a backdrop of the incessant conflicts on various fronts such as ideology and trade between China and western countries in recent years, the United States (US) have made a new requirement that goods imported from Hong Kong may no longer use "Made in Hong Kong" as the origin marking, and western enterprises have launched a campaign to boycott Xinjiang cotton, resulting in uncertain prospects faced by Hong Kong's import and export trade. In this connection, will the Government inform this Council:

(1) as the Government instituted in October last year the dispute settlement procedures of the World Trade Organization in respect of US' implementation of the aforesaid new requirement on origin marking, of the relevant progress; whether it has formulated corresponding plans to assist Hong Kong businessmen in coping with the situation where the outcome of the dispute adjudication is unfavourable to Hong Kong;

(2) as the complex and volatile international trade relations have resulted in Hong Kong businessmen not knowing what course to take, of the Government's new measures to help Hong Kong businessmen adapt to the new situations; and

(3) whether it will relay to the Central Authorities the concerns of Hong Kong businessmen, and seek the establishment of a standing mechanism for assisting Hong Kong businessmen in coping with disputes and uncertainties in international trade; if it will, of the details; if not, the reasons for that?

Reply:

President,

Thank you for the questions raised by the Hon Jimmy Ng. My consolidated reply to the three parts of the question is as follows:

Under "one country, two systems", the Basic Law confers to Hong Kong Special Administrative Region (HKSAR) a special status. Pursuant to the Basic Law, the Hong Kong Special Administrative Region is a separate customs territory and may, using the name "Hong Kong, China", participate in

international organisations such as the World Trade Organization (WTO) and Asia-Pacific Economic Cooperation as a separate member. Hong Kong's special status has been widely recognised and respected by the international community. Being a founding member of the WTO, Hong Kong's economic and trade status is on par with that of other WTO members, it will not be affected by the actions of an individual country, nor granted or revocable by an individual country unilaterally.

The United States (US) has imposed a new requirement on the origin marking of all products exported from Hong Kong to the US since November last year. This discriminates against goods of Hong Kong origin and attempts to weaken Hong Kong's status as a separate customs territory. It is also blatantly inconsistent with multiple WTO agreements. In accordance with the rules and spirit of the WTO, the HKSAR Government has been raising objection with justifications and fully safeguarding Hong Kong's interests.

We have also brought the dispute with the US to the WTO agenda. In February 2021, at Hong Kong's request, the WTO Dispute Settlement Body established a panel to consider the dispute raised by Hong Kong with respect to the violation of WTO rules by the US' requirement. Hong Kong filed the first written submission last Friday (May 28) according to procedures, setting out in detail to the panel Hong Kong's position and justifications, and explaining that the US' requirement unlawfully discriminates against goods of Hong Kong origin, and is inconsistent with multiple WTO covered agreements, including the Agreement on Rules of Origin, the Agreement on Technical Barriers to Trade, and the General Agreement on Tariffs and Trade 1994. We understand that a WTO panel would in general require six to nine months to consider a dispute and issue its findings. We will continue to participate in the process and we look forward to a fair and reasonable result.

In respect of the US' origin marking requirement and China-US trade conflict, the HKSAR Government has been maintaining close communication with our business community, in particular through local chambers of commerce, of which some are represented by the Hon Jimmy Ng, and members of the Trade and Industry Advisory Board, to understand and analyse the impact of the US' requirement on Hong Kong's economy and trade, to review the situation and formulate response.

To assist Hong Kong enterprises to develop markets and to reduce various uncertainties in external trade, the HKSAR Government has been establishing and maintaining close and stable economic and trade relations with trading partners in the world. In the past four years, Hong Kong has signed four free trade agreements (FTAs) with 13 economies, doubling the number of FTAs signed to eight, and increasing significantly the number of economies covered to 20. In the past four years, Hong Kong has also signed four investment agreements with 13 overseas economies, bringing the total number of investment agreements signed to 22 with 31 overseas economies. These agreements provide Hong Kong enterprises and investors with legal certainty and more favourable market access. It has been proven that these agreements have created more business opportunities for Hong Kong and enhanced further trade and

investment flows. Despite the challenges brought by the epidemic, Hong Kong's foreign trade, in particular trade with partners with which we have signed agreements, has been rising instead of falling, recording relatively significant growth.

In view of the rise of trade protectionism in recent years, we all the more value the certainty and protection for free trade that regional trade agreements offer. Among them, the Regional Comprehensive Economic Partnership (RCEP) signed in November last year was an important milestone for international economy and trade. The HKSAR Government has all along been striving to join the agreement early in order to strengthen the trade and investment ties between Hong Kong and member economies in the region and open up bigger and more stable markets in the region for the trade.

In addition to expanding overseas market, Hong Kong also attaches great importance to grasping the opportunities in the enormous Mainland market. Under the economic development of the National 14th Five-Year Plan and dual circulation development pattern, Hong Kong will not only further strengthen its role as a connection platform between the country and the rest of the world in the international circulation, but also focus on developing the Mainland market and assisting Hong Kong enterprises to grasp the opportunities brought by the country's domestic circulation strategy, in particular the enormous business opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). In this regard, the Government has provided additional funding to the Hong Kong Trade Development Council (HKTDC) for rolling out a range of measures, including the launch of a one-stop "GoGBA" digital platform and the establishment of the "HKTDC GBA Centre" in Shenzhen.

Based on the support throughout the years for small and medium-sized enterprises to expand externally, the Government will also launch a series of enhancement measures for the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) starting from July this year, including increasing the cumulative funding ceiling per enterprise and extending the geographical coverage, to support enterprises in developing more diversified markets. We have allocated \$1 billion from the Anti-epidemic Fund to support the convention and exhibition industry. When the epidemic situation improves and the convention and exhibition industry resumes, the subsidy will assist the trade to continue to develop business and strengthen marketing.

The HKSAR Government will continue to maintain close contacts and communication in the coming times with the Hong Kong business community to tackle all the challenges, including those arising from the trade disputes.

Fire Service (Installations and

Equipment) (Amendment) Regulation 2021 to be gazetted on Friday

A spokesperson for the Security Bureau said today (June 2) that the Government will publish the Fire Service (Installations and Equipment) (Amendment) Regulation 2021 (the Amendment Regulation) in the Gazette on Friday (June 4), with a view to promoting the use of stand-alone battery-operated fire detectors of the owners/occupants' own volition in buildings and premises, particularly in domestic premises.

The spokesperson said, "Early detection of fire and an early warning to building occupants for timely evacuation are of paramount importance to save their lives in case of a fire. A stand-alone fire detector is a self-contained battery-operated device that incorporates a fire detector and an alarm, serving the purpose of detecting a fire and giving an audible alarm warning or other form of warning to building occupants during the incipient stage of fire. With prompt notification, occupants can have more time for evacuation before the escape route becomes impassable due to smoke and heat.

"Having regard to the effectiveness of stand-alone fire detectors in reducing fire losses, the minimal technical skills required for their installation and maintenance as well as their rising importance in domestic fire protection, the Government proposes to amend the Fire Service (Installations and Equipment) Regulations (FS(IE)R) to exempt stand-alone fire detectors from the application of regulations 6(1) and 7(1) of the FS(IE)R, to the effect that owners/occupants of any buildings/premises will not be required to engage registered fire service installation contractors (RFSICs) for the installation, maintenance, inspection or repair of any stand-alone fire detectors which are installed of the owners/occupants' own volition. Moreover, owners and occupants will also be exempted from the statutory duty of keeping the stand-alone fire detectors in efficient working order at all times and having them inspected by RFSICs at least once every 12 months as specified under regulation 8 of the FS(IE)R. Nevertheless, as to other stand-alone fire detectors that are required by or pursuant to the law to be installed, they will continue to be regulated by relevant statutory requirements of the FS(IE)R; and the owners have to continue to comply with the relevant statutory duty.

"The Fire Services Department (FSD) will launch promotional activities to explain to the public the benefits and the use of the stand-alone fire detectors through social media and traditional media. The FSD will publish guidelines for the public on the selection of appropriate stand-alone fire detectors which meet established national/international standards of the Mainland, the United Kingdom, the United States and Australia. There will also be tips and procedures for maintaining the effectiveness of the detectors by the owners themselves in these guidelines."

The Government has consulted the relevant trades on the proposal and

conducted 10 briefing sessions from December 2020 to March 2021. The trades are in support of the proposal. An information note regarding the use and benefits of stand-alone fire detectors and the related legislative proposal was also uploaded onto the website of the FSD (www.hkfsd.gov.hk/eng/source/safety/safd/Stand_alone_Fire_Detectors_Promotion_eng_20210325_145025.pdf) in March for public information.

The Amendment Regulation will be tabled at the Legislative Council for negative vetting on June 9, and is expected to become effective on September 1.

LCQ 14: Secondary market of subsidised sale flats

Following is a question by Hon Wong Kwok-kin and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (June 2):

Question:

Under the Home Ownership Scheme Secondary Market Scheme implemented by the Hong Kong Housing Authority (HA) and the Flat-For-Sale Scheme Secondary Market scheme implemented by the Hong Kong Housing Society (HS), the HA's subsidised sale housing (SSH) flats (including flats under the Home Ownership Scheme (HOS) and the Green Form Subsidised Home Ownership Scheme, collectively referred to as "HOS flats") as well as flats in the housing courts under the HS's Flat-For-Sale Scheme and SSH projects may be resold to eligible buyers with premium unpaid. Eligible buyers include (i) tenants currently residing in the HA's public rental housing (PRH)/interim housing and the HS's housing estates (collectively referred to as "PRH tenants"), (ii) holders of a valid Green Form Certificate (GFC) (certifying holders' eligibility for buying HOS flats with Green Forms) (GFC holders), and (iii) persons who are eligible for buying HOS flats with White Forms and have been allocated with quotas after the drawing of lots (WF buyers). Regarding the secondary market of SSH, will the Government inform this Council:

(1) among the sold SSH flats in the territory at present, of the respective numbers and percentages of those which have ever been resold under the aforesaid two secondary market schemes;

(2) of the respective (a) numbers of flats with premium unpaid and (b) average prices of such flats bought under each secondary market scheme by (i) PRH tenants, (ii) GFC holders, and (iii) WF buyers, in each of the past five years;

(3) of the following details of PRH tenants and GFC holders buying flats with premium unpaid under each secondary market scheme in each of the past five years: (i) the number of cases in which the HA issued a GFC, (ii) the number of cases in which the HA/the HS issued a Certificate of Eligibility to Purchase (CEP), (iii) the number of flats bought in the secondary market, and (iv) the number of rental units recovered by the HA/the HS from such persons (set out in Table 1);

Table 1

Year	(i)	(ii)	(iii)	(iv)
2016				
.....				
2020				

(4) of the following details of WF buyers buying flats with premium unpaid under each secondary market scheme in each of the past five years: (i) the quota for WF buyers, (ii) the number of applications for such quota received by the HA (and the over-subscription rate), (iii) the number of cases in which the HA/the HS issued a CEP, and (iv) the number of flats bought in the secondary market (set out in Table 2); and

Table 2

Year	(i)	(ii)	(iii)	(iv)
2016				
.....				
2020				

(5) whether it has explored measures to further vitalise the SSH flats secondary market; if so, whether such measures will include (i) providing additional mortgage loan guarantee for HOS flats completed over 20 years ago, and (ii) increasing the quotas for WF buyers or dispensing with the quota restrictions; if these will not be included, of the reasons for that?

Reply:

President,

My reply to the question raised by the Hon Wong Kwok-kin is as follows:

(1) For the resale of subsidised sale flats (SSFs) in the Secondary Market of various SSF Schemes (Note 1) under the Hong Kong Housing Authority (HA) and the Flat-For-Sale Scheme (FFSS) Secondary Market under the Hong Kong Housing Society (HKHS), the statistics kept by the HA and the HKHS are in number of transactions instead of units. Generally speaking, each transaction involves one unit. If the relevant unit is not resold again in a short period of time,

the number of transactions can be used as a reference for the number of units resold.

(2) The number of transactions and average unit price under the HA's SSF Schemes Secondary Market and the HKHS' FFSS Secondary Market in the past five years are set out in Table 1 and Table 2 respectively.

(3) Information regarding the purchase of flats with premium unpaid in the HA's SSF Schemes Secondary Market and the HKHS' FFSS Secondary Market by Green Form applicants (Note 2) in the past five years are set out in Tables 3, 4 and 5.

(4) Information regarding the purchase of flats with premium unpaid in the HA's SSF Schemes Secondary Market and the the HKHS' FFSS Secondary Market by White Form applicants (Note 3) in the past five years are set out in Table 6.

(5) To assist the purchasers of SSFs to obtain better mortgage terms, the HA provides a mortgage default guarantee for a period of 30 years from the date of first assignment to the authorised banks and financial institutions which have entered into a Deed of Guarantee with the HA. The HA does not require that the mortgage repayment period offered by the authorised banks and financial institutions must end together with the mortgage default guarantee period provided by the HA. The HA only specifies that the maximum repayment period should not be over 25 years. The default guarantee period provided by the HA is only one of the factors considered by the banks and financial institutions when approving mortgage loans. Depending on their own lending policies and the actual situation of each loan application (e.g. factors such as the repayment abilities and repayment history of the mortgage loan applicants), individual authorised banks and financial institutions would offer different mortgage terms to the mortgage loan applicants of SSFs.

In response to the demand for SSFs from White Form applicants of low-to middle-income families, the HA endorsed in November 2017 the regularisation of the White Form Secondary Market Scheme (WSM). Considering that the supply of SSFs with premium unpaid had been and would likely remain limited (the HA issued about 2 900 Certificate of Availability for Sale each year at that time), and an annual quota would enable some control over the effects of WSM on the SSF Schemes Secondary Market, the HA decided to continue setting an annual quota after regularisation. In view of the persistently strong response and demand for WSM, the HA further increased the annual quota of WSM 2020 to 4 500 in order to meet the home ownership demand from White Form applicants. The HA will continue to closely monitor the market response to WSM 2020 as well as the views of other stakeholders in considering whether it is necessary to further increase the annual quota of WSM.

Note 1: SSF Schemes is a collective term, which includes the HA's Home Ownership Scheme, Private Sector Participation Scheme, Middle Income Housing Scheme, Mortgage Subsidy Scheme, Buy or Rent Option, Tenants Purchase Scheme, and Green Form Subsidised Home Ownership Scheme.

Note 2: Green Form applicants consist mainly of eligible households of the HA's Public Rental Housing (PRH) estates and the HKHS's rental estates, as well as PRH applicants who have passed detailed eligibility vetting and obtained Green Form Certificate.

Note 3: White Form applicants are households which are not PRH tenants and meet the eligibility criteria for buying SSFs.