

LC Urgent Q2: Police's handling of media reporting in demonstrations

Following is an urgent question by the Hon Lam Cheuk-ting under Rule 24(4) of the Rules of Procedure and a reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (June 19):

Question:

On the 12th of this month, a large-scale confrontation between police officers and demonstrators occurred outside the Legislative Council Complex. According to a foreign journalist, he witnessed that despite some journalists having identified themselves, their equipment was searched, and they were insulted, chased, assaulted and sprayed with tear sprays by police officers, who even hurled tear gas rounds at them. Since over a million of members of the public took to the streets to protest on the Sunday just passed, some members of the public are worried that journalists will be treated in the aforesaid manner when large-scale demonstrations take place again in the near future. In this connection, will the Government guarantee that the Police will not treat journalists in the same manner again?

Reply:

President:

The Police all along respect press freedom and the media's right of reporting, and will also endeavour to facilitate media reporting and maintain effective communications and co-operation with the media. Therefore, the Police have been taking measures to facilitate media reporting as far as practicable.

In handling public order events, the Police will conduct holistic risk assessment based on the objectives, nature, number of participants, past experience and the latest situation of individual events for manpower deployment and formulation of operational plans and contingencies. The Police will also deploy manpower flexibly and implement crowd management measures in light of the prevailing circumstances to ensure public safety and public order.

The Police have formulated relevant guidelines for officers to identify and verify the identity of media practitioners during public order events or other police operations with the proof of identity or documents issued by media organisations or associations. While covering public order events, media practitioners should bring along the proof of identity of reporters or testimonials issued by their companies and can wear easily recognisable clothing and armbands so that police officers at scene can easily recognise them. The Police will examine relevant guidelines from time to time and will consider the opinion of frontline police officers in the process.

On the condition of not affecting operations, the Police have all along been assisting in media reporting as far as possible. Generally speaking, unless designating a press area will provide a vantage point for the media to cover the events, in principle the Police will not designate a press area in public place, where the media like other members of the public are allowed free access. If a designated press area is set up under the above-mentioned circumstances, the media are still free to move in and out of that press area. If a police cordon is set up for operational or investigative purpose at a scene of crime, traffic accident or emergency incident etc., the Police will consider setting up a designated press area where practicable to facilitate media reporting.

To further enhance the communications and co-operation with the media, the Police officially established the Force Media Liaison Cadre in December 2015. When necessary, the Police will deploy Cadre members to the scene of public order events or other police operations to provide facilitation and assistance to media practitioners covering the events at scene. Information officers of the Information Services Department staffed in the Police Public Relations Branch (PPRB) of the Hong Kong Police Force will also provide support and assist in handling media enquiries. If necessary, media practitioners conducting reporting at scene can seek assistance from the Force Media Liaison Cadre or liaise with the PPRB Newsroom which operates 24 hours round-the-clock.

On June 12, tens of thousands of protestors gathered in the vicinity of Tim Mei Avenue, Admiralty and Tim Wa Avenue. The scene was chaotic with the occurrence of violent acts. At all times, the Police have to protect the people and to maintain public order and public safety. The objective of the Police operation was against those using violence, with a view to controlling the scene and restoring order as soon as possible. The Police operation was only against unlawful acts, but not against persons of any industry.

In fact, on the day of operation, although manpower was tight, the Police had arranged 32 officers of the Force Media Liaison Cadre to provide facilitation to members of the media at the scene as far as practicable. The police officers at the scene on that day worked in the highly stressful and dangerous environment, with certain operations undertaken in a split-second. The Police have always appealed to media practitioners to put their own personal safety first and comply with the instructions of police officers at the scene while covering public order events or large-scale or chaotic demonstrations.

We understand the concerns expressed by some media practitioners regarding the Police's operation on the day. I reiterate that the Police attach great importance to the relationship with the media, and all along respect press freedom and the media's right of reporting. If anyone is dissatisfied with the Police, he or she may complain to the Complaints Against Police Office (CAPO). The existing complaints against police mechanism operates under the Independent Police Complaints Council Ordinance (Cap 604), with a clear legal basis, as well as effective and independent

monitoring. The first tier of the mechanism is the CAPO of the Police which receives and investigates into complaints. The second tier is the Independent Police Complaints Council which is statutory and independent. Under the two-tier police complaints system, any complaint against the Police will be handled in a fair and just manner. As such, it is not appropriate for me to comment on individual cases.

With regard to the Police's operation on June 12, CAPO has received 27 complaints referred by the Hong Kong Journalists Association. CAPO has set up a designated team to follow up the complaints where the relevant staff were not involved in the operation concerned to ensure that the complaints are handled properly.

On the basis of mutual respect and understanding, the Police will continue to maintain close communications and co-operation with the media and provide necessary assistance.

Thank you, President.

Composite Interest Rate: End of May 2019

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

The Hong Kong Monetary Authority (HKMA) announced today (June 19) the composite interest rate at the end of May 2019.*

The composite interest rate, which is a measure of the average cost of funds of banks, increased by 1 basis point to 0.84 per cent at the end of May 2019, from 0.83 per cent at the end of April 2019 (see Chart 1 in the Annex). The increase in composite interest rate reflected increases in the weighted funding cost for deposits during the month (see Chart 2 in the Annex).

The historical data of the composite interest rate from the end of the fourth quarter of 2003 to the end of May 2019 are available in the Monthly Statistical Bulletin on the HKMA website (www.hkma.gov.hk). The next data release is scheduled for July 18, 2019 and will provide the composite interest rate at the end of June 2019.

* The composite interest rate is a weighted average interest rate of all Hong Kong dollar interest bearing liabilities, which include deposits from customers, amounts due to banks, negotiable certificates of deposit and other debt instruments, and 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.

Unemployment and underemployment statistics for March – May 2019

According to the latest labour force statistics (i.e. provisional figures for March – May 2019) released today (June 19) by the Census and Statistics Department (C&SD), the seasonally adjusted unemployment rate stood at 2.8% in March – May 2019, same as that in February – April 2019. The underemployment rate also remained unchanged at 1.0% in the two periods.

Comparing March – May 2019 with February – April 2019, movements in the unemployment rate (not seasonally adjusted) and underemployment rate in different industry sectors varied, but were generally small in magnitude.

Total employment increased by around 4 100 from 3 865 000 in February – April 2019 to 3 869 100 in March – May 2019. Over the same period, the labour force also increased by around 5 900 from 3 977 300 to 3 983 200.

The number of unemployed persons (not seasonally adjusted) increased by around 1 800 from 112 300 in February – April 2019 to 114 100 in March – May 2019. Over the same period, the number of underemployed persons also increased by around 1 200 from 38 000 to 39 200.

Commentary

Commenting on the latest unemployment figures, the Secretary for Labour and Welfare, Dr Law Chi-kwong said, "The labour market stayed tight in March – May 2019. Both the unemployment rate (seasonally adjusted) and the underemployment rate held steady, at 2.8% and 1.0% respectively."

"When compared to the preceding three-month period, movements in sectoral unemployment rates varied but were generally small in magnitude. On a year-on-year basis, there was a noticeable increase in unemployment rate in foundation and superstructure works of the construction sector, conceivably related to the completion of some major infrastructural projects. Meanwhile, the unemployment situation was broadly steady in most other major economic sectors."

Looking ahead, Dr Law said, "The labour market is expected to remain largely stable in the near term. Yet, the Government will stay vigilant and monitor the situation closely in view of the various external headwinds facing the economy."

He noted that the Labour Department (LD) launched a special programme – "Career Let's Go" from May to August 2019 to help this year's secondary school leavers find suitable work. The LD will canvass job vacancies suitable for secondary school leavers and organise a number of large-scale and district-based job fairs at which job-seekers can have job interviews with the recruiting employers on the spot. A dedicated webpage (www2.jobs.gov.hk/1/0/WebForm/information/en/careerletsgo/index.aspx) has already been set up to provide information on the activities of the special programme as well as other employment market information, including job vacancies suitable for persons with secondary school education, so that school leavers can apply to these positions.

On large-scale job fairs, the LD will organise the Kowloon East Job Fair on June 20 and 21 at the Yau Tong Community Hall and about 50 employers will participate, offering over 2 500 job vacancies from various industries. The LD will also organise the Sha Tin Job Fair on July 23 and 24 at Sha Tin Town Hall and more than 50 employers will participate. In addition, industry-based or district-based job fairs are regularly organised at the LD's industry-based recruitment centres and job centres located across the territory.

Further information

The unemployment and underemployment statistics were compiled from the findings of the continuous General Household Survey.

The survey for March – May 2019 covered a sample of some 26 000 households or 74 000 persons, selected in accordance with a scientifically designed sampling scheme to represent the population of Hong Kong.

Data on labour force characteristics were obtained from the survey by interviewing each member aged 15 or over in the sampled households.

In the survey, the definitions used in measuring unemployment and underemployment follow closely those recommended by the International Labour Organization.

Detailed analysis of labour force characteristics is given in the "Quarterly Report on General Household Survey" which is published four times a year. The latest issue of the publication contains statistics for the quarter January – March 2019 while the next issue covering the quarter April – June 2019 will be available by end-August 2019. Users can download this publication free of charge at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp200.jsp?productCode=B1050001).

For enquiries about labour force statistics, please contact the Household Statistics Analysis Section of the C&SD (Tel: 2887 5508 or email: ghs@censtatd.gov.hk).

LCQ20: Regulation of money lenders

Following is a question by the Hon Elizabeth Quat and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (June 19):

Question:

The number of licensed money lenders (i.e. finance companies) in Hong Kong has increased substantially over the past decade from 760 in 2008 to 2 153 in 2018 (by about a twofold increase). Moreover, in recent years, quite a number of finance companies have launched massive advertising campaigns on television and the Internet and encouraged borrowing money. In this connection, will the Government inform this Council:

(1) whether it knows, (i) the respective total amounts of loans offered by licensed money lenders and by authorized institutions (including licensed banks) under the supervision of the Hong Kong Monetary Authority, (ii) the change in the ratio between these two amounts, as well as (iii) the number of people borrowing money from the former and the median age of such borrowers, in each of the past 10 years in Hong Kong;

(2) given that under the existing regulatory regime, the Licensing Court, the Police and the Money Lenders Unit respectively regulate money lenders according to the relevant provisions in the Money Lenders Ordinance (Cap. 163) (MLO), coupled with the facts that the number of licensed money lenders has increased substantially and cases of unscrupulous business practices of money lenders and financial intermediaries have occurred from time to time, whether the Government will examine (i) the establishment of an independent institution to regulate money lenders, and (ii) the introduction of legislative amendments to require that money lenders must, before approving a loan, conduct a test on the repayment ability of the loan applicant, so as to reduce the risk of over-borrowing by the borrower;

(3) given that the operation modes of the money lending business and the ecosystem of the industry have changed along with technological development, whether the Government will conduct a comprehensive review on the provisions of MLO to see if they can still suit present-day needs (e.g. whether the ceiling set on the annual interest rate on loans should be lowered); and

(4) in respect of finance companies' practices of launching massive advertising campaigns and encouraging borrowing money, whether the Government will take measures to prevent students and young people from being misled and corrupted by such messages, including (i) stepping up efforts in instilling correct money management and consumption attitudes in students and young people, (ii) imposing restrictions on the contents and airtime of finance companies' advertisements, and (iii) adding other appropriate warning messages in the advertisements concerned, apart from the existing warning message of "You have to repay your loans. Don't pay any intermediaries" required to be included in such advertisements?

Reply:

President,

In consultation with the relevant department and financial regulator, a consolidated reply to Dr Hon Elizabeth Quat's question is as follows:

(1) The Government does not maintain statistics of the annual total amount of loans issued by licensed money lenders, nor the total number and median age of the borrowers. The total amount of loans offered by authorized institutions (including licensed banks) under the supervision of the Hong Kong Monetary Authority in each of the past ten years is as follows:

As at end of	Total loans (HK\$bn)
December 2009	3,288
December 2010	4,228
December 2011	5,081
December 2012	5,567
December 2013	6,457
December 2014	7,276
December 2015	7,535
December 2016	8,023
December 2017	9,314
December 2018	9,723

(2) and (3) Licensed money lenders provide an alternative source of finance for individuals and enterprises with financial needs outside the banking system. Currently, the Licensing Court, the Police and the Money Lenders Unit (MLU) of the Companies Registry have respective roles to play under the regulatory regime for money lenders. The Licensing Court is responsible for the determination of applications for and granting of money lender licences as well as the imposition of licensing conditions. The Police is responsible for enforcing the Money Lenders Ordinance (MLO), including examination of applications for money lender licences and renewal of licences, and investigating complaints against money lenders. As for the MLU, it is responsible for processing applications for money lender licences, maintaining a register of money lenders for public inspection, as well as adopting risk-based supervisory measures to monitor licensed money lenders' compliance with the MLO and the conditions imposed by the Licensing Court when carrying on their money lending business. The MLU also conducts site inspections to ensure licensed money lenders have appropriate systems and measures in place for their business operations.

As for the annual interest rate, Section 24 of the MLO provides that if any person lends at an effective rate of interest exceeding 60 per cent per annum, he shall commit an offence punishable on conviction by a fine and/or imprisonment, and the relevant loan agreement shall also be unenforceable. Section 25 of the MLO also provides that where proceedings are taken in any

court by any person for the recovery of any money lent, or on application by a debtor, the court may, if satisfied that the loan transaction is extortionate, reopen the transaction and substitute just terms. A transaction where the effective rate of interest exceeds 48 per cent per annum is presumed prima facie to be extortionate.

The existing regime strikes an appropriate balance between combating the money lending activities of usury, and providing those in need a lawful channel to borrow money and suitable protection. We will continue to monitor the implementation of the relevant provisions in the MLO. The Companies Registry and the Police will also maintain close liaison and strengthen enforcement actions.

(4) To remind the public of the risk of over-borrowing, more stringent licensing conditions have been imposed on all money lenders since 2016. Licensed money lenders are required to include a warning statement in their advertisements, namely, "Warning: You have to repay your loans. Don't pay any intermediaries". The Government has also rolled out public education and publicity activities, including collaborations with the Investor and Financial Education Council and the Consumer Council to remind the public of issues requiring attention when borrowing and to promote the message of prudent borrowing. We will continue to monitor the latest development in the market, and to review and update our public education activities as appropriate.

LegCo Public Accounts Committee meeting

The following is issued on behalf of the Legislative Council Secretariat:

The closed meeting of the Legislative Council (LegCo) Public Accounts Committee originally scheduled for June 13 will be held at 3.30pm tomorrow (June 20) in Conference Room 5 of the LegCo Complex.