

LegCo House Committee special meeting

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

The Legislative Council (LegCo) House Committee will hold a special meeting on Saturday (May 4) at 2pm in Conference Room 1 of the LegCo Complex to discuss the "Handling of matters relating to the election of the Chairman of the Bills Committee on Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019".

Over 2.6 million tax returns issued for individuals

The Inland Revenue Department (IRD) sent out about 2.68 million tax returns for individuals today (May 2). The Commissioner of Inland Revenue, Mr Wong Kuen-fai, reminded taxpayers to file their tax returns on time by June 3. For sole proprietors of unincorporated businesses, a three-month period is allowed and the filing deadline is August 2. Filing via eTAX will provide an automatic extension of one month (i.e. deadline for general cases is July 3, and for sole proprietors September 2).

Mr Wong also reminded taxpayers to pay sufficient postage if they send the returns by post. He encouraged taxpayers to file their returns through eTAX, which offers an easy, secure and environment-friendly online service for filing tax returns. Taxpayers can ensure tax returns be timely filed to the IRD.

In the Budget for this year, the Financial Secretary has proposed a 75 per cent reduction of the profits tax, salaries tax and tax under personal assessment for the year of assessment 2018/19, subject to a ceiling of \$20,000 per case. The Government has started the law amendment process. After enactment of the relevant legislation, the IRD will effect the tax measures in the 2018/19 tax bills to be issued later.

Mr Wong said taxpayers should complete this year's tax return as usual and no application is needed for the proposed tax measures.

"Individuals with rental income, if eligible, may elect personal assessment in their tax returns to enjoy the tax reduction," he added.

Mr Wong also highlighted new or changed items for the year of assessment 2018/19:

- Personal Disability Allowance at \$75,000 is newly introduced for taxpayers who are eligible to claim an allowance under the Government's Disability Allowance Scheme.
- A married person may elect for personal assessment separately from or jointly with his/her spouse.
- Two-tiered profits tax rates regime: the tax rate for the first \$2 million of assessable profits of a corporation is lowered to 8.25 per cent while that for an unincorporated business is reduced to 7.5 per cent. Assessable profits exceeding \$2 million is to be taxed at 16.5 per cent and 15 per cent respectively. For connected entities, only one nominated entity can enjoy the preferential tax rate. In the 2018/19 tax returns, all business operators are required to state whether their businesses are chargeable at the two-tiered rates and for businesses that have connected entities, whether any other connected entity has elected two-tiered rates.
- Enhanced tax deductions are allowed under Profits Tax for three types of eligible capital expenditures:
 1. A 300 per cent tax deduction will be allowed for the first \$2 million qualifying research and development expenditure, and a 200 per cent deduction for the remainder.
 2. Capital expenditure incurred in procuring eligible energy efficient building installations and renewable energy devices will be allowed in full in one year instead of the current time frame of five years.
 3. The scope of deduction for capital expenditure incurred for the purchase of intellectual property rights will be expanded from the original five types to eight. The three additional types are performer's economic rights, protected layout-design rights and protected plant variety rights.
- Qualifying premiums paid under a Voluntary Health Insurance Scheme (VHIS): Starting from April 1, 2019, a taxpayer may claim tax deduction for qualifying premiums paid by him/her or his/her spouse as a policy holder of a VHIS policy for an insured person who is the taxpayer or a specified relative of the taxpayer. The ceiling for deduction is \$8,000 per insured person. There is no cap on the number of dependants who are eligible for tax deduction. Taxpayers can fill in the particulars in the 2018/19 individuals tax returns so that the IRD can compute the 2019/20 provisional salaries tax accordingly.

Taxpayers may visit the IRD's website (www.ird.gov.hk) to read the material under "e-Seminars" if they have questions on completing their tax returns. They may also raise their questions in the "Q&A Corner". From today to June 3, except on Sundays and public holidays, the IRD will deploy additional staff to answer the telephone enquiries hotline 1878022 and extend the service hours up to 7pm on weekdays, and from 9am to 1pm on Saturdays.

On revenue collection, Mr Wong said that \$341.4 billion was collected during 2018-19, an increase of \$12.8 billion compared with the previous year.

The breakdown is as follows:

2018-19 revenue collection (provisional figures)

Tax Type	2018-19 Revenue (Provisional Figures) (\$million)	2017-18 Revenue (Actual Figures) (\$million)	Change
Profits Tax	166,618	139,100.2	+20%
Salaries Tax	60,143	60,838.8	-1%
Property Tax & Personal Assessment	9,587	8,790.3	+9%
Total Earnings & Profits Tax	236,348	208,729.3	+13%
Estate Duty	89	31.3	+184%
Stamp Duty	79,979	95,172.8	-16%
Betting Duty	22,194	21,959.1	+1%
Business Registration Fees	2,827	2,726.7	+4%
Total Revenue Collected	341,437	328,619.2	+4%

[Over 1 000 restaurants of EatSmart Restaurant Star + Campaign offer more healthy choices for public](#)

The Department of Health (DH) launched the EatSmart Restaurant (ESR) Star + Campaign to enhance the EatSmart Restaurant Campaign, which has been running for over 10 years. The enhanced ESR Star + Campaign has introduced a new star system which uses one star, two stars or three stars to indicate different EatSmart Dishes and promotions offered by the ESRs. The ESR Star + Campaign aims to encourage more restaurants to provide a wider range of healthier dishes and assist members of the public in putting healthy eating into practice. At present, a total of 1 028 outlets under 280 brands have enrolled, with nearly half of them being three-star ESRs.

Officiating at the launch ceremony for the ESR Star + Campaign today

(May 2), the Secretary for Food and Health, Professor Sophia Chan, said, "Maintaining a healthy diet is beneficial to the overall health of the public and the prevention of non-communicable diseases (NCDs). The Government last year announced the 'Towards 2025: Strategy and Action Plan to Prevent and Control Non-communicable Diseases in Hong Kong', focusing on changing four NCDs-related behavioural risk factors, namely unhealthy diet, physical inactivity, tobacco use and harmful use of alcohol, and setting targets to reduce the burden of NCDs in Hong Kong by 2025."

Professor Chan pointed out that a healthy diet is essential to the success of the strategy and action plan, while the catering industry is the Government's most important partner in promoting a healthy diet. She expressed gratitude to the Association for Hong Kong Catering Services Management Ltd, the Hong Kong Federation of Restaurants and Related Trades Ltd, the Association of Restaurant Managers and the Institution of Dining Art for their support, as well as restaurant chains and other individual ESRs for their participation, which has contributed to spicing up Hong Kong's reputation as a culinary paradise with a healthy element.

Also attending the ESR Star + Campaign's launch ceremony, the Director of Health, Dr Constance Chan, said that since the launch of the EatSmart Restaurant Campaign in 2008, the public have been able to savour healthier choices when eating out, while food premises are encouraged to offer a wider variety of healthy dishes, bringing a positive impact on both consumers and the catering industry.

According to a survey conducted by the DH in 2016, over 90 per cent of respondents hoped that food premises could provide additional healthier choices. When eating out or ordering takeaway food, 72 per cent of respondents will choose dishes with more fruit and vegetables, while 72 to 77 per cent will choose dishes with less oil, salt and sugar. Around 90 per cent said that they would patronise ESRs that provide healthier dishes again.

As for food premises, the survey found that 76 per cent of the interviewed ESRs observed an increase in customers who choose EatSmart Dishes; 40 per cent believed that customers came to their restaurants because they were ESRs; and 24 per cent said that sales had increased since their restaurants became ESRs.

Dr Chan said, "When eating out, the majority of the public will consider the price, taste and location of the restaurants, hence the enhanced ESR Star + Campaign has developed a new star system to classify participating restaurants into one-star, two-star or three-star ESRs. We hope that the new system can attract more restaurants to become starred eateries to provide a wider variety of 'More Fruit and Vegetables' and '3 Less' dishes, as well as introduce promotional offers for the EatSmart Dishes, so that members of the public can enjoy tasty and healthier dishes at different locations with a discounted price when eating out."

Under the Campaign's new star system, a green star indicates that the restaurant offers "More Fruit and Vegetables" dishes on a daily basis; a red

star means that the restaurant offers both "More Fruit and Vegetables" dishes and "3 Less" dishes with less oil, salt and sugar on a daily basis; and a yellow star means that the restaurant has a daily promotional offer (EatSmart Promotion) for "More Fruit and Vegetables" dishes or "3 Less" dishes. A restaurant becomes a three-star ESR by obtaining all green, red and yellow stars.

More information on the EatSmart Restaurant Star + Campaign is available at the thematic website (restaurant.eatsmart.gov.hk), a newly launched Facebook fanpage (www.facebook.com/eatsmartrestaurant.dh) and Instagram account (www.instagram.com/EATSMARTRESTAURANT). Members of the public can also download the EatSmart Restaurant mobile app to search for ESRs conveniently when eating out.

SFH meets with WHO Regional Director for Western Pacific (with photos)

The Secretary for Food and Health, Professor Sophia Chan, today (May 2) met with the World Health Organization (WHO) Regional Director for the Western Pacific, Dr Takeshi Kasai, during his visit to Hong Kong.

Welcoming Dr Kasai's visit to Hong Kong, Professor Chan said, "The Food and Health Bureau (FHB) of the Government of the Hong Kong Special Administrative Region (HKSAR) works in close collaboration with the WHO to protect and safeguard public health. We uphold and adopt public health principles promulgated by the WHO and implement a variety of health programmes for the prevention and control of communicable and non-communicable diseases (NCD), as well as other aspects including mental health, tobacco control, Chinese medicine and access to essential drugs.

"I had a fruitful exchange with Dr Kasai today and took the opportunity to share with him the latest developments in Hong Kong's healthcare policies, such as the development of primary healthcare and District Health Centre, strategy formulation and an action plan to prevent and control NCD, as well as cancer strategy. I also briefed him on our strategy for responding to the recent measles outbreak at Hong Kong International Airport. We will continue to work hand-in-hand with the WHO to take forward various health programmes."

Dr Kasai said, "It is a great pleasure to visit the HKSAR for the first time as the WHO Regional Director for the Western Pacific, to discuss health issues in Hong Kong as well as the shared challenges facing our region. The WHO greatly values its close working relationship with the Government of the HKSAR and its support for the WHO's work. I look forward to continuing to work with Professor Chan and other colleagues of the HKSAR Government, as together we face the challenges of the future."

Hong Kong was assigned to the WHO Western Pacific Region at the Sixth World Health Assembly in 1953. The FHB leads government delegations to attend the annual World Health Assembly and the WHO Regional Committee for the Western Pacific.

The HKSAR Government actively supports the work of the WHO. Since 2012, the Department of Health (DH) has been designated as the WHO Collaborating Centre for Traditional Medicine and the WHO Collaborating Centre for Smoking Cessation and Treatment of Tobacco Dependence. In addition, the Director of Health serves as a commissioner for the WHO Commission on Ending Childhood Obesity, which advises on approaches and combinations of interventions for tackling childhood and adolescent obesity in different contexts around the world. From time to time, the HKSAR Government co-organises international meetings with the WHO to discuss public health matters with global implications.



[Advance estimates on Gross Domestic Product for first quarter of 2019](#)

The Census and Statistics Department (C&SD) released today (May 2) the advance estimates on Gross Domestic Product (GDP) for the first quarter of 2019.

Starting from the current reference quarter, the C&SD has advanced the first release of quarterly GDP to around 1 month from around 1.5 months after the reference period. The first release of the GDP, known as the advance estimates, include only the real growth of overall GDP and its major expenditure components to facilitate an early assessment of the latest economic performance and sources of growth of Hong Kong. The advancement of the first release of GDP estimates is achieved through enhancement of estimation methods and streamlining of workflow on data processing and analysis. More detailed components of GDP for the first quarter of 2019 will

be released about two weeks later (i.e. on May 17, 2019) as in the past.

According to the advance estimates, GDP increased by 0.5% in real terms in the first quarter of 2019 over a year earlier, compared with the increase of 1.2% in the fourth quarter of 2018. The moderation in growth was attributable to the slower growth in both domestic demand and external demand.

Analysed by major GDP component, private consumption expenditure increased marginally by 0.1% in real terms in the first quarter of 2019 over a year earlier, slower than the 2.7% growth in the fourth quarter of 2018.

Government consumption expenditure measured in national accounts terms grew by 4.5% in real terms in the first quarter of 2019 over a year earlier, after the increase of 4.9% in the fourth quarter of 2018.

Gross domestic fixed capital formation continued to decrease, by 7.0% in real terms in the first quarter of 2019 from a year earlier, compared with the decrease of 5.8% in the fourth quarter of 2018.

Over the same period, total exports of goods measured in national account terms recorded a decrease of 4.2% in real terms from a year earlier, compared with the virtually no change in the fourth quarter of 2018. Imports of goods measured in national account terms decreased by 4.6% in real terms in the first quarter of 2019, compared with the decrease of 0.5% in the fourth quarter of 2018.

Exports of services rose by 1.4% in real terms in the first quarter of 2019 over a year earlier, slower than the growth of 3.3% in the fourth quarter of 2018. Imports of services decreased by 1.0% in real terms in the first quarter of 2019, as against the increase of 2.1% in the fourth quarter of 2018.

On a seasonally adjusted quarter-to-quarter comparison basis, GDP increased by 1.2% in real terms in the first quarter of 2019 when compared with the fourth quarter of 2018.

Commentary

A Government spokesman said that according to the advance estimates, real GDP growth eased to 0.5% in the first quarter of 2019 on a year-on-year basis, weighed down by the weaker performance of the global economy and the various external headwinds. The modest year-on-year growth in the first quarter also reflected the high base of comparison in the same quarter of last year, when the economy grew strongly by 4.6%.

Total exports of goods weakened further in the first quarter, similar to the situations in many other Asian economies. Exports of services also recorded decelerated growth, yet sustained expansion of inbound tourism continued to provide support. Domestically, private consumption expenditure grew marginally against a high base of comparison in the same quarter of last

year, and overall investment expenditure contracted as business sentiment has turned cautious since the latter part of last year.

The Government will monitor the situation closely and announce the updated economic forecasts for 2019, together with the revised figures on GDP and more detailed statistics for the first quarter of 2019, on May 17, 2019.

Further information

The year-on-year percentage changes of GDP and selected major expenditure components in real terms from the first quarter of 2018 to the first quarter of 2019 are shown in Table 1.

When more data become available, C&SD will compile revised figures on GDP. The revised figures on GDP and more detailed statistics for the first quarter of 2019 will be released at the C&SD website (www.censtatd.gov.hk/hkstat/sub/sp250.jsp) and the Gross Domestic Product (Quarterly) Report (www.censtatd.gov.hk/hkstat/sub/sp250.jsp?productCode=B1030001) on May 17, 2019.

For enquiries about statistics on GDP by expenditure component, please contact the National Income Branch (1) of C&SD (Tel: 2582 5077 or email: gdp_e@censtatd.gov.hk).