SCED speaks on trade issues

Following is the transcript of remarks by the Secretary for Commerce and Economic Development, Mr Edward Yau, at a media session on matters relating to trade conflict between China and the United States (US) after meeting with representatives of major chambers of commerce and associations of small and medium enterprises (SMEs) today (October 4):

Reporter: How are the new measures going to help SMEs? Would you expect the trade war and Hong Kong economy to worsen?

Secretary for Commerce and Economic Development: Coming back from the US and after discussing with the various chambers of commerce for the ninth time in the last seven or eight months, I think the general consensus is that the dispute between the US and China over trade is unlikely to be resolved in a short period of time. We therefore have to prepare for the worst and for this battle to be played long. That's why we have stepped up measures which would provide a timely relief to people in trade, in particular those small and medium businesses.

I have got the consent from the Financial Secretary to make improvements to the SME Financing Guarantee Scheme. This scheme has been running for a period of time. It is meant to be lapsed by next February, but we'll be extending this scheme, the 80 per cent loan guarantee, up to middle of next year as a first step. We have also introduced other improvement measures, including three parts. First, to raise the maximum loan amount from HK$12 million currently to HK$15 million, so as to make more room for guarantee for this scheme. The second part is to extend the maximum loan guarantee period from currently five years to seven years. This means the monthly repayment would be reduced immediately. The third improvement is to reduce the fee charged on people joining this scheme as a relief to SMEs.

We also see the need of diversification of markets as well as sourcing, so as to minimise the impact from the tariffs imposed by the US on China-made products. In this regard, we are happy to see that the improvements to the existing funding schemes, including the market development fund (SME Export Marketing Fund) and the SME branding, upgrading and development fund (Dedicated Fund on Branding, Upgrading and Domestic Sales) (BUD Fund) are receiving more applications. In this regard, the market development fund (SME Export Marketing Fund) has been given a top up from HK$200 000 to HK$400 000 on a matching basis. The application (for August 2018) has increased by 30 per cent, representing that more people are looking for a wider market and using this government financing scheme to help them. As regards the BUD Fund for the ASEAN market, altogether 75 applications were already received in the last two months so far. This scheme originally allows funding to be spent in the Mainland for branding and upgrading, we have also seen a marked increase by 60 per cent in applications, meaning that some firms would like to expand the Mainland market as a way to diverse their sales as well. We are seeing that all these funds, the timely topping up, the shortening and streamlining of application procedures are bearing results already.

We will continue to step up our co-ordination with the Hong Kong Trade Development Council and through the Trade and Industry Department to talk to people in the trade on ways and how to improve the origin rule application as well as further explore the market.

Reporter: Do you see the new trade deal between America, Canada and Mexico will exacerbate the difficult time that Hong Kong is having? Can you elaborate a little bit?

Secretary of Commerce and Economic Development: It's hard to comment on individual trade agreement. But as a matter of fact, I think the re-negotiated USMCA (the United States-Mexico-Canada Agreement) clearly is confined to facilitating trade among the three countries in North America. I believe this trade agreement will be viewed by the wider trade communities including WTO (World Trade Organization) members from the perspective of its content, on whether it is a shrinking of market access to countries outside this bloc, or would it be a building block towards connecting with further trading entities. I think in this regard we have to look very carefully into the content, and also how it's going to play out.

But one very clear indication is that the overall global trading environment is not in peaceful water. With the lacking of progress in the bilateral talk between China and the US, I think in a short and medium future, we'll continue to see a rough sea ahead of us. Hong Kong on two fronts, both as a trading entity and for our self-interest, we are worried whether there will be spill over and collateral damage; on a wider front as a member of the WTO and also as a long term advocate of free trade, we are having a systemic concern on whether protectionist measures in various forms would prevail, and therefore further dampening the advocacy and practice of free trade. These are areas that Hong Kong will not be shy from speaking up as a member of the WTO and the vanguard of the multilateral trading system.

(Please also refer to the Chinese portion of the transcript.)

Hong Kong Customs combats unlicensed money service business

Hong Kong Customs today (October 4) is investigating a suspected case of operating money service without a licence, in contravention of the Anti-money Laundering and Counter-Terrorist Financing Ordinance (AMLO).

Acting on information, officers of Customs and Excise Department (C&ED) raided a grocery shop in Tai Kok Tsui today and found a man and his wife offer remittance services to foreign domestic helpers without a licence from the Commissioner of Customs and Excise.

Investigation is ongoing.

Under the AMLO, a person who wishes to operate a remittance service and/or money changing service is required to apply for a licence from the C&ED. Any person who operates a money service without a valid licence commits an offence. The maximum penalty upon conviction is a fine of $100,000 and imprisonment for six months.

Members of the public may report any suspected unlicensed money service operation to the Customs 24-hour hotline 2545 6182 or its crime-reporting email account (crimereport@customs.gov.hk).

Evidence collected through IP cameras used in conviction for illegal deposit of waste

A vehicle owner was fined $1,500 by the West Kowloon Magistrates' Courts today (October 4) for being involved in a case in which someone illegally deposited waste from his goods vehicle, with the illegal act captured by Internet protocol (IP) cameras installed by the Food and Environmental Hygiene Department (FEHD).

A spokesman for the FEHD said that the department's IP cameras recorded footage of someone driving a goods vehicle to Ta Chuen Ping Street Refuse Collection Point (RCP) in Kwai Chung and illegally depositing waste outside the RCP from the vehicle on June 13, 2018. The goods vehicle owner was hence charged.

To address the environmental hygiene problems caused by frequent illegal deposits of refuse and waste at black spots in various districts, the FEHD progressively extended the scheme of installation of IP cameras at illegal refuse deposit black spots to all districts in the territory starting from June this year for enhanced monitoring of the situation on illegal dumping of waste and planning of more effective enforcement action so as to strengthen the effectiveness of evidence collection and law enforcement. Since the scheme was launched, the FEHD has instituted some 80 prosecutions.

According to the Public Cleansing and Prevention of Nuisances Regulation (Cap 132BK), it is an offence to litter in public places. Offenders are liable to a maximum fine of $25,000 and imprisonment for six months upon conviction. The FEHD will continue to closely monitor the targeted black spots. Members of the public are urged not to litter and offenders will be prosecuted.

DH raids retail stall for suspected illegal possession of unregistered proprietary Chinese medicines (with photo)

The Department of Health (DH) and the Police today (October 4) in a joint operation raided a retail stall in Fa Yuen Street, Mong Kok for suspected illegal possession of unregistered proprietary Chinese medicines (pCms).

Acting upon intelligence, the DH investigated and seized four suspected unregistered pCms including Songlonw Moxa Roll and Diaitang Moxa Roll, as well as two other products (no English name, see photo) from the stall.

During the operation, a 67-year-old man was arrested by the Police for suspected illegal possession of unregistered pCms. The DH's investigation is continuing.

According to traditional Chinese medicine theory, moxibustion is a Chinese medicine therapy, and involves the stimulation of acupoints by burning moxa products such as moxa sticks. Through the effects of heat and medicine it may regulate meridians and collaterals and relieve pain. Improper use, however, can lead to skin burns and infections.

According to section 119 of the Chinese Medicine Ordinance (Cap 549), no person shall sell, import or possess any pCm unless the pCm is registered. The maximum penalty is a fine of $100,000 and two years' imprisonment. Upon completion of the investigation, the DH will work with the Department of Justice on prosecution matters.

"All registered pCms should carry a Hong Kong registration number on the product label in the format of 'HKC-XXXXX' or 'HKP-XXXXX'. Since safety, quality and efficacy of unregistered pCms are not guaranteed, the public should not buy or use products of doubtful composition or from unknown sources. Those who have purchased the concerned products should stop using them and consult healthcare professionals if in doubt or feeling unwell after use," a DH spokesman said.

The public can submit the concerned products to the DH's Chinese Medicine Division on 16/F, AIA Kowloon Tower, Landmark East, 100 How Ming

Street, Kwun Tong, during office hours for disposal.

[Additional Support Measures under 80 per cent Guarantee Product of SME Financing Guarantee Scheme]

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

The application period for the 80 per cent loan guarantee product under the SME Financing Guarantee Scheme operated by the HKMC Insurance Limited will be extended to June 30, 2019. In addition, to further alleviate the financing burden of local enterprises and assist enterprises to obtain financing from lending institutions, the following three additional support measures will be launched in November 2018, valid until the end of June next year:

1. further reduce the existing annual guarantee fee rates by 50 per cent;
2. increase the maximum loan amount from HK$12 million to HK$15 million; and
3. lengthen the maximum loan guarantee period from five years to seven years.

For public enquiries, please call the hotline of the SME Financing Guarantee Scheme (Tel: 2536 0392).