

HKMC Annuity Plan's online registration system resumes services

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

The online registration of HKMC Annuity Plan has resumed services at around 7pm tonight (August 8). Applicants can register online their intent to subscribe for the Plan at or before 11.59pm tomorrow (August 9) at the HKMC Annuity Limited website (www.hkmca.hk).

LegCo Members observe road and traffic conditions on Lantau Island (with photos)

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

Legislative Council (LegCo) Members conducted a site visit to Lantau Island today (August 8) to follow up on a case about the improvement of the road safety and the traffic network on Lantau Island.

Accompanied by representatives of the Transport and Housing Bureau, the Transport Department, the Highways Department as well as the Civil Engineering and Development Department, Members first observed the road widening and road bend improvement works along Keung Shan Road. Members then observed the district improvement works at Tai O, including the widening of bus terminus and the provision of additional parking spaces. Members also visited the Tai O Ferry Pier, and received briefing by Government representatives on the public transport services from Tai O/Mui Wo to Tung Chung and the "Study on Traffic, Transport and Capacity to Receive Visitors for Lantau".

After the site visit, Members held a case conference with the Administration at the LegCo Complex to follow up the case.

Members who participated in the visit included Mr Leung Che-cheung (Convenor), Mr Yiu Si-wing, Ms Alice Mak, Dr Lo Wai-kwok, Dr Junius Ho and Mr Holden Chow.



Managers of unlicensed guesthouses fined

Two men were charged with contravening the Hotel and Guesthouse Accommodation Ordinance at the Kowloon City Magistrates' Courts today (August 8). A man was sentenced to two months' imprisonment, suspended for two years, and fined \$12,000. The other man was fined \$8,000.

The courts heard that in July last year and February this year, officers of the Office of the Licensing Authority (OLA), the Home Affairs Department, inspected two suspected unlicensed guesthouses on Shanghai Street and Portland Street in Mong Kok. During the inspections, the OLA officers posed as lodgers and successfully rented rooms in these guesthouses on a daily basis.

According to the OLA's records, these guesthouses did not possess licences under the Ordinance on the days of inspection. The men responsible for managing the premises were charged with contravening section 5(1) of the Ordinance.

A department spokesman stressed that operating or managing an unlicensed guesthouse is a criminal offence and will lead to a criminal record. Upon conviction, the offender is liable to a maximum fine of \$200,000 and two

years' imprisonment.

The spokesman appealed to anyone with information about suspected unlicensed guesthouses to report it to the OLA through the hotline (Tel: 2881 7498), by email (hadlaenq@had.gov.hk), by fax (2504 5805) using the report form downloaded from the OLA website (www.hadla.gov.hk), or through the mobile application "Hong Kong Licensed Hotels and Guesthouses".

Record of Discussion of the Meeting of the Exchange Fund Advisory Committee Currency Board Sub-Committee held on June 28

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

(Approved for issue by the Exchange Fund Advisory Committee on July 17)

Report on the Currency Board Operations (April 17 – June 14)

The Sub-Committee noted that during the review period, the Hong Kong dollar (HKD) traded within a range of 7.8427 – 7.8500 against the US dollar (USD). Since the first triggering on April 12, the weak-side Convertibility Undertaking (CU) was triggered 19 times and the Hong Kong Monetary Authority bought HK\$70.4 billion under the weak-side CU. The Aggregate Balance and the Monetary Base fell correspondingly after the multiple triggering of the weak-side CU, with the Monetary Base declining to HK\$1,643.77 billion at the end of the review period. The HKD firmed again towards the end of the review period, in part underpinned by seasonal demand for the HKD (e.g. corporate demand for dividend payments) and interbank demand in preparation for sizable initial public offering (IPO) activities.

The Sub-Committee noted that largely reflecting IPO-related demand, reduced interbank liquidity following triggering of the weak-side CU, expectation of US rate hikes and seasonal liquidity demand, HKD interbank interest rates picked up across the curve during the review period.

The Sub-Committee further noted that, in accordance with the Currency Board principles, all changes in the Monetary Base had been fully matched by changes in foreign reserves.

The Report on Currency Board Operations for the period under review is at the Annex.

Monitoring of Risks and Vulnerabilities

The Sub-Committee noted that in the US, although solid growth performance led the Federal Reserve Board (Fed) members to suggest a Dot Plot Median Forecast of four rate hikes in 2018, the Fed might need to weigh between rising inflationary pressures and downside risks to growth from trade conflicts further down the road.

The Sub-Committee noted that the US dollar strengthening and escalating trade tensions had put pressure on capital outflows from emerging market economies, and might weigh on their growth outlook.

The Sub-Committee noted that in Mainland China, domestic demand showed signs of moderation but investment in high-value added manufacturing sectors remained solid. Rising trade tensions and signs of slower growth would pose challenges for Mainland authorities to calibrate policies to strike a balance between reducing financial risks and achieving stable growth.

The Sub-Committee noted that in Hong Kong, economic growth accelerated in the first quarter and the growth momentum was expected to remain solid albeit at a slightly slower pace. The sanguine outlook was against the background of heightened uncertainties, particularly from the threat of trade tensions.

Interest Rate Sensitivity of Hong Kong Dollar Money Demand

The Sub-Committee noted a study which examined the lower interest rate sensitivity of HKD money demand since the global financial crisis.

SCS visits Islands District

The Secretary for the Civil Service, Mr Joshua Law, today (August 8) visited Islands District, exchanging views with Islands District Council (IDC) members on various issues, and getting an update on the latest developments of the district's major infrastructure projects and the Tung Chung New Town Extension (TCNTE) project.

Accompanied by the Chairman of the IDC, Mr Chow Yuk-tong, and the District Officer (Islands), Mr Anthony Li, Mr Law met with IDC members and exchanged views on issues that concern them. He also proceeded to HKIA Tower, where he was briefed by the Airport Authority Hong Kong on the three-runway system and the SkyCity project.

During the district visit, Mr Law observed from height at Ying Tung Estate in Tung Chung the various infrastructure and development projects, including the Hong Kong-Zhuhai-Macao Bridge, a cross-boundary transport infrastructure project connecting Guangdong, Hong Kong and Macao, and the Tung Chung East reclamation works under the TCNTE project. He was also briefed on the projects' latest progress by colleagues of related departments.

Mr Law said he was pleased to learn that the TCNTE project, a large-scale land formation project, will allow the development of housing, the economy and the community to run in parallel. The project will provide about 50 000 residential flats and about 870 000 square metres of commercial floor space, accommodating an additional population of more than 140 000 and creating about 40 000 job opportunities.

Mr Law said, "Apart from a better grasp of public sentiments, district visits enable me to get updates on the latest developments in the community. In today's Islands District visit, I have conducted a journey on major infrastructure, which has enhanced my understanding of the efforts made by the civil service colleagues on these projects."