

[Progress in the handling of banking complaints by HKMA](#)

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

The Hong Kong Monetary Authority (HKMA) announced today (August 10) the progress made in its handling of banking complaints received as at end-July 2018. Banking complaints include cases concerning general banking services and conduct-related issues.

In July 2018, 172 cases were received and the handling of 193 cases was completed. As at end-July, the handling of 405 cases was in progress.

A table summarising the progress made in the handling of banking complaints by the HKMA is attached.

[2018/19 vaccination programmes to be launched in October](#)

The Centre for Health Protection (CHP) of the Department of Health (DH) today (August 10) announced that the Vaccination Subsidy Scheme (VSS) and the Government Vaccination Programme (GVP) 2018/19 will be launched on October 10 and 24 respectively, providing subsidised or free seasonal influenza vaccination (SIV) and pneumococcal vaccination to eligible persons in phases.

Hosting a press conference today, the Controller of the CHP, Dr Wong Ka-hing, summarised the 2017/18 winter influenza season which ended in late March this year. The predominant virus was influenza B (accounting for 76 per cent of all influenza detections). Six hundred institutional influenza-like illness outbreaks had been recorded and most (73 per cent) occurred in kindergartens/child care centres and primary schools. The weekly admission rate with principal diagnosis of influenza in public hospitals was the highest among young children aged 0 to 5 (8.63 per 10 000 population at the peak), followed by elderly persons aged 65 or above (4.25) and children aged 6 to 11 (3.81).

Regarding vaccination, as of July 31, 2018, about 337 000 doses of SIV had been administered via the VSS and 482 000 doses had been administered to eligible groups under the GVP in 2017/18, representing an increase of 16.7 per cent as compared to the total number of doses administered in 2016/17.

Dr Wong said, "Vaccination is one of the most effective ways to prevent seasonal influenza and its complications. To further enhance the vaccination rate of the community and in particular to encourage vaccination among schoolchildren, the DH has introduced a number of new initiatives in the 2018/19 SIV programmes."

While the VSS will be expanded to cover those aged 50 to 64 to receive subsidised SIV (see Annex 1) in the private sector in 2018/19, the eligible groups and arrangements for free SIV in the public sector under the GVP in 2018/19 will remain unchanged (see Annex 2).

"Taking into consideration of the recommendation of the Scientific Committee on Vaccine Preventable Diseases (SCVPD), we have extended the coverage of the VSS in 2018/19 to Hong Kong residents aged 50 or above, from the elderly aged 65 or above, increasing the number of beneficiaries of the scheme by about 1.8 million. In parallel, the subsidy for SIV under the VSS will also be increased from \$190 to \$210 per dose for all eligible groups," Dr Wong added.

To increase the SIV uptake rate among primary school children, Dr Wong pointed out that the DH will launch the School Outreach Vaccination Pilot Programme for primary schools this year to reach out to 184 primary schools and provide SIV to their students through a Government Outreach Team or a Public-Private-Partnership (PPP) Team. The pilot programme will start on October 22.

Under the pilot programme, the DH will arrange procurement and delivery of vaccines, and collection of unused vaccines and clinical waste, as well as provide administrative support. A total of 36 doctors were recruited to participate in the PPP. An injection fee of \$70 per dose will be provided to the PPP doctors.

Primary schools were randomly assigned by computer to these doctors. Due to the limited quota, schools with more students were accorded higher priority under the pilot programme in order to benefit a greater number of students and maximise public health and the disease prevention impact. The DH has also tried to ensure that schools in each of the 18 districts can take part.

"The Government has procured a total of 752 000 doses of SIV for the GVP and the pilot programme this year, including 138 000 doses for the latter. The DH has also informed doctors participating in the VSS in May this year about the new arrangement in 2018/19, and reminded and assisted them to make preparations and place vaccine orders in a timely manner," Dr Wong said.

Also present at the press conference, the Head of the CHP's Programme Management and Professional Development Branch, Dr Liza To, added that the VSS outreach vaccination at primary schools, kindergartens and child care centres will also be enhanced this year to further encourage vaccination among schoolchildren. Schools not participating in the pilot programme are

urged to arrange as early as possible outreach vaccination for their students through the enhanced programme.

Under the Enhanced VSS Outreach Vaccination, schools can invite participating doctors from a [list published on the CHP's website](#) to arrange outreach SIV service at their campus. No tendering will be required by the schools and no extra service fees will be charged by the doctors to schools or students. The Government will provide a higher subsidy of \$250 per dose and a special subsidy of \$800 for clinical waste disposal per outreach vaccination activity to participating doctors.

The Chairman of the SCVPD, Dr Chow Chun-bong, also spoke at the press conference, reporting that the SCVPD had earlier endorsed that the composition of the recommended vaccines for the 2018/19 influenza season should be in line with the World Health Organization (WHO)'s latest recommendations. The quadrivalent influenza vaccines to be used in the 2018/19 Northern Hemisphere (NH) influenza season contain:

- * A/Michigan/45/2015 (H1N1)pdm09-like virus;
- * A/Singapore/INFIMH-16-0019/2016 (H3N2)-like virus;
- * B/Colorado/06/2017-like virus (B/Victoria/2/87 lineage); and
- * B/Phuket/3073/2013-like virus (B/Yamagata/16/88 lineage).

The influenza B virus component of trivalent influenza vaccines recommended for use in the 2018/19 NH influenza season should be a B/Colorado/06/2017-like virus of the B/Victoria/2/87 lineage.

Currently, two types of SIV are registered in Hong Kong, namely inactivated influenza vaccines (IIV) and live attenuated influenza vaccine (LAIV). Both trivalent and quadrivalent IIVs are recommended to be used in Hong Kong. SIV contains ovalbumin (a chicken protein), but the manufacturing process involves repeated purification and the ovalbumin content is very little. People who are allergic to eggs are generally safe to receive vaccination. Individuals with a history of severe allergic reaction to egg should have SIV administered by health care professionals in appropriate medical facilities with capacity to recognise and manage severe allergic reactions.

LAIV contains live attenuated viruses and is given intranasally. It can be used for people aged 2 to 49 but is generally contraindicated in the following conditions:

- History of severe allergic reaction to any vaccine component or after a previous dose of any influenza vaccine;
- Concomitant aspirin or salicylate-containing therapy in children and adolescents;
- Children aged 2 to 4 who have been diagnosed with asthma, or whose health care provider has reported during the preceding 12 months that the child had wheezing or asthma, or whose medical record indicates a wheezing episode has occurred during the preceding 12 months;

- Children and adults who are immunocompromised due to any cause;
- Close contacts and caregivers of severely immunosuppressed persons who require a protected environment;
- Pregnancy; and
- Receipt of influenza antiviral medication within the previous 48 hours.

Dr Chow said, "Influenza can cause serious illnesses in high-risk individuals and even healthy persons. Given that influenza vaccines are safe and effective, all persons aged 6 months or above, except those with known contraindications, are recommended to receive SIV for personal protection. Based on past epidemiological patterns, the winter influenza season usually occurs from January to March/April each year. As it takes about two weeks to develop antibodies, members of the public are advised to receive SIV early for protection against seasonal influenza."

Dr Chow also noted that the SCVPD has recently reviewed the local epidemiology, scientific literature and overseas practice related to school closure arrangements due to seasonal influenza. He said, "The SCVPD concluded that there is no scientific basis to establish local criteria for territory-wide school closure due to seasonal influenza epidemics."

As for individual schools, the SCVPD recommended that closure of an individual school with influenza or influenza-like illness outbreaks may be considered taking reference from the following indicators: (i) any death of healthy children in the school due to influenza; (ii) two or more children requiring intensive care unit admission due to influenza; or (iii) the influenza-like illness attack rate among children is 20 per cent or more.

In addition, factors including the number of staff affected (which may potentially affect operation of the school), the epidemic trend of the outbreak and the effectiveness of control measures should also be taken into consideration.

"While there is no international consensus or guidelines for the closure duration regarding reactive closure of an individual school due to influenza outbreak, the SCVPD believes that a seven-day closure would suffice to interrupt transmission within an affected school taking into consideration the incubation period and the period of communicability of seasonal influenza," Dr Chow added.

Meanwhile, the DH announced that the existing arrangements for free or subsidised pneumococcal vaccination (PV) for eligible elderly persons (see Annex 3) will be continued in 2018/19. Those aged 65 or above who do not have high-risk conditions will be eligible for one dose of 23-valent polysaccharide pneumococcal vaccination (23vPPV). Elderly persons with high-risk conditions who have not received PV before will be eligible for one dose of 13-valent pneumococcal conjugate vaccine (PCV13) and one dose of 23vPPV one year later.

While the subsidy level of PCV13 will remain at \$730 per dose, the

subsidy of 23vPPV will be increased from \$190 to \$250 per dose for participating VSS doctors.

The CHP has been holding meetings and briefings with relevant stakeholders including health care providers, community partners and the educator sector to inform them of the arrangements and encourage their participation in the vaccination programmes. Publicity will also be stepped up to promote vaccination among eligible groups.

For more details of the vaccination programmes, the public may call the CHP's hotline (2125 2125) or visit the CHP's [Vaccination Schemes page](#).

[Economic situation in second quarter of 2018 and latest GDP and price forecasts for 2018](#)

The Government released today (August 10) the Half-yearly Economic Report 2018, together with the preliminary figures on Gross Domestic Product (GDP) for the second quarter of 2018.

The Deputy Government Economist, Mr Adolph Leung, described the economic situation in the second quarter of 2018 and provided the latest GDP and price forecasts for 2018.

Main points

- The Hong Kong economy sustained strong momentum in the second quarter of 2018, expanding by 3.5% over a year earlier, following the growth of 4.6% in the first quarter. Riding on the robust global economy, external demand remained sturdy, though there seemed to be some moderation towards the end of the quarter. Domestic demand also expanded visibly. Labour market conditions stayed favourable, while inflation was still moderate. On a seasonally adjusted quarter-to-quarter comparison, real GDP decreased slightly by 0.2% in the second quarter of 2018 against a high base of comparison created by the 2.1% surge in the preceding quarter.
- Total exports of goods grew solidly by 4.6% year-on-year in real terms for the second quarter as a whole, with most major markets recording further growth. Exports of services expanded notably by 6.1% year-on-year in real terms, with the momentum maintained for all major

components. In particular, inbound tourism continued to register double-digit growth. However, external uncertainties increased markedly in the latter part of June, as the US escalated trade tensions with the Mainland.

- Domestic demand remained strong in the second quarter. Private consumption expenditure grew significantly by 6.1% year-on-year in real terms as favourable labour market conditions continued to underpin consumer sentiment. Overall investment expenditure recorded further growth of 0.4% year-on-year in real terms, supported by the solid growth in machinery and equipment acquisition, notwithstanding some declines in building and construction activity.
- The labour market tightened further in the second quarter. The seasonally adjusted unemployment rate edged down to 2.8%, the lowest level in more than 20 years, while the underemployment rate stayed unchanged. Total employment saw further solid growth. Wages and earnings continued to register broad-based gains in real terms.
- The local stock market was range-bound during most of the second quarter, before posting declines in the second half of June when market sentiment was swayed by the US' escalated trade conflicts with the Mainland and expectations of faster US interest rate hikes. The residential property market stayed buoyant during the second quarter, with flat prices rising further amid active trading.
- Looking ahead, the current momentum of the global economy, if continued, will render support to Hong Kong's external demand. On current indications, the Mainland economy would maintain a medium-high growth pace this year, and the US economy should remain strong given the boost from the tax reform. However, sustained trade tensions between major economies would increase the downside risks to the global economy. The US' trade conflicts with the Mainland, in particular, could weigh on global economic sentiment as well as trade and investment activities, possibly putting a damper on Hong Kong's exports in the period ahead. Moreover, the global financial and asset markets could become more volatile upon further tightening of financial conditions across advanced economies, particularly in the US.
- Domestic demand should remain largely resilient in the remainder of the year. Consumer sentiment may turn less sanguine in the wake of the increased external uncertainties, but should still be supported by favourable job and income conditions. However, local investor sentiment

might feel the pinch should the US-Mainland trade conflicts intensify further. Indeed, various surveys suggested that local business sentiment had turned slightly more cautious most recently.

- Considering the strong year-on-year growth of 4.0% in the first half of the year, and in view of the increased external headwinds, the forecast real GDP growth for 2018 as a whole is maintained at 3-4% in the current round of review. The Government will continue to monitor closely the development of the various external uncertainties and their implications for the local economy.
- Inflationary pressure stayed moderate in the second quarter, though building up somewhat amid strong economic conditions. While the temporary factors that led to a faster increase in prices in the first quarter subsided, the underlying consumer price inflation stayed unchanged at 2.4% in the second quarter. Several major components in the consumer price index saw accelerated increases. In view of the edging up of global inflation and continued feed-through of earlier rises in fresh-letting residential rentals, consumer price inflation is likely to go up somewhat in the months ahead compared to the situation in the first half of the year, but should stay within a moderate range for 2018 as a whole. Taking into account the actual outturns so far this year, the forecast rates of underlying and headline consumer price inflation for 2018 as a whole, at 2.5% and 2.2% respectively, are maintained in the current round of review.

Details

GDP

According to the preliminary data on GDP released today by the Census and Statistics Department, GDP grew strongly by 3.5% in real terms in the second quarter of 2018 over a year earlier, after the growth of 4.6% in the preceding quarter (revised from the preliminary estimate of 4.7%), marking the seventh quarter of growth above the trend growth rate of 2.7% per annum in the past 10 years. For the first half of 2018 as a whole, real GDP expanded by 4.0% over a year earlier. On a seasonally adjusted quarter-to-quarter comparison, real GDP decreased slightly by 0.2% in the second quarter of 2018 against a high base of comparison resulting from the 2.1% surge in the preceding quarter (revised from the preliminary estimate of 2.2%) (see Chart).

The figures on GDP and its major expenditure components up to the second quarter of 2018 are presented in Table 1. Developments in different segments of the economy in the second quarter of 2018 are described below.

External trade

Total exports of goods grew solidly by 4.6% in real terms in the second

quarter over a year earlier, after the growth of 5.2% in the first quarter. External merchandise trade statistics showed that growth was robust in April and May before showing some deceleration in June. Most major markets recorded continued growth in the second quarter. Exports to the US picked up further and those to the European Union continued to register solid growth amid the robust final demand there. Meanwhile, on the back of strong manufacturing and trading activities in the region resulting from the robust global economy, exports to many Asian economies registered further growth. Specifically, exports to the Mainland continued to grow visibly, while exports to many major emerging markets in the Association of Southeast Asian Nations also registered growth of varying degrees. As for the higher income Asian economies, exports to Singapore grew strongly, and exports to Japan and Korea recorded modest growth, though those to Taiwan dipped slightly. More recently, there was some slowdown in growth or declines in exports to some Asian markets. It remains to be seen how the escalation of trade conflicts between the US and the Mainland would affect the global economy and Hong Kong's exports in the coming months. On a seasonally adjusted quarter-to-quarter basis, total exports of goods decreased slightly by 0.4% in real terms in the second quarter, after a surge of 3.1% in the first quarter.

Exports of services expanded notably by 6.1% year-on-year in real terms in the second quarter, following the 7.9% growth in the previous quarter. All major service components attained growth. Exports of travel services continued to register double-digit growth, supported by a notable growth in visitor arrivals and increase in per capita spending. Exports of financial services and exports of business and other services expanded further, thanks to frequent cross-border financial and commercial activities. Exports of transport services also showed a moderate increase amid active regional trade flows. On a seasonally adjusted quarter-to-quarter basis, exports of services decreased by 3.2% in real terms in the second quarter, having surged by 5.2% in the preceding quarter.

Domestic sector

Domestic demand remained strong in the second quarter. Private consumption expenditure continued to grow significantly, by 6.1% in real terms over a year earlier, following the 8.8% growth in the first quarter. Favourable labour market conditions, and to a lesser extent positive wealth effect, continued to underpin consumer sentiment. On a seasonally adjusted quarter-to-quarter comparison, private consumption expenditure decreased by 0.6% in real terms in the second quarter, after a sizeable increase of 3.3% in the preceding quarter. Government consumption expenditure grew steadily by 4.4% in the second quarter over a year earlier, up from the 3.9% growth in the preceding quarter.

Overall investment spending in terms of gross domestic fixed capital formation rose further by 0.4% in real terms in the second quarter over a year earlier, though decelerating from the 4.2% growth in the preceding quarter. Machinery and equipment acquisition recorded solid growth, thanks to strong private sector spending on the back of robust economic conditions. Meanwhile, overall building and construction activity, which is inherently volatile, declined somewhat.

The labour sector

The labour market tightened further in the second quarter, with the seasonally adjusted unemployment rate edging down to 2.8%, the lowest level in more than 20 years, while the underemployment rate stayed unchanged at 1.0%. Total employment saw further solid year-on-year growth. Against this backdrop, wages and earnings continued to register gains in real terms, with appreciable increases for lower-income workers.

The asset markets

The local stock market was range-bound during most of the second quarter, before posting declines in the second half of June when market sentiment was swayed by the US' escalated trade conflicts with the Mainland and expectations of faster US interest rate hikes. The Hang Seng Index closed the second quarter at 28 955, down by 3.8% from a quarter earlier. On August 9, the Hang Seng Index closed at 28 607.

The residential property market stayed buoyant in the second quarter. The number of residential property transactions increased from 15 000 in the first quarter to 18 900 in the second quarter. Overall flat prices rose by 5% between March and June, while the index of home purchase affordability worsened to around 74% in the second quarter. Overall flat prices in June exceeded the 1997 peak by 125%. Between March and June, flat rentals went up by 2%. Shop and office rentals rose by 1% and 2% respectively over the same period. On June 29, the Government introduced six new housing initiatives, aiming at making subsidised sale flats more affordable, increasing supply of subsidised housing units and enhancing support for transitional housing supply, and encouraging more timely supply of first-hand private flats.

Prices

Overall inflation pressure stayed moderate in the second quarter of 2018, though building up somewhat amid strong economic conditions. Local cost pressures were largely contained, as the sustained improvement in labour productivity kept labour cost pressure in check on a unit cost basis, and rental costs faced by businesses remained moderate thus far. However, the effects of the uptrend in fresh-letting residential rentals over the past year or so continued to feed through. External price pressures, while still rather moderate, inched up amid the mild acceleration of inflation in some of Hong Kong's major import suppliers and to a lesser extent the hike in international oil prices in recent months. While the temporary factors that led to a faster increase in prices in the first quarter subsided, the underlying consumer price inflation, which nets out the effects of the Government's one-off relief measures, remained unchanged at 2.4% in the second quarter. Due to the upward adjustment in the ceiling of the Government's rates concession, the headline consumer price inflation came down slightly to 2.1% in the second quarter, compared to 2.4% in the first quarter.

Latest GDP and price forecasts for 2018

Looking ahead, the current momentum of the global economy, if continued, will render support to Hong Kong's external demand. On current indications, the Mainland economy would maintain a medium-high growth pace this year, and the US economy should remain strong given the boost from the tax reform. However, sustained trade tensions between major economies would increase the downside risks to the global economy. The US' trade conflicts with the Mainland, in particular, could weigh on global economic sentiment as well as trade and investment activities, possibly putting a damper on Hong Kong's exports in the period ahead. Moreover, the global financial and asset markets could become more volatile upon further tightening of financial conditions across advanced economies, particularly in the US.

Domestic demand should remain largely resilient in the remainder of the year. Consumer sentiment may turn less sanguine in the wake of the increased external uncertainties, but should still be supported by favourable job and income conditions. However, local investor sentiment might feel the pinch should the US-Mainland trade conflicts intensify further. Indeed, various surveys suggested that local business sentiment had turned slightly more cautious most recently.

Considering the strong year-on-year growth of 4.0% in the first half of the year, and in view of the increased external headwinds, the forecast real GDP growth for 2018 as a whole is maintained at 3-4% in the current round of review (see Table 2). The Government will continue to monitor closely the development of the various external uncertainties and their implications for the local economy. For reference, the latest forecasts by private sector analysts mostly range from 3.3-4.0%, averaging around 3.7%.

On the inflation outlook, in view of the edging up of global inflation and continued feed-through of earlier rises in fresh-letting residential rentals, consumer price inflation is likely to go up somewhat in the months ahead compared to the situation in the first half of the year, but should stay within a moderate range for 2018 as a whole. Taking into account the actual outturns so far this year, the forecast rates of underlying and headline consumer price inflation for 2018 as a whole, at 2.5% and 2.2% respectively, are maintained in the current round of review (see Table 2).

The Half-yearly Economic Report 2018 is now available for online download, free of charge at www.hkeconomy.gov.hk/en/reports/index.htm. The Report of the Gross Domestic Product, Second Quarter 2018, which contains the GDP figures up to the second quarter of 2018, is also available for online download, free of charge at the homepage of the Census and Statistics Department, www.censtatd.gov.hk.

Employers, contractors and employees should be aware of electrical safety at work during rainstorm

As the rainstorm warning has been issued by the Hong Kong Observatory, the Labour Department (LD) reminds employers and contractors that they should adopt necessary work arrangements and take suitable safety measures to protect the safety of their employees when they are carrying out electrical work or handling electrical plant.

A spokesman for the LD said today (August 10) that employers and contractors should avoid assigning employees to carry out electrical work (like electric arc welding work) or handle electrical plant at places affected by rainstorms, and should refer to the "Code of Practice in times of Typhoons and Rainstorms" and the "Guide on Safety at Work in times of Inclement Weather" issued by the LD.

Even if electrical work is carried out or electrical plant is handled at places not affected by the rainstorm, suitable safety measures must still be adopted to prevent electric shock as the air would be more humid. Such measures include:

- (i) Ensure that all live parts of an electrical installation are isolated from the power supply source and rendered dead, and the isolation from the power supply source must be maintained as long as electrical work is being carried out;
- (ii) Before carrying out any electrical work or handling any electrical plant, cut off and lock out the power supply source, then test the circuit concerned to confirm it is dead and display suitable warning notices, and issue a work permit thereafter;
- (iii) Ensure that protective devices (such as suitable and adequate fuses and circuit breakers) for the electrical installations or electrical plant have been installed and maintained in good working order, and portable electric tools must be double-insulated or properly earthed;
- (iv) Provide suitable personal protective equipment such as insulating gloves and insulating mats for employees; and
- (v) If live electrical work is unavoidable, a comprehensive risk assessment should be conducted by a competent person and the appropriate safety precautions should be taken to remove or properly control the electrical hazards involved before such work can proceed.

In addition, employees should co-operate with the employer or contractor to follow the safety instructions and use the safety equipment provided.

The LD has published guidebooks and leaflets on electrical work safety.

These safety publications are available free from divisional offices of the department or can be downloaded from its website (www.labour.gov.hk/eng/public/content2_8.htm).

Should there be any questions about occupational safety and health matters, please contact the Occupational Safety Officer of the LD at 2559 2297.

Public urged to report flooding

Attention duty announcers, radio and TV stations:

Please broadcast the following as soon as possible and repeat it at suitable intervals:

Members of the public are advised to report any street flooding that comes to their notice to the Drainage Services Department by calling the 24-hour drainage hotline on 2300 1110.