

# Survey on Small and Medium-Sized Enterprises' Credit Conditions for first quarter 2018

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

The Hong Kong Monetary Authority (HKMA) published today (May 16) the results of Survey on Small and Medium-Sized Enterprises (SMEs)' Credit Conditions for the first quarter of 2018.

Regarding SMEs' perception of banks' credit approval stance relative to 6 months ago, 77% of respondents perceived similar or easier credit approval stance in the first quarter of 2018, broadly similar to the result of the previous quarter (Chart 1 in the Annex). Some 23% of respondents perceived more difficult credit approval stance in the first quarter of 2018, as compared to 24% in the previous quarter.

Of those respondents with existing credit lines, 88% reported that banks' stance on existing credit lines was easier or unchanged in the first quarter of 2018, largely similar to the result of the previous quarter (Chart 2 in the Annex). The proportion of respondents reporting easier banks' stance declined to 14% from 22% in the survey of the previous quarter. Some 12% of respondents reported tightened banks' stance in the first quarter of 2018, slightly down from 13% in the previous quarter.

The Survey also gauged the results of new credit applications from SMEs. Some 2.9% of respondents reported that they had applied for new bank credit during the first quarter of 2018. Of those with known application outcomes, 91% reported fully or partially successful applications, with the proportion of respondents reporting fully successful applications decreasing to 50% from 70% in the survey of the previous quarter (Chart 3 in the Annex). The proportion of respondents reporting unsuccessful application increased from 4% to 9%. It should be noted that owing to a small sample size (i.e. 2.9% of surveyed SMEs), the results of new credit applications from SMEs could be prone to large fluctuations. Care should be taken when interpreting the survey results.

## About Survey on Small and Medium-Sized Enterprises' Credit Conditions

In light of the importance of SMEs to the Hong Kong economy and concerns about potential funding difficulties facing SMEs over the past few years, the HKMA has appointed the Hong Kong Productivity Council (HKPC) to carry out this Survey, starting from the third quarter of 2016. This Survey is conducted on a quarterly basis, covering some 2 500 SMEs from different economic sectors each time. The results of this Survey can help monitor the development of SMEs' access to bank credit from the demand-side perspective.

The results of this Survey should be interpreted with caution. Similar to other opinion surveys, views collected in this Survey may be affected by changes in sentiment due to idiosyncratic events occurring during the time of conducting the Survey, which can make the results more prone to fluctuations. Readers are advised to interpret the results together with other economic and financial information. In addition, views collected are limited to the expected direction of periodic changes (e.g. "tighter", "similar" or "easier") but not the magnitude of difficulties.

Detailed tables and technical information of this Survey are published in the website of the HKPC ([smecc.hkpc.org](http://smecc.hkpc.org)).

---

## LCQ12: Complaint handling of Hospital Authority

Following is a question by the Dr Hon Pierre Chan and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (May 16):

Question:

Regarding the complaints and claims of medical negligence received by the Hospital Authority (HA), will the Government inform this Council:

(1) whether it knows the number of claims of medical negligence received by each public hospital in each of the past five years (i.e. from January 1, 2013 to December 31, 2017), and set out a breakdown by type of claims in tables of the same format as Table 1;

(2) whether it knows the number of complaints in each public hospital which were found, in each of the past five years, to be substantiated and needed further follow-up actions after being handled by the hospitals concerned, and the respective numbers of the various types of healthcare personnel (i.e. doctors, nurses and allied health professionals) who were punished because they had made mistakes in the relevant incidents, and set out a breakdown by type and rank of such personnel in tables of the same format as Table 2; the forms of punishment they received;

(3) given that complainants may appeal to the Public Complaints Committee (PCC) of HA if they are not satisfied with the decisions made by public hospitals in respect of their complaints, whether it knows the number of appeal cases received by PCC in each of the past three years and, among them, the number of those found by PCC to be substantiated or partly substantiated (set out in Table 3);

(4) whether it knows the number of claims of medical negligence in each of

the past two years, broken down by different handling methods/results (set out in Table 4);

(5) whether it knows the number of claims for which compensation was paid to the patients concerned or their families by HA in each of the past two years, and the respective total amounts of compensation paid and the relevant expenditure incurred, for various types of claims (set out in Table 5); and

(6) given that the target response time set by HA for handling complaints is within six weeks (within three months for complex cases), and that by PCC is within three to six months (possibly longer time needed for complex cases), whether it knows, among the complaints the handling of which was completed by each public hospital and by PCC in each of the past five years, the respective numbers of those in which the response time failed to meet such targets (set out in Table 6), and the reasons for failure to meet the targets?

Table 1: Number of claims of medical negligence  
Hospital:

Type of cases	Year				
	2013	2014	2015	2016	2017

Table 2: Number of healthcare personnel punished

Healthcare personnel	Year				
	2013	2014	2015	2016	2017
Doctors: (of different ranks)					
Nurses: (of different ranks)					
Allied health professionals: (of different ranks)					

Table 3: Number of appeal cases received by the Public Complaints Committee

Appeal cases	Year		
	2015	2016	2017
Total			

Number of cases found to be substantiated or partly substantiated			
---	--	--	--

Table 4: Number of claims of medical negligence, broken down by handling method/result

Handling method/result	Year	
	2016	2017
Settled out of court		
Referred to mediation		
Settled during mediation		
Settled after mediation		
Referred to arbitration		
Settled through arbitration		
Ruled by the court		
Total		

Table 5: Total amount of compensation paid and relevant expenditure incurred for claims

Type of compensation/expenditure	Year	
	2016	2017
Total amount of compensation paid		
Total amount of compensation paid in respect of cases settled out of court		
Total amount of compensation paid pursuant to the agreements reached by mediation		
Total amount of compensation paid pursuant to arbitration awards		
Total amount of compensation paid pursuant to court rulings		
Mediation fees paid by HA	Mediators	
	Lawyers	
	Others	
Arbitration fees paid by HA	Arbitrators	
	Lawyers	
	Others	
Legal fees paid by HA	Lawyers	
	Court	
	Others*	

\* excluding fees related to mediation and arbitration

Table 6: Number of complaints in which the response time failed to meet the targets

Year	Public Complaints Committee	Public hospitals							
2013									
2014									
2015									
2016									
2017									

Reply:

President,

The Hospital Authority (HA) has a two-tier mechanism in place to handle complaints lodged by patients and the public. The first tier is at the hospital level which covers the handling of all complaints lodged for the first time. If the complainant is not satisfied with the outcome of the complaint, he or she may appeal to the second tier, i.e. the Public Complaints Committee (PCC) of the HA. The PCC is a committee established under the HA Board responsible for independently considering and deciding on all appeal cases and putting forward recommendations on service improvement to the HA. Members of the PCC are not employees of the HA and, by virtue of their independent status, will handle all appeal cases fairly and impartially.

My reply to the various parts of the question raised by Dr Hon Pierre Chan is as follows:

(1) The HA has not classified the cases of claims arising from medical incidents by nature. Table 1 at annex sets out the number of claim received by the HA by cluster in the past five years.

(2) One of the main objectives of the HA's complaint mechanism is to help resolve problems for the complainants and improve service delivery during the course of complaint handling. Hence, when the HA handles the cases, the emphasis is not on whether the cases are substantiated. In fact, whenever room for improvement in the delivery of service is identified in the handling of complaints, the HA will take appropriate follow-up actions irrespective of whether the cases are substantiated or not. The HA does not collect data on whether the complaint cases handled at the first-tier level are substantiated or not.

The HA has put in place an established mechanism to handle disciplinary matters of its staff. Disciplinary actions taken are not confined to cases relating to medical complaints and claims. The HA will consider the seriousness of the incidents and take appropriate disciplinary actions,

including counselling, verbal or written warnings, and dismissal for cases of gross misconduct.

The HA does not maintain statistics on disciplinary actions by rank and by type of staff. Table 2 at annex sets out the number of disciplinary actions taken by the HA in the past five years:

(3) Table 3 at annex sets out the statistics on the appeal cases handled by the PCC of the HA in the past three years:

(4) and (5) Table 4 and 5 at annex set out the statistics on cases of claims received by the HA in respect of medical incidents in the past two years.

(6) The hospitals and the PCC will, upon receipt of complaints, handle these cases as soon as possible. As the complexity of each case varies, the time required for handling individual cases is different.

Some complaint cases cannot be concluded within the target response time possibly because of the involvement of several hospitals or several departments within a hospital in the case, the need for multiple clarification or evidence collection during investigation, the involvement of complex clinical management in the case, or the need to seek advice from independent medical experts.

Table 6 at annex sets out the number of complaint cases handled by the PCC and the HA by clusters that were completed beyond the target response time.

---

## **Government receives tentative results of 2018 Pay Trend Survey**

A spokesman for the Civil Service Bureau (CSB) said that the bureau received the tentative results of the 2018 Pay Trend Survey from the secretariat of the Pay Trend Survey Committee (PTSC) today (May 16).

The tentative results, presented in the form of "gross pay trend indicators", show the rates of pay adjustment in the private sector in three salary bands for the period from April 2, 2017, to April 1, 2018. The PTSC will meet next week to decide whether to validate the "gross pay trend indicators".

"The civil service payroll cost of increments incurred in 2017-18 for each salary band (set out in the table below) will be deducted from the respective "gross pay trend indicators" to arrive at the "net pay trend indicators", which will continue to be one of the factors to be considered by the Chief Executive-in-Council in determining the 2018-19 civil service pay

adjustment. Other factors include the state of Hong Kong's economy, the Government's fiscal position, changes in the cost of living, the pay claims of the staff side and civil service morale," the CSB spokesman said.

"The Pay Trend Survey is effective and credible. Over the years, it has provided objective and reliable data on the annual pay movements of organisations in different sectors. The PTSC is a tripartite committee comprising representatives of the staff side of the four central consultative councils, the two independent advisory bodies (namely the Standing Commission on Civil Service Salaries and Conditions of Service and the Standing Committee on Disciplined Services Salaries and Conditions of Service) and government officials. Every year before the Pay Trend Survey commences, the PTSC carefully reviews the survey arrangements in detail. All suggestions raised by members during the review process are thoroughly discussed by the PTSC," the CSB spokesman added.

The 2017-18 civil service payroll cost of increments expressed by salary bands are tabulated below:

Salary band	Cost of increments as a percentage of the total civil service salary expenditure of the respective salary band of that year
Upper (monthly salary from \$67,066 to \$135,075)	1.19%
Middle (monthly salary from \$21,880 to \$67,065)	1.12%
Lower (monthly salary below \$21,880)	2.05%

---

## [Pay Trend Survey Committee Meeting on May 16, 2018](#)

The following is issued on behalf of the Pay Trend Survey Committee:

The 2018 Pay Trend Survey (PTS) Report, compiled by the Pay Survey and Research Unit of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service, was released today (May 16) to Members of the Pay Trend Survey Committee (PTSC).

The survey has indicated the following average pay adjustments in the

surveyed companies over the 12-month period from April 2, 2017, to April 1, 2018.

Tentative Findings of the 2018 PTS (subject to verification)

	Basic Pay Indicator	+	Additional Pay Indicator	=	Gross Pay Trend Indicator
Lower Salary Band (below \$21,880 per month)	4.39%	+	0.50%	=	4.89%
Middle Salary Band (\$21,880-\$67,065 per month)	4.83%	+	0.80%	=	5.63%
Upper Salary Band (\$67,066-\$135,075 per month)	3.87%	+	1.38%	=	5.25%

Members of the PTSC are at present studying the survey report in detail. Subject to their analysis and deliberation, the PTSC would verify and consider validating the findings of the survey at its meeting on May 24, 2018. After that, the PTS results will be submitted to the Government. In accordance with the established practice, the Government will take into account the Pay Trend Indicators derived from the PTS and other pertinent considerations (such as the state of Hong Kong's economy, the Government's fiscal position, changes in the cost of living, pay claims of the staff side and civil service morale) before making a decision on the 2018-19 civil service pay adjustment.

The survey results reflect the pay trend in 112 companies covering 157 504 employees over the 12-month period from April 2, 2017, to April 1, 2018. Among these companies, there are 86 larger companies (employing 100 or more staff) and 26 smaller companies (employing 50-99 staff). These companies are regarded as typical employers in their respective fields, and are generally known as steady and good employers with rational and systematic salary administration.

The survey is conducted in accordance with the improved methodology as approved by the Chief Executive-in-Council in March 2007. The survey takes into account adjustments to basic salary and additional payments awarded to employees of the surveyed companies attributable to factors in relation to cost of living, general prosperity and company performance, general changes in market rates, merit and inscale increment.

The PTSC is chaired by Mr Wilfred Wong Kam-pui, who is a member of the Standing Commission on Civil Service Salaries and Conditions of Service. Mr Wong wishes to express the PTSC's sincere appreciation of the co-operation and assistance rendered by the participating companies to the 2018 PTS.



---

## [Hong Kong Customs smashes syndicate suspected of smuggling goods in electric vehicle battery case \(with photos\)](#)

Hong Kong Customs yesterday (May 15) for the first time smashed a suspected smuggling syndicate that was using the battery case of an electric private vehicle for smuggling activity. During the operation, a total of 1 576 smartphones, 228 smart watches and 45 solid state drives (SSD) with an estimated market value of about \$8 million were seized.

Customs officers yesterday morning monitored a cargo yard in Yuen Long which was suspected to be a loading base used by a syndicate for smuggling activities.

Later on the same day, an electric private vehicle which left the cargo yard was intercepted by Customs officers when it arrived at Shenzhen Bay Control Point. A total of 1 576 smartphones, 228 smart watches and 45 SSDs were found inside the battery case of the private vehicle.

Customs officers subsequently searched the cargo yard and a premises in Yuen Long. A light goods vehicle, another private car, packing materials and tools were further seized for investigation.

A total of five men, aged 26 to 48, were arrested during the operation.

Investigation is ongoing.

Smuggling is a serious offence. Under the Import and Export Ordinance, any person found guilty of importing or exporting unmanifested cargo is liable to a maximum fine of \$2 million and imprisonment for seven years.

Members of the public may report any suspected smuggling activities to the Customs 24-hour hotline 2545 6182 or dedicated crime-reporting email account ([crimereport@customs.gov.hk](mailto:crimereport@customs.gov.hk)).

