

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday, January 19, 2022 is 95.2 (up 0.1 against yesterday's index).

Judiciary alerts public to fraudulent email

The following is issued on behalf of the Judiciary:

The Judiciary today (January 19) reminded members of the public to stay vigilant to a fraudulent email sent under the email account "teresa.cheng@judiciary.hk" and carrying a suspected link to a malicious file.

The Judiciary confirmed that the email account concerned is fake and has reported the case to the Police. Members of the public are reminded not to open any suspicious email, nor to click on their embedded links.

LCQ6: Non-governmental organisations receiving lump sum grant subvention

Following is a question by Dr the Hon Tik Chi-yuen and a reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (January 19):

Question:

Last month, the Government indicated that the overall recurrent expenditure for the coming financial year would have to be cut by 1 per cent, taking the current financial year as the basis. It is estimated that the 164 non-governmental organisations receiving lump sum grant subvention (NGOs) will each, on average, be subjected to a cut of subvention by about \$1.22 million. Calculated on the basis of the current mid-point salary of Point 26 of an Assistant Social Work Officer, this means that each of these NGOs will need to cut two such posts. The social welfare sector is worried that as the existing resources and manpower of these NGOs have already been in acute shortage, the failure to implement appropriate policies will render the

underprivileged groups always unable to receive appropriate services. In this connection, will the Government inform this Council:

(1) of the respective actual staffing establishments and numbers of subvented staff members of subvented residential care homes for persons with disabilities, residential care homes for the elderly, care and attention homes for the elderly and day care centres for the elderly, in each of the past three years;

(2) whether it has assessed the respective numbers of headcounts and service recipients that have to be cut by the NGOs due to the cut in funding by the Government; and

(3) whether the Labour and Welfare Bureau has considered deploying the various funds of the Government or social resources to make up for the cut in funding for the NGOs?

Reply:

Acting President,

Hong Kong's economy has been battered by the COVID-19 epidemic, and all sectors of the community have been generally affected to varying degrees. Faced with an economic downturn, and given the significant increase in recurrent government expenditure in the areas of education, social welfare and healthcare by around 32 per cent from 2017-18 to 2020-21, the Government must exercise extra prudence in managing public finance. As such, the Financial Secretary proposed in last year's Budget that the Government would implement an expenditure reduction programme to strengthen fiscal discipline. With an objective to trim the recurrent government expenditure by 1 per cent in 2022-23, the programme is applicable to all policy bureaux and departments. Nonetheless, the Government has decided that the cash assistance provided under the social security system, including those under the Comprehensive Social Security Assistance Scheme and the Social Security Allowance Scheme, would not be reduced under the programme. Moreover, the Labour and Welfare Bureau and the Social Welfare Department (SWD) will give subvented and subsidised service units exemption on certain expenditure items on condition that such exemption will not affect the implementation of the expenditure reduction programme, and the SWD has written to the social welfare organisations earlier to explain the Government's reasons for implementing the expenditure reduction programme and inform them of the specific exemption arrangements.

My reply to the Member's question is as follows:

(1) In 2001, the Government introduced the Lump Sum Grant Subvention System (LSGSS), which has largely replaced the conventional social welfare subvention system that was considered to be inflexible, complex and involving too many administrative procedures. The LSGSS seeks to focus on the effectiveness of service delivery and hence allows non-governmental organisations (NGOs) greater flexibility and efficiency in utilising public funds and providing quality services. It also helps simplify administrative

work and enhance the quality of service substantively. Subject to their compliance with the requirements of the Funding and Service Agreement and the relevant statutory staffing requirements, the NGOs may determine their staffing establishment in accordance with their human resources policies, and flexibly deploy resources and employ staff to achieve the service output and effectiveness required. The Government does not have the figures on the staffing establishment of the NGOs.

(2) and (3) The Government is committed to building a caring community and looking after the underprivileged. The recurrent expenditure on social welfare has increased from \$65.3 billion in 2017-18 by 62 per cent to \$105.7 billion in 2021-22. It makes up the biggest share of public expenditure amongst different policy areas, accounting for about 20 per cent of the overall recurrent public expenditure. After such a sustained period of strong growth, social welfare expenditure should enter a consolidation period with focus on implementing various improvement measures to ensure appropriate use of resources.

Experience has shown that subvented organisations would adopt different measures to achieve expenditure reduction, including streamlining workflows and reducing various expenses. Facing the heavy blow dealt by the epidemic and the severe challenges posed to our public finance, the Government must strengthen fiscal discipline and introduce expenditure reduction measures with a view to ensuring the sustainability of Hong Kong's public finance and meeting the long-term development needs of different sectors of the community. The Government hopes that the publicly-funded social welfare organisations will also make optimal use of public resources and formulate expenditure reduction proposals to achieve the objective of the expenditure reduction programme. The Government will not provide additional resources for subvented organisations under the expenditure reduction measures.

LCQ20: Supporting young people to go to Guangdong-Hong Kong-Macao Greater Bay Area for development

Following is a question by the Hon Rock Chen and a written reply by the Secretary for Constitutional and Mainland Affairs, Mr Erick Tsang Kwok-wai, in the Legislative Council today (January 19):

Question:

To encourage and support Hong Kong's young people to go to the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to work and develop careers, the Government has successively launched the "Funding Scheme for Youth Entrepreneurship in the Guangdong-Hong Kong-Macao Greater Bay

Area", the "Funding Scheme for Experiential Programmes at Innovation and Entrepreneurial Bases in the Guangdong-Hong Kong-Macao Greater Bay Area" and the "Greater Bay Area Youth Employment Scheme". In this connection, will the Government inform this Council:

(1) whether it knows the details, including the number and percentage, of Hong Kong's young people who have started up businesses and taken up employment in the various Mainland cities of GBA, with a breakdown by (i) the age group to which they belong, (ii) whether they have started up businesses or taken up employment, (iii) the industry in which they are engaged and (iv) the post they are holding, etc.; if such figures are not available, whether it will compile the statistics on a regular basis;

(2) whether it has established a mechanism to provide support services in respect of housing, laws, employment, healthcare or emergencies to Hong Kong's young people who have started up businesses and taken up employment in the Mainland cities of GBA; if so, of the number of requests for assistance received last year, with a breakdown by (i) the matter involved and (ii) whether the assistance seekers had joined the aforesaid schemes; if it has not established such a mechanism, of the reasons for that; and

(3) whether it will consider setting up additional Economic and Trade Offices or Liaison Units in other Mainland cities of GBA, or establishing a dedicated department to provide support services to Hong Kong's young people living on the Mainland; if so, of the details; if not, the reasons for that?

Reply:

President,

The objectives of the development of the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) are to further deepen cooperation amongst Guangdong, Hong Kong and Macao, promote coordinated regional economic development, leverage their complementary advantages to develop an international first-class bay area for living, working and travelling. The development of the Greater Bay Area will not only bring continuous impetus to the development of Hong Kong, but also provide young people of Hong Kong with greater room for development.

Since the promulgation of the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area in February 2019, the Hong Kong Special Administrative Region (HKSAR) Government has maintained close contact with relevant central ministries, the Guangdong Provincial Government and the Government of the Macao Special Administrative Region to proactively take forward the development of the Greater Bay Area on the basis of "one country, two systems". Many policy initiatives facilitating Hong Kong residents, especially young people, to work and start new businesses in the Mainland cities of the Greater Bay Area have since been introduced by the Central Government, including measures supporting youth innovation and entrepreneurship, the opening up of positions in the civil service and public institutions for application by Hong Kong and Macao residents, etc. These measures will provide young people of Hong Kong with quality job

opportunities and a promising career ladder. The HKSAR Government also introduces various schemes and measures to encourage and support young people of Hong Kong to set their sights on the Greater Bay Area and make the best of the significant opportunities the Greater Bay Area offers them in their personal and career development.

Upon consulting the Home Affairs Bureau and the Labour and Welfare Bureau, our consolidated reply to Hon Rock Chen's question is as follows:

(1) To support young people of Hong Kong to work in the Mainland cities of the Greater Bay Area, the Labour Department (LD) launched the Greater Bay Area Youth Employment Scheme in January 2021 to encourage enterprises with businesses in both Hong Kong and the Mainland cities of the Greater Bay Area to employ university graduates from Hong Kong and deploy them to station and work in the Mainland cities of the Greater Bay Area. The enterprises concerned may make an application to the HKSAR Government under the Scheme and, upon approval, they will be granted a monthly allowance of HK\$10,000 for each graduate employed for up to 18 months. To date, LD has received a total of 1 090 preliminary applications for allowance. Breakdowns of the applications by work location, age and occupation of the Scheme participants as well as industry of the enterprises are at Annex.

To support young entrepreneurs in Hong Kong to start their businesses in Hong Kong and the Mainland cities of the Greater Bay Area, the Home Affairs Bureau (HAB) has launched two funding schemes under the Youth Development Fund (YDF), namely the Funding Scheme for Youth Entrepreneurship in the Guangdong-Hong Kong-Macao Greater Bay Area (Funding Scheme for Youth Entrepreneurship) and the Funding Scheme for Experiential Programmes at Innovation and Entrepreneurial Bases in the Guangdong-Hong Kong-Macao Greater Bay Area (Funding Scheme for Experiential Programmes), providing entrepreneurial support and incubation services to young people of Hong Kong who plan to start their own businesses. The list of funded organisations was announced in February 2021. The Funding Scheme for Youth Entrepreneurship supports 16 NGOs to organise youth entrepreneurship projects, providing capital subsidy to about 230 youth start-ups (involving more than 800 Hong Kong young entrepreneurs) and rendering entrepreneurial support and incubation services to about 4 000 young entrepreneurs. Funded NGOs have started rolling out their youth entrepreneurship projects and received positive response thus far. Subject to the latest epidemic situation, the funded NGOs will gradually assist young entrepreneurs in settling in innovative and entrepreneurial bases in the Mainland cities of the Greater Bay Area. Meanwhile, the Funding Scheme for Experiential Programmes supports 15 NGOs to organise short-term experiential projects at innovative and entrepreneurial bases in the Mainland cities of the Greater Bay Area, with a view to deepening Hong Kong young people's understanding about the entrepreneurial bases in the Mainland, as well as the relevant policies and support measures on innovation and entrepreneurship. This may facilitate young people to consider establishing their businesses in the relevant entrepreneurial bases in future. About 700 young people will benefit from these programmes.

Besides, HAB also subsidises NGOs through the Funding Scheme for Youth

Internship in the Mainland (FSYIM) to organise Mainland internship activities for the young people of Hong Kong, with a view to enabling them to personally experience the actual workplace environment in the Mainland, so as to acquire a deeper understanding of the Mainland employment market, work culture and development opportunities. In particular, being one of the major cooperation initiatives between Hong Kong and Guangdong, the Guangdong-Hong Kong-Macao Greater Bay Area Hong Kong Youth Internship Scheme launched under the FSYIM has covered all the Mainland cities of the Greater Bay Area since 2019, providing about 1 000 diverse internship placements. Subject to the latest epidemic situation, HAB will continue to enhance and expand the relevant schemes, with a view to enabling young people of Hong Kong to learn about the opportunities in the Greater Bay Area through different ways.

(2) and (3) LD has set up a dedicated website to provide practical information about working and living in the Mainland cities of the Greater Bay Area for Hong Kong graduates participating the Greater Bay Area Youth Employment Scheme. LD has also organised talks to help the participants make good preparation for their employment and living in the Mainland cities of the Greater Bay Area. After the participants' assumption of duties, LD will proactively follow up and keeps in close contact with relevant authorities of the Guangdong Provincial Government to render the participants appropriate support and assistance. It is understood that many enterprises have offered the participants assistance outside the workplace, including arranging residence for the participants and coaching by experienced staff, to help the participants adapt to the local life. The HKSAR Government is particularly grateful to the Guangdong Provincial Government for providing each participant a monthly living allowance of up to RMB1,000.

To support young people of Hong Kong who have set up businesses in the Mainland cities of the Greater Bay Area, the Government will establish an Alliance of Hong Kong Youth Innovative and Entrepreneurial Bases in the Greater Bay Area (the Alliance). Sizeable organisations from Guangdong and Hong Kong with proven track record, such as innovative and entrepreneurial bases, universities, NGOs, scientific research institutes, professional bodies, venture funds, etc. will be invited to join and set up a one-stop information, publicity and exchange platform jointly to support young entrepreneurs of Hong Kong in the Greater Bay Area. In addition, members of the Alliance and representatives of Hong Kong young entrepreneurs will meet with the governments of Guangdong and Hong Kong regularly to review the latest position of innovative and entrepreneurial development, listen to the concerns of the stakeholders, deal with problems faced by entrepreneurs, and refine the mechanism in light of the experience gained, with a view to making the Alliance an effective platform for addressing the entrepreneurial-related issues.

Apart from the abovementioned supportive measures to young people of Hong Kong on their employment and start-ups in the Mainland cities of the Greater Bay Area, the HKSAR Government has been providing different kinds of practical assistance to Hong Kong people and enterprises in the Mainland through the various Mainland Offices including the Hong Kong Economic and Trade Office in Guangdong (GDETO). GDETO is located in Guangzhou in the

Guangdong Province providing services in five provinces, i.e. Guangdong, Fujian, Jiangxi, Guangxi and Hainan. GDET0 has also established designated Liaison Units (LUs) in Shenzhen, Fuzhou in the Fujian Province and Nanning in the Guangxi Province. GDET0 attaches great importance to the development of young people of Hong Kong in the Mainland and provides them with a wide variety of support, such as free legal advisory service and assistance in seeking internship opportunities. Meanwhile, GDET0 disseminates practical information through different channels, including talks, the weekly Newsletter on Trade and Business, the WeChat official account of GDET0, the website of GDET0 and the thematic website of the Greater Bay Area.

At present, the majority of the young people of Hong Kong who are working, starting their businesses or studying in the Mainland are staying in the Mainland cities of the Greater Bay Area. The HKSAR Government will continue to provide support and services to these young people through GDET0 (including Shenzhen Liaison Unit).

LCQ15: Quality Migrant Admission Scheme

Following is a question by Dr the Hon Johnny Ng and a reply by the Secretary for Security, Mr Tang Ping-keung, in the Legislative Council today (January 19):

Question:

The Government launched the Quality Migrant Admission Scheme (QMAS) in June 2006 to attract highly skilled or talented persons globally to settle in Hong Kong, so as to enhance the international competitiveness of Hong Kong. In order to attract non-local talents more proactively to enrich Hong Kong's talent pool, the Chief Executive announced in the 2021 Policy Address that the Government would further increase the annual quota of QMAS to 4 000. In this connection, will the Government inform this Council:

- (1) of the total number of talents granted approval to come to Hong Kong under QMAS last year, with a tabulated breakdown by (i) the country/place from which they came, and (ii) the industry in which they were engaged/the sector to which they belonged before coming to Hong Kong;
- (2) whether it has assessed (i) if the talents admitted under QMAS meet the talent needs of various industries, and (ii) their effectiveness in promoting local economic and social development; and
- (3) whether it will (i) step up the publicity and recruitment work on QMAS, so as to cater for the development needs of Hong Kong's economy and

industries, and (ii) review the implementation of QMAS, so as to complement the National 14th Five-Year Plan and the development strategies of the Guangdong-Hong Kong-Macao Greater Bay Area?

Reply:

President,

Human capital is an important driving force for enhancing Hong Kong's competitiveness and promoting economic development. Against the backdrop of an ageing population and a declining labour force, Hong Kong needs sufficient quality talents to meet the needs of a knowledge-based economy and its diversified development of industries.

Having consulted the Labour and Welfare Bureau, the Immigration Department (ImmD) and other relevant bureaux and departments, my consolidated reply to the question raised by Dr the Hon Johnny Ng is as follows:

(1) The Hong Kong SAR Government launched the Quality Migrant Admission Scheme (QMAS) in June 2006. As of end 2021, a total of 36 689 applications from close to 100 countries/regions had been received. Among them, 9 131 applicants were allotted with quotas.

The breakdowns of the applications received under the QMAS by year of application received, and the quotas allotted by year of approval, the industry/sector to which the applicants belonged and the places from which they came are tabulated as follows:

Year	Applications Received (note)	Quotas Allotted (note)
2006 (June to December)	587	83
2007	627	239
2008	1 358	564
2009	1 296	593
2010	1 177	329
2011	1 674	286
2012	1 965	298
2013	1 787	332
2014	2 341	373
2015	1 829	208
2016	1 575	273
2017	1 932	411
2018	3 314	555
2019	5 896	874
2020*	3 966	1 709

2021**	5 365	2 004
Total	36 689	9 131

Note: The applications with quotas allotted in a year may not correspond with the applications received in the same year.

* In 2020, the annual quota for QMAS was increased from 1 000 to 2 000.

** In 2021, the annual quota for QMAS was increased from 2 000 to 4 000.

Industry	Quotas Allotted
Financial and Accounting Services	2 264
Information Technology and Telecommunications	2 188
Architecture, Surveying, Engineering and Construction	704
Academic Research and Education	579
Commerce and Trade	573
Manufacturing Industries	554
Business Support and Human Resources	383
Legal Services	342
Arts and Culture	329
Human Health and Veterinary Services	288
Broadcasting and Entertainment	211
Sports	195
Logistics and Transportation	178
Catering and Tourism	53
Others	290
Total	9 131

Country/Region	Quotas Allotted
The mainland of China	8 039
The United States of America	183
Canada	160
Australia	157
The United Kingdom	95
India	71
Singapore	65
Malaysia	63
Taiwan, China	45
New Zealand	44

Others	209
Total	9 131

Talents allotted with quotas need to complete the relevant procedures before they settle in Hong Kong. The COVID-19 epidemic in the past two years has slowed down the pace of talents coming to settle in Hong Kong. The ImmD will continue to maintain contact with the talents allotted with quotas and provide possible facilitation arrangements for their early settlement in Hong Kong.

(2) The QMAS is always an important channel to attract highly skilled or talented persons globally to settle in Hong Kong, thereby enhancing the city's international competitiveness. With their international and Mainland perspectives, the talents who have settled in Hong Kong under the QMAS help the city fully capitalise on its advantages in closely connecting places around the world and the mainland of China, and strengthen Hong Kong's status as Asia's World City.

The QMAS is not sector-specific. Eligible applications will be short-listed for further assessment by the Advisory Committee on Admission of Quality Migrants and Professionals (the Advisory Committee). The Advisory Committee comprises official members and non-official members from different sectors of the community appointed by the Chief Executive. Through a rigorous selection process, the Advisory Committee allots quotas under the QMAS to highly skilled or talented persons who meet Hong Kong's development needs. The Advisory Committee will consider the socio-economic needs of Hong Kong, the backgrounds of the candidates (such as academic attainment, professional training/qualification, work experience, international perspective, language proficiency and future development plan in Hong Kong) and other relevant factors, and make recommendations to the Director of Immigration on the best approach to allocate the quotas.

The Government will continue to review the arrangement and effectiveness of the QMAS to attract more highly skilled or talented persons to develop their careers and settle in Hong Kong with a view to enlarging Hong Kong's talent pool.

(3) Attracting talents is one of the priority policy areas of the Government. Further to the Government's initiative to increase the annual quota of the QMAS from 1 000 to 2 000 in 2020, the Chief Executive announced in her Policy Address in October 2021 that the annual quota would be doubled to 4 000 to attract talents from all over the world to work in Hong Kong. Besides, under the QMAS, eligible applicants who meet the professional specifications of the Talent List of Hong Kong will be awarded bonus points under the "General Points Test" of QMAS. Upon the completion of a review on the Talent List in 2021, the Labour and Welfare Bureau added to the list the professions of "financial professionals in compliance in asset management" and "professionals in Environmental, Social and Governance". The scope of some existing professions has been expanded to cover experts of "medical and healthcare sciences", "microelectronics", "integrated circuit design" and

"arts technology", and the requirements on legal and dispute resolution professionals have been refined, with a view to complementing Hong Kong's future policy direction to develop the key areas of finance, innovation and technology, arts and culture, as well as dispute resolution services.

The HKSAR Government has been actively promoting the QMAS and various talent admission schemes through the network of the Economic and Trade Offices (ETOs) overseas and on the Mainland and Invest Hong Kong's (InvestHK) offices overseas and on the Mainland to attract talents from around the world to come to Hong Kong. Through different means and channels, such as meetings, online platforms, social media and electronic communications, the ETOs have been actively promoting the various talent admission schemes and introducing the development opportunities in Hong Kong to the key stakeholders in political, business and professional sectors. The ETOs have also hosted or participated in different events to this end. For example, they have promoted Hong Kong's advantages and encouraged talents to come to Hong Kong in business seminars, and organised talks at universities to introduce to students and graduates the employment opportunities in Hong Kong.

InvestHK has been actively working with relevant bureaux, the ImmD, the ETOs, the Hong Kong Science and Technology Parks Corporation, the Hong Kong Cyberport Management Company Limited, foreign chambers of commerce and human resources consultancies to showcase to global talents the opportunities in Hong Kong and the Guangdong-Hong Kong-Macao Greater Bay Area by organising different kinds of global promotional events (including webinars) and through social media and other digital promotional platforms. InvestHK has rolled out promotional initiatives, including a thematic website on talent attraction (www.liveworkhongkong.gov.hk), flyers, presentation decks and promotional videos. Arrangements have also been made for the overseas and Mainland talents in Hong Kong to share their stories at different events for reference by those interested in coming to Hong Kong for career development.

While pursuing its efforts to nurture local talents, the HKSAR Government will continue to adopt an open talent attraction policy and step up publicity and promotion to attract the high-quality talents needed for Hong Kong's future economic development, with a view to seizing the tremendous opportunities brought about by the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the National 14th Five-Year Plan and the Belt and Road Initiative, and supporting the long-term economic development of Hong Kong.