

LCQ10: Stockpiles of emergency supplies

Following is a question by the Hon Chan Han-pan and a written reply by the Secretary for Commerce and Economic Development, Mr Algernon Yau, in the Legislative Council today (November 29):

Question:

There are views that Hong Kong experienced several waves of panic buying of different supplies during the outbreak of the Coronavirus Disease 2019 epidemic and when it was affected by the news about unfavourable external factors, and that such a situation highlights Hong Kong's shortcoming of relying heavily on importation of supplies from outside the territory. In this connection, will the Government inform this Council:

(1) whether it has tracked the monthly stocks of edible salt, frozen meat, medicine containing paracetamol, masks and disinfectant alcohol in Hong Kong in the past five years; if so, set out the relevant figures in a table;

(2) whether it will update the existing statutory list of reserved commodities to include other emergency supplies; if so, of the details and the timetable; if not, the reasons for that; and

(3) whether it will consider, when leasing out logistics sites, including a provision requiring the lessees to assist the Government in the storage of emergency supplies; if so, of the details and the timetable; if not, the reasons for that?

Reply:

President,

The COVID-19 epidemic lasted for over three years. With the full support from the Central Government and efforts by the Hong Kong Special Administrative Region (HKSAR) Government, the HKSAR has been striving to ensure a sufficient and stable supply of food and various major supplies. Having consulted the Development Bureau, the Environment and Ecology Bureau, the Health Bureau and the Transport and Logistics Bureau, the consolidated reply to the various parts of the question is as follows:

(1) Information on imports of the five products in question in the past five years is as follows:

Category	Unit	2018		2019		2020		2021		2022	
		Value (HK\$ million)	Quantity (million)	Value (HK\$ million)	Quantity (million)	Value (HK\$ million)	Quantity (million)	Value (HK\$ million)	Quantity (million)	Value (HK\$ million)	Quantity (million)
Edible salt	kg	65.3	49.7	67.1	51.2	67.0	45.4	74.5	48.7	81.7	47.8
Frozen meat	kg	26,027.2	923.9	21,518.0	760.2	21,676.1	725.9	19,201.5	635.7	12,178.1	381.0

Medicine containing paracetamol	–	352.5	–	359.0	–	391.7	–	403.6	–	466.6	–
Face mask (Note)	No.							411.5	438.3	1,099.2	652.4
Disinfectant alcohol	kg	125.2	4.9	143.6	6.2	1,295.9	46.5	335.9	14.0	368.7	17.1

Relevant government departments have been monitoring the supply situation in the market, and liaised with the trade closely to ensure a stable supply.

As an illustration, in the face of the shortage of supply around the world and in the local market at that time, the Government took the breakthrough step of establishing the Local Mask Production Subsidy Scheme in March 2020 to provide subsidy to facilitate the establishment of local mask production facilities and the building up of stock. The 20 subsidised production lines collectively delivered about 470 million masks to the Government within one year. The Government also provided technical support through the Hong Kong Productivity Council to another 35 production lines to increase local production.

(2) Hong Kong has all along been committed to free market economic principles and is also a free port. Unless otherwise prescribed by law with sufficient policy justifications, all commodities can be freely imported and exported. This is one of the important factors to attract foreign investment and businesses to Hong Kong and the international obligation that Hong Kong needs to adhere to.

Currently, only rice is scheduled as a reserved commodity under the Reserved Commodities Ordinance. Owing to then mounting concerns over the supply of certain foods, the Government has been operating the Rice Control Scheme since 1955, as well as imposing controls on frozen meat and frozen poultry later on. The Government formulated legislation to regulate the imports, exports and reserve stocks of the relevant foods to ensure a stable supply and maintenance of a reserve stock to cater for emergencies and momentary short supply.

Compared with the situation in previous decades, the supply and choices of food stock in Hong Kong have changed significantly. Coupled with the global trend of free trade, the Government has gradually opened up markets and minimised controls. That included the removal of frozen meat and frozen poultry from the Reserved Commodities Ordinance in 2000 and the liberalisation of the rice market and maintenance of minimum level of controls on rice trade since 2003.

When considering whether to impose control on certain commodities, we have to take into consideration the international obligations that Hong Kong needs to adhere to (e.g. World Trade Organization rules) and the impacts of controls on the free trade environment, market competition and market efficiency and flexibility, etc, of Hong Kong.

At the moment, the relevant bureaux have no plan to add any commodity under the Reserved Commodities Ordinance.

(3) The Government does not see a need for additional space for storage of statutory reserved commodity at the moment. In general, if the Government sees a need for space or floor area for certain specified purposes, we will consider different options, including imposing requirement through conditions of grant.

Note: Separate figures for face masks prior to 2021 are unavailable as they were classified as textile articles before 2021.