

LCQ12: Chinese Medicine Development Fund

Following is a question by Professor the Hon Chan Wing-kwong and a written reply by the Secretary for Health, Professor Lo Chung-mau, in the Legislative Council today (June 7):

Question:

The Chinese Medicine Development Fund (CMDF), which was officially launched in June 2019, is the first dedicated fund set up to support the development of Chinese medicine (CM). In addition, the Financial Secretary proposed in the 2023-2024 Budget the injection of \$500 million into CMDF. In this connection, will the Government inform this Council:

(1) of the total numbers of applications received, approved and rejected by the authorities, as well as the number of applications withdrawn, since the launch of CMDF; the amount of funding involved in the approved applications; the main reasons for the applications being rejected;

(2) of the respective numbers of applications received and approved by the authorities, since the launch of CMDF, for the four projects under the Enterprise Support Programme of CMDF (i.e. the "Chinese Medicine Personal Training and Chinese Medicine Clinic Improvement Funding Scheme", the "Proprietary Chinese Medicine Quality and Manufacturing System Enhancement Funding Scheme", the "Proprietary Chinese Medicine Registration Supporting Scheme" and the "Chinese Medicine Warehouse Management, Logistics and Services Improvement Funding Scheme"), and the two projects under the Industry Support Programme (i.e. the "Chinese Medicine Industry Training Funding Scheme & Chinese Medicine Promotion Funding Scheme" and the "Chinese Medicine Applied Studies and Research Funding Scheme"), as well as the respective amounts of funding involved in the approved applications, and set out the breakdown in a table;

(3) of the average time taken by CMDF for vetting and approving each application; whether the Government will further streamline the application procedure of CMDF, so that CM institutions with genuine needs can obtain funding support in a timely manner;

(4) of the publicity and promotional measures taken by the Government to ensure that CM institutions are aware that they may apply for funding support from CMDF to cater for their development; and

(5) of the latest situation regarding the usage of CMDF and its balance; given that in reply to a question raised by a Member of this Council in respect of the Estimates of Expenditure 2023-2024, the Government indicated that the authorities planned to enrich the coverage and depth of CMDF's funding support in the current financial year, of the specific details of the

relevant plan?

Reply:

President,

Officially launched in June 2019, the Chinese Medicine Development Fund (CMDF) is the first dedicated fund set up to support the development of Chinese medicine (CM) with the main objective of enhancing the overall standard of the CM sector to dovetail with CM development.

The reply to the various parts of the question raised by Professor the Hon Chan Wing-kwong is as follows:

(1) and (2) The CMDF is committed to benefitting personnel and organisations of different segments in the entire CM sector and has launched over 10 funding schemes covering such areas as talent training, improvement of clinic facilities, enhancement of proprietary Chinese medicine (pCm) manufacturing quality and management systems, support for pCm registration, promotion of CM, applied studies and research, etc. As at the end of April 2023, the major achievements of the CMDF are as follows:

(a) on talent nurturing, over 2 700 Chinese medicine practitioners (CMPs) and CM drug personnel have received subsidies to attend various CM professional training programmes to continuously enhance their professional knowledge and abilities; the CMDF has also subsidised programme providers to design and organise innovative training projects in order to fill the gap of the existing programmes available in the market, benefitting more than 8 000 personnel. So far, a total of over 5 000 funding applications have been approved by the CMDF under the relevant funding schemes;

(b) on quality enhancement, the CMDF has supported more than 400 CM clinics and 150 Chinese herbal medicine retailers / wholesalers in upgrading their facilities and equipment to enhance service quality as well as the safety and quality control of CM drugs; the CMDF has also supported over 150 pCm manufacturers / wholesalers in completing the registration process for more than 680 pCm products by engaging consultancy services and technical support, thereby enhancing the quality of Hong Kong registered pCm products and promoting the brand image and development of the CM drug industry. So far, a total of over 1 250 funding applications have been approved by the CMDF under the relevant funding schemes;

(c) on research and applied studies, the CMDF has supported the commencement of over 40 CM research and applied studies projects, which are instrumental in promoting the academic and clinical research as well as professional and industry development of CM in Hong Kong, and broadening the CM knowledge base; and

(d) on publicity and promotion, the CMDF has supported the implementation of over 400 CM publicity and public education activities of various forms, covering kindergarten students, primary and secondary school students, the

elderly and the public, benefitting a total of over 1.3 million people/organisations and involving the approval of the funding applications of over 20 large-scale projects.

In addition, to mobilise the CM sector's resources which are concentrated in the private market for combating COVID-19 in a timely manner, the "Fight the Virus Together – Chinese Medicine Telemedicine Scheme" and the "Together We Unite – Chinese Medicine COVID-19 Rehabilitation Scheme" were launched under the CMDF's special approval and full subsidy, with a view to meeting the keen demand from infected persons under isolation for CM teleconsultation services as well as COVID-19 recovered patients for rehabilitation treatment.

As at the end of April 2023, the amount of funding granted to the approved projects under the CMDF was about \$220 million (provisional figure). The CMDF has cumulatively received over 7 400 funding applications (including applications under vetting, pending vetting and pending submission of supplementary documents required or responses from applicants to enquiries from the implementation agent), of which over 6 300 funding applications were approved. Figures of approval for various funded projects are set out at Annex.

(3) As the implementation agent of the CMDF, the Hong Kong Productivity Council is responsible for the daily operation of the CMDF and the vetting of applications in accordance with the established requirements and mechanism devised by the Advisory Committee on CMDF (Advisory Committee) to ensure that all applications are impartially handled. The vetting process may vary depending on the nature, scale and complexity of the technical details of individual applying projects. The average vetting time is around three to four months, while approval may speed up for applications with complete information.

The implementation agent of the CMDF will also offer assistance and advice to applicants as appropriate during the application process, such as organising regular "one-to-one advisory sessions", rendering guidance to applicants on how to fill in the application form, and providing application templates for applicants' reference, etc.

As for applications on CM promotion, applied studies and research projects submitted by CM-related organisations, the Advisory Committee will inform the applicant of its comments if it has doubts about the implementation feasibility of a project, or considers that the applicant concerned has failed to provide ample details after discussion. The applicant may revise its proposal based on the Advisory Committee's comments for re-submission. The relevant arrangement helps applicants better understand how to revise their proposals, so as to expedite the vetting progress.

(4) On publicising and promoting the CMDF, the implementation agent makes on-going efforts to step up the publicity and promotion of various CMDF funding schemes through different channels, which include setting up a thematic webpage and an enquiry hotline for the CMDF; producing online or printed

publicity materials for distribution via such means as physical and social platforms as well as communications software; publishing CMDF's featured articles in CM magazines and mass media; and organising regular talks, sharing sessions and "one-to-one advisory sessions", with a view to better publicising and promoting the CMDF to the public and the CM sector in a multi-faceted manner.

Apart from disseminating its latest news through the Chinese Medicine Council of Hong Kong and other related organisations, the CMDF also proactively liaises with the CM sector and participates in its activities to enhance connection and communication, with a view to updating the stakeholders of the CM sector on the latest information of various support programmes. Furthermore, the "CM Resources Platform" has been established under the CMDF to provide the CM sector and parties concerned with diversified resources and useful reference materials on CM.

(5) The Health Bureau (HHB), in conjunction with the CMDF's implementation agent, has been reviewing the operation of the CMDF, including conducting consultation and collecting views of different stakeholders. In consultation with the Advisory Committee, the HHB implements various enhancement proposals in phases, such as refining the design of the existing funding schemes, streamlining the application process and administrative arrangements, expanding the application eligibility and funding scope, raising the funding ceiling and extending the time limit for project completion.

To further promote the long-term development of CM as an integral part of Hong Kong's healthcare system, the Government announced in the 2023-24 Budget an additional injection of \$500 million into the CMDF to support the following initiatives:

(a) commissioning organisations to conduct large-scale training, publicity and research projects on strategically priority themes conducive to CM development as a whole. Subject to further discussion with the CM sector, the projects may include the following themes and issues: developing novel and targeted training programmes which will tie in with the service commencement of the Chinese Medicine Hospital; conducting research projects to further enhance the role of CM in primary healthcare and the healthcare system in general; promoting brand image of Hong Kong's CM practice and drugs, telling good stories of Hong Kong as well as facilitating industry development in the Guangdong-Hong Kong-Macao Greater Bay Area, Mainland and overseas markets; stepping up the use of information technology by the CM sector; and rolling out large-scale city-wide initiatives to enhance public education for widening the use of CM in the community; and

(b) taking forward new capacity-building initiatives to enrich the coverage and depth of the CMDF's funding support for projects, such as raising the ceiling of the existing funding schemes for supporting the sector-initiated projects to enhance their effectiveness; launching the Training Programme of Advanced Clinical Talents in Chinese Medicine supported by the National Administration of Traditional Chinese Medicine to provide systematic training for young CMPs with higher qualifications, thereby enabling them to become

high-level backbone talents in CM theories and clinical practice; and providing technical support to pCm manufacturers for better quality control with a view to enabling Hong Kong pCm to "go global" through expansion to other markets.

The new initiatives mentioned above are expected to be rolled out in phases starting from 2023-24. The HHB, in conjunction with the Advisory Committee on CMDF, will closely monitor the implementation of the CMDF and, together with the implementation agent, maintain close contact with the CM sector and relevant stakeholders to introduce enhancement measures as and when necessary.