Opening remarks by SDEV on land sale programme for July to September 2018

Following is the transcript of the opening remarks by the Secretary for Development, Mr Michael Wong, at a media session today (July 3) on the land sale programme for July to September 2018:

In the second quarter of 2018-19, the Government will sell by tender five residential sites, estimated to produce about 1 850 flats. The sites are located one each in Lantau, the Peak and Tuen Mun respectively, with the remaining two in Kai Tak. Separately, Package 2 of MTR's Ho Man Tin Station project will produce about 900 flats. The private housing land supply in this quarter is therefore estimated to produce about 2 750 flats in total.

Together with the residential land supply in the first quarter, the total private housing land supply in the first half of 2018-19 from all sources is about 6 000 flats.

While the pool of available sites to be rolled out for private housing in the short term will be reduced after the re-allocation of some private housing sites for public housing development, the Government will, taking into account other land supply sources and market conditions, continue to put up for sale suitable private housing sites in the remaining two quarters to meet the annual target of providing land with a capacity to produce about 18 000 private units.

Thank you.

Tender for the re-opening of 10-year Government Bonds under the Institutional Bond Issuance Programme to be held on July 11, 2018

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

The Hong Kong Monetary Authority (HKMA), as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announces today (July 3) that a tender of 10-year Government Bonds (Bonds) through the re-opening of existing 10-year Government Bond issue 10GB2706 under the Institutional Bond Issuance Programme will be held on July 11, 2018 (Wednesday) for settlement on July 12, 2018 (Thursday).

An additional amount of HK$1.2 billion of the outstanding 10-year Bonds (issue no. 10GB2706) will be on offer. The Bonds will mature on June 29, 2027 and will carry interest at the rate of 1.25 per cent per annum payable semi-annually in arrears. The Indicative Pricings of the Bonds on July 3, 2018 is 92.15 with an annualised yield of 2.231 per cent.

Under the Institutional Bond Issuance Programme, tender is open only to Recognized Dealers which are appointed as Primary Dealers. Anyone wishing to apply for the Bonds on offer can do so through any of the Primary Dealers on the current published list, which can be obtained from the Government Bond Programme's website at www.hkgb.gov.hk; Each tender must be for an amount of HK$50,000 or integral multiples thereof.

Tender results will be published on the HKMA's website, the Government Bond Programme's website, the Reuters screen (HKGBINDEX), and Bloomberg (GBHK <GO>) not later than 3pm on the tender day.

HKSAR Government Institutional Bond Issuance Programme Tender Information

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Tender information of re-opening of 10-year Government Bonds under the Institutional Bond Issuance Programme:

Issue Number	:	10GB2706 (Re-open)
Stock code	:	4235 (HKGB 1.25 2706)
Tender Date and Time	:	July 11, 2018 (Wednesday) 9.30am to 10.30am
Issue and Settlement Date for tender amount	:	July 12, 2018 (Thursday)
Amount on Offer	:	HK$1.2 billion
Maturity	:	10 years
Remaining Maturity	:	Approximately 8.97 years
Maturity Date	:	June 29, 2027
Interest Rate	:	1.25 per cent p.a. payable semi-annually in arrears

Interest Payment Dates	:	December 31, 2018 June 28, 2019 December 30, 2019 June 29, 2020 December 29, 2020 June 29, 2021 December 29, 2021 June 29, 2022 December 29, 2022 June 29, 2023 December 29, 2023 June 28, 2024 December 30, 2024 June 30, 2025 December 29, 2025 June 29, 2026 December 29, 2026 June 29, 2027
Method of Tender	:	Competitive tender
Tender Amount	:	Each competitive tender must be for an amount of HK$50,000 or integral multiples thereof. Any tender applications for the Bonds must be submitted through a Primary Dealer on the current published list. The accrued interest to be paid by successful bidders on the issue date (July 12, 2018) for the tender amount is HK$22.26 per minimum denomination of HK$50,000. (The accrued interest to be paid for tender amount exceeding HK$50,000 may not be exactly equal to the figures calculated from the accrued interest per minimum denomination of HK$50,000 due to rounding).
Other details	:	Please see Information Memorandum available on the Government Bond Programme's website at www.hkgb.gov.hk or approach Primary Dealers.
Expected commencement date of dealing on the Stock Exchange of Hong Kong Limited	:	The tender amount is fully fungible with the existing 10GB2706 (Stock code: 4235) listed on the Stock Exchange of Hong Kong.

Price/Yield Table of the re-opening Government Bonds at tender for reference* only:

Yield-to-Maturity	Price	Yield-to-Maturity	Price
1.231	100.19	2.231	92.16
1.281	99.77	2.281	91.78
1.331	99.35	2.331	91.40
1.381	98.94	2.381	91.03
1.431	98.52	2.431	90.65
1.481	98.11	2.481	90.27
1.531	97.70	2.531	89.90
1.581	97.29	2.581	89.53
1.631	96.89	2.631	89.16
1.681	96.48	2.681	88.80
1.731	96.08	2.731	88.43
1.781	95.68	2.781	88.07
1.831	95.28	2.831	87.70
1.881	94.89	2.881	87.34
1.931	94.49	2.931	86.99
1.981	94.10	2.981	86.63
2.031	93.71	3.031	86.27
2.081	93.32	3.081	85.92
2.131	92.93	3.131	85.57
2.181	92.55	3.181	85.22
2.231	92.16	3.231	84.87

Two Hong Kong resident employers and four illegal workers jailed

Two Hong Kong resident employers and four Indonesian illegal workers were jailed at Shatin and Tuen Mun Magistrates' Courts on June 29 and 30 respectively.

During an operation conducted by the Immigration Department (ImmD) codenamed "Twilight" on November 1, 2017, and a joint operation conducted by the ImmD and the Hong Kong Police Force codenamed "Champion" on February 6, enforcement officers raided a restaurant in Tsuen Wan and a container terminal in Kwai Chung respectively. Two Vietnamese illegal workers and one Bangladeshi illegal worker were arrested. Two Hong Kong resident employers of the illegal workers were also arrested during the operations.

The illegal workers were jailed by Shatin Magistrates' Courts earlier. The two Hong Kong resident employers were charged at Shatin Magistrates' Courts on June 29 for being an employer of a person who was not lawfully employable as they did not take all practicable steps to ascertain whether the applicants were lawfully employable prior to employment. After trial, they were sentenced to three months' imprisonment and six weeks' imprisonment.

In addition, during a joint operation conducted by the ImmD and the Hong Kong Police Force codenamed "Powerplayer" on June 27, enforcement officers raided a restaurant in Jordan. Two Indonesian female illegal workers, aged 38 and 39, were arrested. When intercepted, they were performing kitchen work. Upon identity checking, they produced for inspection recognisance forms issued by the ImmD, which prohibit them from taking employment. Further investigation revealed that they were non-refoulement claimants.

Furthermore, during an anti-illegal worker operation mounted on June 27, ImmD investigators raided a restaurant in Yuen Long. Two female Indonesian illegal workers, aged 36 and 41, were arrested. When intercepted, they were serving customers and performing dish washing duty respectively. Upon identity checking, one of them produced for inspection a recognisance form issued by the ImmD, which prohibits her from taking employment. Further investigation revealed that she was a non-refoulement claimant. The other woman was an overstaying foreign domestic helper (FDH). They were also suspected of using and being in possession of Hong Kong identity cards relating to other persons. Meanwhile, a Hong Kong resident employer suspected of employing the illegal workers was also arrested and the investigation is ongoing.

The three illegal workers holding recognisance forms were charged at Shatin and Tuen Mun Magistrates' Courts on June 29 and 30 respectively with taking employment after landing in Hong Kong unlawfully and remaining in Hong Kong without the authority of the Director of Immigration or while being a person in respect of whom a removal order or deportation order was in force. They pleaded guilty to the charges and were sentenced to 15 to 16 months' imprisonment. In addition, one of them was also charged with one count of using a Hong Kong identity card relating to another person and one count of possessing a Hong Kong identity card related to another person. She was sentenced to 15 months and 12 months' imprisonment respectively. All sentences are to run concurrently, making a total of 15 months' imprisonment. For the other illegal worker, she was charged at Shatin Magistrates' Courts on June 29 with one count of breaching conditions of stay by taking up unapproved employment in Hong Kong as an FDH. She pleaded guilty to the charge and was sentenced to six weeks' imprisonment. She was also charged with one count of overstaying and one count of using a Hong Kong identity card related to another person. She was sentenced to 16 days and 15 months' imprisonment respectively. All sentences are to run concurrently, making a total of 15 months' imprisonment.

The ImmD spokesman warned that, as stipulated in section 38AA of the Immigration Ordinance, illegal immigrants or people who are the subject of a removal order or a deportation order are prohibited from taking any employment, whether paid or unpaid, or establishing or joining in any business. Offenders are liable upon conviction to a maximum fine of $50,000 and up to three years' imprisonment. The Court of Appeal has issued a guideline ruling that a sentence of 15 months' imprisonment should be applied in such cases.

The ImmD spokesman stressed that any person who contravenes a condition of stay in force in respect of him shall be guilty of an offence. An FDH should only take up employment as such and reside at the contractual address as stipulated in the contract, as approved by the Director of Immigration. Offenders are liable to criminal prosecution and upon conviction to a maximum fine of $50,000 and imprisonment for two years. Aiders and abettors are also liable to prosecution.

The spokesman also warned that it is an offence to use or possess a forged Hong Kong identity card or an identity card relating to another person. Offenders are liable to prosecution and a maximum penalty of a $100,000 fine and up to 10 years' imprisonment.

The spokesman reiterated that it is a serious offence to employ people who are not lawfully employable. The maximum penalty is imprisonment for three years and a fine of $350,000. The High Court has laid down sentencing guidelines that the employer of an illegal worker should be given an immediate custodial sentence. According to the court sentencing, employers must take all practicable steps to determine whether a person is lawfully employable prior to employment. Apart from inspecting a prospective employee's identity card, the employer has the explicit duty to make enquiries regarding the person and ensure that the answers would not cast any reasonable doubt concerning the lawful employability of the person. The court will not accept failure to do so as a defence in proceedings. It is also an offence if an employer fails to inspect the job seeker's valid travel document if the job seeker does not have a Hong Kong permanent identity card. The maximum penalty for failing to inspect such a document is imprisonment for one year and a fine of $150,000.

Under the existing mechanism, the ImmD will, as a standard procedure, conduct initial screening on vulnerable persons, including illegal workers, illegal immigrants, sex workers and foreign domestic helpers, who are arrested during any operation with a view to ascertaining whether they are trafficking in persons (TIP) victims. When any TIP indicator is revealed in the initial screening, the officers will conduct a full debriefing and identification by using a standardised checklist to ascertain the presence of TIP elements, such as threat and coercion in the recruitment phase and the nature of exploitation. Identified TIP victims will be provided with various forms of support and assistance, including urgent interference, medical services, counselling, shelter, temporary accommodation and other supporting services. The ImmD calls on TIP victims to report crimes to the relevant departments.

[Update on cases of Legionnaires' disease]

The Centre for Health Protection (CHP) of the Department of Health today (July 3) reported the latest number of cases of Legionnaires' disease (LD), and stressed the importance of using and maintaining properly designed man-made water systems, and that susceptible groups should strictly observe relevant precautions.

From June 24 to 30, four community-acquired LD cases were reported. They are:

1. A male patient, aged 70 with underlying illnesses, who lives in Chi Wo House, Wo Che Estate, Sha Tin;
2. A male patient, aged 76 with underlying illnesses, who lived in Kam Ping Building, 63-69 Kam Ping Street, North Point, and had passed away;
3. A male patient, aged 60 with good past health, who lives in Luna Court, 53-59 Kimberly Road, Tsim Sha Tsui; and
4. A male patient, aged 76 with underlying illnesses, who lives in Tung Tat Building, 390-392 Des Voeux Road West, Sai Ying Pun.

"Epidemiological investigations are ongoing to identify potential sources of infection, high-risk exposure and clusters, if any," a spokesman for the CHP said.

As of June 30, 31 LD cases have been reported in 2018. In 2017 and 2016, there were 72 and 75 cases respectively.

"Men, people aged over 50, smokers, alcoholics and persons with weakened immunity are more susceptible to LD. Some situations may also increase the risk of infection, including poor maintenance of water systems leading to stagnant water; living in areas with old water systems, cooling towers or fountains; using electric water heaters, whirlpools and spas or hot water spring spas; and recent stays in hotels or vessels," the spokesman said.

Legionellae are found in various environmental settings and grow well in warm water (20 to 45 degrees Celsius). They can be found in aqueous environments such as water tanks, hot and cold water systems, cooling towers, whirlpools and spas, water fountains and home apparatus which support breathing. People may get infected when they breathe in contaminated droplets (aerosols) and mist generated by artificial water systems, or when handling garden soil, compost and potting mixes.

Immunocompromised persons should:

- Use sterile or boiled water for drinking, tooth brushing and mouth rinsing;
- Avoid using humidifiers, or other mist- or aerosol-generating devices. A shower may also generate small aerosols; and
- If using these devices, fill the water tank with only sterile or cooled freshly boiled water, and not tap water. Also, clean and maintain them regularly according to manufacturers' instructions. Never leave stagnant water. Empty the water tank, wipe all surfaces dry, and change the water daily.

The public should observe the health advice below:

- Observe personal hygiene;
- Do not smoke and avoid alcohol;
- Strainers in water taps and shower heads should be inspected, cleaned, descaled and disinfected regularly or at a frequency recommended by the manufacturer;
- If a fresh water plumbing system is properly maintained, it is not necessary to install domestic water filters. Use of water filters is not encouraged as clogging occurs easily, which can promote growth of micro-organisms. In case water filters are used, the pore size should be 0.2 micrometres (μm) and the filter needs to be changed periodically according to the manufacturer's recommendations;
- Drain and clean water tanks of buildings at least quarterly;
- Drain or purge for at least one minute the infrequently used water outlets (e.g. water taps, shower heads and hot water outlets) and stagnant points of the pipework weekly or before use;
- Seek and follow medical advice regarding the use and maintenance of home respiratory devices and use only sterile (not distilled or tap) water to clean and fill the reservoir. Clean and maintain them regularly according to the manufacturer's instructions. After cleaning/disinfection, rinse the device with sterile water, cooled freshly boiled water or water filtered with 0.2-μm filters. Never leave stagnant water. Empty the water tank, keep all surfaces dry, and change the water daily; and
- When handling garden soil, compost and potting mixes:

1. Water gardens and compost gently using low pressure;
2. Open composted potting mixes slowly and make sure the opening is directed away from the face;
3. Wet the soil to reduce dust when potting plants; and
4. Avoid working in poorly ventilated places such as enclosed greenhouses.

The public may visit the CHP's LD page, the Code of Practice for

Prevention of LD and the Housekeeping Guidelines for Cold and Hot Water Systems for Building Management of the Prevention of LD Committee, and the CHP's risk-based strategy for prevention and control of LD.

Provisional statistics of retail sales for May 2018

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (July 3).

The value of total retail sales in May 2018, provisionally estimated at $40.5 billion, increased by 12.9% over the same month in 2017. The revised estimate of the value of total retail sales in April 2018 increased by 12.2% over a year earlier. For the first five months of 2018 taken together, it was provisionally estimated that the value of total retail sales increased by 13.7% over the same period in 2017.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in May 2018 increased by 11.6% over a year earlier. The revised estimate of the volume of total retail sales in April 2018 increased by 11.0% over a year earlier. For the first five months of 2018 taken together, the provisional estimate of the total retail sales increased by 12.2% in volume over the same period in 2017.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing May 2018 with May 2017, the value of sales of jewellery, watches and clocks, and valuable gifts increased by 23.8%. This was followed by sales of commodities in department stores (+16.7% in value); commodities in supermarkets (+2.8%); wearing apparel (+6.7%); medicines and cosmetics (+18.7%); food, alcoholic drinks and tobacco (+5.9%); other consumer goods, not elsewhere classified (+20.1%); electrical goods and other consumer durable goods, not elsewhere classified (+12.8%); motor vehicles and parts (+2.3%); fuels (+17.5%); footwear, allied products and other clothing accessories (+11.9%); furniture and fixtures (+4.8%); books, newspapers, stationery and gifts (+2.5%); Chinese drugs and herbs (+3.9%); and optical shops (+13.9%).

Based on the seasonally adjusted series, the provisional estimate of the value and volume of total retail sales both increased by 2.6% in the three months ending May 2018 over the preceding three-month period.

These retail sales statistics measure the sales receipts in respect of goods sold by local retail establishments and are primarily intended for gauging the short-term business performance of the local retail sector. They cover consumer spending on goods but not on services (such as those on housing, catering, medical care and health services, transport and communication, financial services, education and entertainment) which account for over 50% of the overall consumer spending. Moreover, they include spending on goods in Hong Kong by visitors but exclude spending outside Hong Kong by Hong Kong residents. Hence they should not be regarded as indicators for measuring overall consumer spending.

Users interested in the trend of overall consumer spending should refer to the data series of private consumption expenditure (PCE), which is a major component of the Gross Domestic Product published at quarterly intervals. Compiled from a wide range of data sources, PCE covers consumer spending on both goods (including goods purchased from all channels) and services by Hong Kong residents whether locally or abroad. Please refer to the C&SD publication "Gross Domestic Product (Quarterly)" for more details.

Commentary

A government spokesman indicated that retail sales continued to post double-digit growth over a year earlier in May, thanks to the sanguine local consumption sentiment and the visible increase in visitor arrivals.

Looking ahead, the near-term outlook for retail sales business should stay positive, given the robust labour market and sustained growth in inbound tourism. The Government will monitor the situation closely, in particular how the marked increase in external uncertainties of late may affect consumption sentiment going forward.

Further information

Table 1 presents the revised figures on value index and value of retail sales for all retail outlets and by broad type of retail outlet for April 2018 as well as the provisional figures for May 2018. The provisional figures on the value of retail sales for all retail outlets and by broad type of retail outlet as well as the corresponding year-on-year changes for the first five months of 2018 taken together are also shown.

Table 2 presents the revised figures on volume index of retail sales for all retail outlets and by broad type of retail outlet for April 2018 as well as the provisional figures for May 2018. The provisional figures on year-on-year changes for the first five months of 2018 taken together are also shown.

Table 3 shows the movements of the value and volume of total retail sales in terms of the year-on-year rate of change for a month compared with the same month in the preceding year based on the original series, and in terms of the rate of change for a three-month period compared with the preceding three-month period based on the seasonally adjusted series.

The classification of retail establishments follows the Hong Kong Standard Industrial Classification Version 2.0, which is used in various economic surveys for classifying economic units into different industry classes.

More detailed statistics are given in the "Report on Monthly Survey of

Retail Sales". Users can download this publication free of charge at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=B1080003). Alternatively, the historical series of retail sales statistics can be downloaded in the form of a statistical table at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=D5600089).

Users who have enquiries about the survey results may contact the Distribution Services Statistics Section of the C&SD (Tel: 3903 7400; email: mrs@censtatd.gov.hk).