Hong Kong, China’s Statement for
74th Session of United Nations
Economic and Social Commission for Asia and the Pacific (ESCAP)

Inequality in the era of the 2030 Agenda
for Sustainable Development

Your Excellency the Chairman, Executive Secretary, Distinguished Delegates, Ladies and Gentlemen,

On behalf of the Hong Kong, China (HKC) delegation, I congratulate the Government of Thailand and the ESCAP Secretariat on the very successful organisation of this meeting. I am also grateful to the Government and people of Thailand for the very warm hospitality extended to us.

Overview on Hong Kong, China’s Guiding Principle on Poverty Alleviation

2. I would like to give a brief account of the HKC Government’s efforts in addressing the issue of inequality through poverty alleviation. As a generally affluent city, HKC has all the prerequisites to satisfy the basic needs of our citizens. HKC Government will continue to identify and implement the best possible solutions to help people in need.

3. Indeed, there has been a continued increase in HKC Government spending on welfare. In the 2017-18 financial year, government recurrent spending on social welfare reached HK$73.3 billion (or USD9.45 billion)\(^1\), accounting for a significant 20 per cent of the total recurrent government expenditure of the same year, second only to education. In comparison with the spending five years ago (2012-13), there is an increase of over 70 per cent. This reflects our unwavering commitment to improving the livelihood of the disadvantaged.

4. Our poverty alleviation strategy is to encourage able-bodied adults to be self-reliant through continuous employment, while putting in place a reasonable and sustainable welfare system to offer help to those who cannot provide for themselves. To better focus our efforts on this front, the HKC Government reinstated the Commission on Poverty in December 2012 to deliberate on various policies and measures for achieving the objectives of preventing and alleviating poverty. The

\(^1\) In this speech, HK$7.75 equals to USD1.
Commission is chaired by the Chief Secretary for Administration of the HKC Government, and comprises members from different social strata.

**Official Poverty Line**

5. The Commission on Poverty has formulated the first official poverty line for annual updates since September 2013. It is based on the concept of ‘relative poverty’ and is set at 50 per cent of the median monthly household income before government intervention by drawing reference from international experience. The poverty line serves as an objective and quantitative analysis tool for the HKC Government to identify and target various groups of people in need, formulate poverty alleviation policies and assess policy effectiveness in an ongoing manner.

**Key Poverty Alleviation Efforts after Setting the Poverty Line**

6. Since the setting of the official poverty line in 2013, the HKC Government has put in place a wide range of preventive, supportive and remedial welfare services to assist and empower the vulnerable. I would like to take this opportunity to highlight some of our latest key initiatives to address inequality and poverty.

7. Let me start with poverty among our elderly population. To better support the financial needs of the elderly, the HKC Government introduced the Old Age Living Allowance (OALA) in 2013. It provides a monthly payment of HK$2,600 (or USD335) after a simple and relatively lenient means test. This new Scheme is now benefitting about 480,000 elderly persons, representing around 40 per cent of our elderly population. It is the social security programme that benefits most elderly persons. To provide further retirement protection to our citizens, the HKC Government will introduce a higher tier of OALA next month (1 June 2018) to provide an enhanced rate at about HK$3,500 (or USD450) to those with more financial needs.

8. About 72 per cent of our senior citizens aged 65 or above are receiving assistance of different types under the social security system. The percentage of elderly people aged 70 or above receiving such assistance reaches a hefty 87 per cent, as there is a non-means-tested Old Age Allowance for Hong Kong citizens age 70 or above.

9. For families working hard to make their ends meet, the Government launched the Low-income Working Family Allowance Scheme in 2016 to encourage self-reliance. Apart from the allowances
tied to the employment and working hours of the applicant, the Scheme also provides a Child Allowance to alleviate intergenerational poverty. In the 2017-18 financial year, about 33 000 families (involving 120 000 persons) benefitted from the Scheme. Soon after taking office in July 2017, the current-term HKC Government embarked on a comprehensive review of the Scheme. Taking into account stakeholders’ views, the HKC Government has implemented a series of improvements since April 2018, which include relaxing the income and working hour requirements, as well as raising the rates of allowances. The Scheme is also renamed as the Working Family Allowance Scheme. We believe that this much improved pro-work and pro-child Scheme would benefit more households in need.

**HKC Government’s Commitment on Poverty Alleviation**

10. Ladies and gentlemen, I have given a brief account of Hong Kong’s latest work. While the HKC Government will continue to focus on our efforts on poverty alleviation, there is no room for complacency. We will continue to work with all sectors to improve the well-being of the disadvantaged and light up their lives with hope and dignity.

11. Thank you.