OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 8 May 2024

The Council met at Eleven o'clock

MEMBERS PRESENT

THE PRESIDENT
THE HONOURABLE ANDREW LEUNG KWAN-YUEN, GBM, GBS, JP

THE HONOURABLE TOMMY CHEUNG YU-YAN, GBM, GBS, JP

THE HONOURABLE JEFFREY LAM KIN-FUNG, GBM, GBS, JP

THE HONOURABLE STARRY LEE WAI-KING, GBS, JP

THE HONOURABLE CHAN HAK-KAN, SBS, JP

THE HONOURABLE CHAN KIN-POR, GBS, JP

PROF THE HONOURABLE PRISCILLA LEUNG MEI-FUN, SBS, JP

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, GBM, GBS, JP

THE HONOURABLE PAUL TSE WAI-CHUN, JP

THE HONOURABLE MICHAEL TIEN PUK-SUN, BBS, JP

THE HONOURABLE STEVEN HO CHUN-YIN, BBS, JP

THE HONOURABLE FRANKIE YICK CHI-MING, GBS, JP

THE HONOURABLE MA FUNG-KWOK, GBS, JP

THE HONOURABLE CHAN HAN-PAN, BBS, JP

THE HONOURABLE KWOK WAI-KEUNG, JP

THE HONOURABLE ELIZABETH QUAT, SBS, JP

THE HONOURABLE MARTIN LIAO CHEUNG-KONG, GBS, JP

IR DR THE HONOURABLE LO WAI-KWOK, GBS, MH, JP

THE HONOURABLE JIMMY NG WING-KA, BBS, JP

DR THE HONOURABLE JUNIUS HO KWAN-YIU, BBS, JP

THE HONOURABLE HOLDEN CHOW HO-DING, JP

THE HONOURABLE SHIU KA-FAI, JP

THE HONOURABLE YUNG HOI-YAN, JP

THE HONOURABLE CHAN CHUN-YING, JP

THE HONOURABLE LUK CHUNG-HUNG, JP

THE HONOURABLE LAU KWOK-FAN, MH, JP

THE HONOURABLE KENNETH LAU IP-KEUNG, SBS, MH, JP

THE HONOURABLE VINCENT CHENG WING-SHUN, MH, JP

THE HONOURABLE TONY TSE WAI-CHUEN, BBS, JP

THE HONOURABLE DOREEN KONG YUK-FOON

THE HONOURABLE CHU KWOK-KEUNG

THE HONOURABLE STANLEY LI SAI-WING, MH, JP

DR THE HONOURABLE HOEY SIMON LEE, MH, JP

THE HONOURABLE ROBERT LEE WAI-WANG

IR THE HONOURABLE LEE CHUN-KEUNG, JP

DR THE HONOURABLE TIK CHI-YUEN, SBS, JP

THE HONOURABLE STANLEY NG CHAU-PEI, SBS, JP

DR THE HONOURABLE JOHNNY NG KIT-CHONG, MH, JP

THE HONOURABLE CHAU SIU-CHUNG

DR THE HONOURABLE CHOW MAN-KONG

DR THE HONOURABLE DAVID LAM TZIT-YUEN

THE HONOURABLE LAM CHUN-SING

THE HONOURABLE LAM SO-WAI

DR THE HONOURABLE DENNIS LAM SHUN-CHIU, JP

THE HONOURABLE LAM SAN-KEUNG, JP

THE HONOURABLE ANDREW LAM SIU-LO, SBS, JP

THE HONOURABLE DUNCAN CHIU

THE HONOURABLE YIU PAK-LEUNG, MH, JP

DR THE HONOURABLE WENDY HONG WEN

THE HONOURABLE DENNIS LEUNG TSZ-WING, MH

THE HONOURABLE LEUNG MAN-KWONG, MH

THE HONOURABLE EDWARD LEUNG HEI

THE HONOURABLE KENNETH LEUNG YUK-WAI, JP

THE HONOURABLE CHAN YUET-MING, MH

THE HONOURABLE ROCK CHEN CHUNG-NIN, SBS, JP

THE HONOURABLE CHAN PUI-LEUNG

THE HONOURABLE CHAN YUNG, BBS, JP

THE HONOURABLE SUNNY TAN

THE HONOURABLE JUDY CHAN KAPUI, MH, JP

THE HONOURABLE MAGGIE CHAN MAN-KI, MH, JP

IR THE HONOURABLE CHAN SIU-HUNG, JP

THE HONOURABLE CHAN HOI-YAN

THE HONOURABLE JOEPHY CHAN WING-YAN

THE HONOURABLE CHAN HOK-FUNG, MH, JP

IR THE HONOURABLE GARY ZHANG XINYU

THE HONOURABLE LILLIAN KWOK LING-LAI

THE HONOURABLE BENSON LUK HON-MAN

DR THE HONOURABLE KENNEDY WONG YING-HO, BBS, JP

THE HONOURABLE EDMUND WONG CHUN-SEK

THE HONOURABLE KINGSLEY WONG KWOK, BBS, JP

THE HONOURABLE YANG WING-KIT

REVD CANON THE HONOURABLE PETER DOUGLAS KOON HO-MING, BBS, JP

THE HONOURABLE TANG FEI, MH

THE HONOURABLE TANG KA-PIU, BBS, JP

THE HONOURABLE LAI TUNG-KWOK, GBS, IDSM, JP

PROF THE HONOURABLE LAU CHI-PANG, BBS, JP

THE HONOURABLE KENNETH FOK KAI-KONG, JP

THE HONOURABLE LOUIS LOONG HON-BIU

DR THE HONOURABLE NGAN MAN-YU

THE HONOURABLE CARMEN KAN WAI-MUN

DR THE HONOURABLE TAN YUEHENG, JP

DR THE HONOURABLE SO CHEUNG-WING, SBS, JP

THE HONOURABLE YIM KONG

THE HONOURABLE ADRIAN PEDRO HO KING-HONG

THE HONOURABLE SHANG HAILONG

PROF THE HONOURABLE CHAN WING-KWONG

PROF THE HONOURABLE WILLIAM WONG KAM-FAI, MH

MEMBERS ABSENT

THE HONOURABLE DOMINIC LEE TSZ-KING

THE HONOURABLE NIXIE LAM LAM

PUBLIC OFFICERS ATTENDING

THE HONOURABLE CHAN KWOK-KI, GBS, IDSM, JP
CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE PAUL CHAN MO-PO, GBM, GBS, MH, JP
FINANCIAL SECRETARY

THE HONOURABLE PAUL LAM TING-KWOK, SBS, SC, JP
SECRETARY FOR JUSTICE

THE HONOURABLE CHEUK WING-HING, GBS, JP
DEPUTY CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE MICHAEL WONG WAI-LUN, GBS, JP
DEPUTY FINANCIAL SECRETARY

THE HONOURABLE CHEUNG KWOK-KWAN, SBS, JP
DEPUTY SECRETARY FOR JUSTICE

THE HONOURABLE KEVIN YEUNG YUN-HUNG, GBS, JP
SECRETARY FOR CULTURE, SPORTS AND TOURISM

THE HONOURABLE ERICK TSANG KWOK-WAI, GBS, IDSM, JP
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

THE HONOURABLE CHRISTOPHER HUI CHING-YU, GBS, JP
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE TANG PING-KEUNG, GBS, PDSM, JP
SECRETARY FOR SECURITY

THE HONOURABLE TSE CHIN-WAN, BBS, JP
SECRETARY FOR ENVIRONMENT AND ECOLOGY

THE HONOURABLE ALGERNON YAU, JP
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

THE HONOURABLE LAM SAI-HUNG, GBS, JP
SECRETARY FOR TRANSPORT AND LOGISTICS

THE HONOURABLE BERNADETTE LINN HON-HO, JP
SECRETARY FOR DEVELOPMENT

THE HONOURABLE WINNIE HO, JP
SECRETARY FOR HOUSING

THE HONOURABLE MRS INGRID YEUNG HO POI-YAN, JP
SECRETARY FOR THE CIVIL SERVICE

MR JEFF SZE CHUN-FAI, JP
UNDER SECRETARY FOR EDUCATION AND
SECRETARY FOR EDUCATION

PROF THE HONOURABLE SUN DONG, JP
SECRETARY FOR INNOVATION, TECHNOLOGY AND INDUSTRY

MS LILLIAN CHEONG MAN-LEI, JP
UNDER SECRETARY FOR INNOVATION, TECHNOLOGY AND INDUSTRY, AND
SECRETARY FOR INNOVATION, TECHNOLOGY AND INDUSTRY

THE HONOURABLE ALICE MAK MEI-KUEN, SBS, JP
SECRETARY FOR HOME AND YOUTH AFFAIRS

THE HONOURABLE CHRIS SUN YUK-HAN, JP
SECRETARY FOR LABOUR AND WELFARE

MR CLEMENT WOO KIN-MAN, MH, JP
UNDER SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

DR LIBBY LEE HA-YUN, JP
UNDER SECRETARY FOR HEALTH

CLERKS IN ATTENDANCE

MS ANITA SIT, ASSISTANT SECRETARY GENERAL

MS MIRANDA HON, ASSISTANT SECRETARY GENERAL

LAYING OF PAPERS ON THE TABLE OF THE COUNCIL

The following papers were laid on the table under Rule 21(2) of the Rules of Procedure:

Subsidiary Legislation	*Legal Notice No.*
Telecommunications (Designation of Frequency Bands subject to Payment of Spectrum Utilization Fee) (Amendment) Order 2024	51 of 2024
Telecommunications (Determining Spectrum Utilization Fees by Auction) (Amendment) Regulation 2024	52 of 2024
Telecommunications (Method for Determining Spectrum Utilization Fee) (Spectrum for Auction) (Amendment) Regulation 2024	53 of 2024
Insurance (Actuaries' Qualifications) (Amendment) Regulation 2024	54 of 2024
Insurance (Prescribed Fees) (Amendment) Regulation 2024	55 of 2024
Insurance (Authorization and Annual Fees) (Amendment) Regulation 2024	56 of 2024
Insurance (Levy) (Amendment) Order 2024	57 of 2024
Insurance (Determination of Long Term Liabilities) Rules (Repeal) Rules	58 of 2024
Insurance (Margin of Solvency) Rules (Repeal) Rules	59 of 2024
Insurance (General Business) (Valuation) Rules (Repeal) Rules	60 of 2024
Insurance (Exemption to Appointment of Actuary) Rules	61 of 2024
Insurance (Valuation and Capital) Rules	62 of 2024

Insurance (Submission of Statements, Reports and Information) Rules	63 of 2024
Insurance (Maintenance of Assets in Hong Kong) Rules..	64 of 2024
Insurance (Marine Insurers and Captive Insurers) Rules..	65 of 2024
Insurance (Lloyd's) Rules	66 of 2024
Insurance (Amendment) Ordinance 2023 (Commencement) Notice	67 of 2024
Airport Authority Ordinance (Map of Airport Area) (Amendment) Order 2024.................................	68 of 2024
Airport Authority Ordinance (Map of Restricted Area) (Amendment) Order 2024.................................	69 of 2024
Dangerous Drugs Ordinance (Amendment of Second Schedule) Order 2024	70 of 2024
Inland Revenue Ordinance (Amendment of Schedule 17E) Notice 2024	71 of 2024
Immigration (Advance Passenger Information) Regulation (Commencement) Notice	72 of 2024
Pharmacy and Poisons (Amendment) (No. 2) Regulation 2024	73 of 2024

Other Papers

Report of changes made to the approved Estimates of Expenditure during the third quarter of 2023-24
Public Finance Ordinance: Section 8(8)(b)

Report No. 9/2024 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

WRITTEN ANSWERS TO QUESTIONS

Hung Shui Kiu/Ha Tsuen New Development Area

1. **DR JUNIUS HO** (in Chinese): *Regarding the project costs for the Hung Shui Kiu/Ha Tsuen New Development Area ("the NDA"), will the Government inform this Council:*

(1) of the total expenditure of development works projects of various phases under the NDA; and

(2) in respect of the total expenditure of the Second Phase development works of the NDA, of the average development cost per square foot of the 263 hectares of land involved in the development of that phase?

The written reply provided by the **Secretary for Development** on 8 May 2024 is in **Appendix 1**.

Measures to promote the development of the tourism industry

2. **MR SHANG HAILONG** (in Chinese): *It has been reported that a large number of members of the public travelled outside Hong Kong during the recent long Easter holidays, dealing a heavy blow to various sectors in Hong Kong. Moreover, the Financial Secretary has recently pointed out in his blog that while visitor arrivals exceeded 11 million in the first quarter of this year which provided support to the retail, catering and transportation sectors, changes in the consumption patterns of inbound visitors as well as some members of the public going north more frequently for spending have presented quite a number of challenges for the operations of small and medium enterprises. In this connection, will the Government inform this Council:*

(1) whether it will consider organizing in collaboration with trade associations of various sectors citywide consumption festivals to distribute discount coupons to members of the public meeting specified spending amount, or even directly hand out holiday consumption vouchers to encourage members of the public to stay and spend in Hong Kong;

(2) *as it is learnt that members of the public and the business sector generally support raising the duty-free allowance of the Mainland visitors arriving in Hong Kong, whether the Government has put forward to the Central Government a specific timetable for such proposal; if it has not, of the reasons for that; and*

(3) *given that members of various sectors have suggested that the Government should spare no effort in striving for the Central Government's reinstatement of "multiple-entry" endorsements under the Individual Visit Endorsements for Shenzhen permanent residents visiting Hong Kong, extension of the period of stay for inbound visitors under the Individual Visit Scheme ("IVS"), as well as inclusion of more second and third tier cities of the Mainland in IVS, so as to enhance the economic benefits of the series of mega events to be organized in Hong Kong and stimulate visitors' spending, whether the Government will consider such suggestions?*

The written reply provided by the **Secretary for Culture, Sports and Tourism** on 8 May 2024 is in **Appendix 1**.

Electronic service systems of the Government and public organizations

3. **IR DR LO WAI-KWOK** (in Chinese): *The 2023 Policy Address has announced the establishment of the Digital Policy Office ("DPO") by merging the existing Office of the Government Chief Information Officer ("OGCIO") and the Efficiency Office. On the other hand, it has been reported that recently, system launch failures occurred one after another for electronic service systems of the Government and public organizations (including the mobile applications "Check-in Smart (HKDSE)" and "i-Invigilation (HKDSE)" of the Hong Kong Examinations and Assessment Authority, as well as the intelligent sports and recreation services booking and information system "SmartPLAY" of the Leisure and Cultural Services Department), and the relevant organizations would usually explain afterwards that system failures were due to system overload caused by a login traffic far exceeding the expected level during testing. In this connection, will the Government inform this Council:*

(1) *whether the existing OGCIO or DPO to be established will, in the light of the expected number of users and the scale of different electronic service system projects of the Government and public organizations, improve the relevant practice guidelines and enhance monitoring by, for example, (i) requiring the contractors concerned to conduct various levels of load and extreme testing and even requiring the engagement of an independent third party for evaluation; (ii) including the past performance of contractors as one of the criteria for tender assessment; and (iii) specifying an incentive and penalty mechanism in the tenders; if so, of the details; if not, the reasons for that;*

(2) *as there are views that with the progressive integration of cities in the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"), the development of the event economy in Hong Kong will induce more non-Hong Kong residents to register or purchase tickets for participation in various activities through electronic service systems of the Government, whether the authorities will consider commissioning the system contractors concerned to launch, in collaboration with large-scale electronic service providers in GBA, the relevant electronic service systems applicable in GBA, so as to achieve the complementarity of advantages; if so, of the details; if not, the reasons for that; and*

(3) *as there are views pointing out that the co-hosting of the 15th National Games by Guangdong, Hong Kong and Macao in 2025 will pose greater challenges to cross-boundary interconnectivity in the flow of people, goods, capital and information amongst the three places, and the relevant government electronic service systems (including ticketing systems) must measure up to higher requirements, whether the authorities will expeditiously step up communication and collaboration with the relevant Mainland and Macao authorities and formulate plans to cope with the situation in case of failures of the relevant systems; if so, of the details; if not, the reasons for that?*

The written reply provided by the **Secretary for Innovation, Technology and Industry** on 8 May 2024 is in **Appendix 1**.

Electric vehicle charging services in government car parks

4. **MR LUK CHUNG-HUNG** (in Chinese): *Fee-paying electric vehicle ("EV") charging services ("fee-paying charging services") in government car parks have been implemented progressively since December last year, with charging fees ranging from $19 to $21 per hour. However, there are views that the fees payable for fee-paying charging services are excessively high while the charging efficiency is unsatisfactory, and the arrangement of charging the fees on a time basis is also unreasonable. In this connection, will the Government inform this Council:*

(1) of the implementation timetable of fee-paying charging services in various government car parks that have yet to implement the services;

(2) of the monthly utilization rate of the EV charging facilities in government car parks having implemented the fee-paying charging services since December last year;

(3) of the following information on the EV charging facilities in government car parks at present:

(i) the types and numbers of chargers of different charging speeds; and

(ii) the monthly basic operating expenses of each EV charging facility; and

(4) as there are views pointing out that the fees charged by EV charging stations in the market vary according to the power output of different chargers and are mostly calculated on the basis of power consumption while the fees charged by EV charging facilities in government car parks are based on the charging time, which are excessively high as a result, of the Government's pricing mechanism for fee-paying charging services; whether the Government will, by drawing reference from the market practice, consider adopting the mode of charging the fees based on the chargers' power output and power consumption; if so, of the details; if not, the reasons for that?

The written reply provided by the **Secretary for Environment and Ecology** on 8 May 2024 is in **Appendix 1**.

Compensating employees for online "invisible overtime"

5. **MR KINGSLEY WONG** (in Chinese): *It is learnt that online working is increasingly common as a new mode of working, and many employees have even been asked to work during non-office hours (e.g. attending meetings and replying to emails/messages) using communication tools. On the other hand, the Supreme People's Court, the Ministry of Human Resources and Social Security, and the All-China Federation of Trade Unions jointly published typical cases involving disputes over non-payment of wages early this year. It has been reported that the Court ruled that the online work performed by the employee concerned during non-office hours was overtime work on the grounds that the employee had "performed substantial work" and that the work in question was "obvious occupation of rest time", and exercised discretion in determining the overtime compensation for the employee's online "invisible overtime", taking into account factors such as the frequency and duration of the employee's overtime work, and the employee's wage standards and work contents. In this connection, will the Government inform this Council:*

(1) whether it has conducted studies on (i) the adoption of online working as a new mode of working in various local trades and industries, and (ii) the form of compensation offered by employers to employees who perform online invisible overtime work; if so, of the details; if not, the reasons for that;

(2) whether it will consider improving the labour legislation to establish a definition for online invisible overtime and the criteria for calculating the relevant compensation; if so, of the details; if not, the reasons for that; and

(3) as many civil servants have relayed that they are often asked to perform online invisible overtime work during non-office hours without receiving any compensation, whether the Government will set an example as a good employer and take the lead in counting invisible overtime involving the performance of substantial work and obvious occupation of rest time as official overtime, and in granting time off in lieu or an overtime allowance to the civil servants concerned; if so, of the details; if not, the reasons for that?

The written reply provided by the **Secretary for Labour and Welfare** on 8 May 2024 is in **Appendix 1**.

Support for Hong Kong manufacturing enterprises on the Mainland

6. **DR CHOW MAN-KONG** (in Chinese): *The Key Statistics on Business Performance and Operating Characteristics of the Industrial Sector ("the Key Statistics") released regularly by the Census and Statistics Department ("C&SD") include, in addition to statistics of local economic activities in manufacturing, statistics of local import and export firms engaged in sub-contract processing arrangement on the Mainland and providing manufacturing-related technical support services. It is learnt that the latter are regarded as an indirect reflection of the operating situations of Hong Kong manufacturing enterprises having set up their headquarters in Hong Kong and their factories on the Mainland. Furthermore, according to the information of C&SD, there has been a continuous drop in the number of import and export firms with manufacturing-related activities, the number of persons engaged and the sales revenue in recent years, and the decrease in those numbers has accelerated since 2020 (i.e. since the outbreak of the epidemic). In this connection, will the Government inform this Council:*

(1) given that C&SD did not release the full statistical report of the Key Statistics at the end of last year as it had done in previous years, and has classified the said report as a "discontinued product", of the reasons for that;

(2) as it is learnt that Hong Kong businesses having their headquarters in Hong Kong and producing on the Mainland have created an enormous demand for support services in finance, transport and logistics and other production service industries in Hong Kong, whether it has assessed the impact of the continuous decline in the number of relevant enterprises on the development of local production service industries (e.g. re-export trade via Hong Kong, financing and other support services for industries and commerce); if so, of the details; if not, the reasons for that;

(3) given that the Financial Secretary has proposed in this year's Budget the development of Hong Kong into a multinational supply chain management centre to attract Mainland manufacturing enterprises seeking to "go global" to set up offices in Hong Kong to serve as headquarters for managing their offshore trading, and there are views

that most Hong Kong manufacturing enterprises, which are a key stakeholder in bolstering Hong Kong's status as a multinational supply chain management centre, have all along chosen Hong Kong as their supply chain management centre, whether the government departments concerned have, in view of the aforesaid statistical changes, gained an understanding from the relevant sectors (including the major chambers of commerce) their latest development and how they upgrade and transform themselves; if so, of the details; if not, the reasons for that;

(4) whether the New Industrialisation Development Office established in February this year will join hands with government departments such as the Trade and Industry Department, C&SD and the Special Administrative Region Government's economic and trade offices on the Mainland to conduct a more thorough survey on the development of Hong Kong manufacturing enterprises on the Mainland (or trading firms defined by C&SD as being engaged in manufacturing-related activities) and provide targeted support; if so, of the details; if not, the reasons for that; and

(5) given that the Financial Secretary announced in the 2022-2023 Budget that a total funding of $135 million would be allocated to the Hong Kong Trade Development Council in the three years that followed for the introduction of the Support Scheme for Pursuing Development in the Mainland, but there are views that the effectiveness of such measure has room for improvement, whether the Government will consider, by drawing reference from the initiative proposed in last year's Policy Address of earmarking $30 million for clansmen associations, providing regular or project-based subsidies for chambers of commerce and groups of Hong Kong people on the Mainland, so as to assist Hong Kong manufacturing businesses, in particular, in developing the Mainland domestic sales market; if so, of the details; if not, the reasons for that?

The written reply provided by the **Secretary for Commerce and Economic Development** on 8 May 2024 is in **Appendix 1**.

Handling of styrofoam waste

7. **MS LAM SO-WAI** (in Chinese): *Regarding the handling of styrofoam waste, will the Government inform this Council:*

(1) of the current daily amount of styrofoam waste being sent to landfills;

(2) as it is learnt that styrofoam is widely used as a packaging material for some household electrical appliances (e.g. air-conditioners, refrigerators, washing machines and televisions), whether the Government has compiled statistics on the amount of styrofoam waste generated from the packaging materials of household electrical appliances in each of the past three years and, among such waste, the amount that was sent to landfills;

(3) as there are views that the economic benefits of styrofoam recycling are relatively low, how the Government assists the recycling industry in handling large volumes of styrofoam waste when alternatives that can completely replace styrofoam have not yet emerged;

(4) whether it has assessed if the problem of styrofoam waste can be fully resolved when I•PARK1, a modern waste-to-energy incinerator for treating municipal solid waste, becomes operational in 2025; and

(5) whether the Government currently has plans to fully resolve the problem of styrofoam waste?

The written reply provided by the **Secretary for Environment and Ecology** on 8 May 2024 is in **Appendix 1**.

The problem of crimes committed by "bogus refugees"

8. **DR JOHNNY NG** (in Chinese): *Regarding the problem of crimes committed by "bogus refugees", will the Government inform this Council:*

(1) among the crimes which occurred in Hong Kong in the past year, of the number of those involving non-ethnic Chinese non-refoulement claimants, together with a breakdown by month, offence and district in which the crime occurred;

(2) *as it has been reported that the problem of crimes committed by bogus refugees has plagued Hong Kong for many years, and a number of recent gang fights and robberies in busy districts are also related to these refugees, whether the authorities will target those districts with a higher number of crimes committed by bogus refugees (e.g. Yau Tsim Mong and Sham Shui Po) by deploying additional police officers on patrol and conducting random checks on suspicious persons, so as to combat crimes and triad activities in such districts; if so, of the manpower arrangements, as well as the major initiatives to be implemented in the future to combat crimes and triad activities involving bogus refugees; if not, the reasons for that; and*

(3) *whether it has plans to further shorten the length of stay of non-refoulement claimants in Hong Kong (including enhancing the efficiency in processing appeal cases related to non-refoulement claims, strengthening communication with the countries concerned to expeditiously verify the nationality and identity of bogus refugees, and speeding up the repatriation procedure), so as to prevent them from committing crimes in Hong Kong?*

The written reply provided by the **Secretary for Security** on 8 May 2024 is in **Appendix 1**.

Student Activities Support Fund

9. **MR TONY TSE** (in Chinese): *The Government established in early 2019 a $2.5 billion Student Activities Support Fund ("the Fund") to support primary and secondary students with financial needs to participate in school-organized or recognized out-of-classroom life-wide learning activities, so as to foster their whole-person development. In this connection, will the Government inform this Council:*

(1) *of the annual and cumulative (i) amounts of revenue and expenditure of and (ii) numbers of school and student beneficiaries as well as activities organized (together with the types and natures of the activities) under the Fund since its establishment;*

(2) *whether there are schools which have never or scarcely applied for subsidy under the Fund; if so, whether the authorities know the reasons for that, and whether assistance has been provided to such schools to ensure that all students with financial needs are given the opportunity to participate in life-wide learning activities;*

(3) *as it is reported that situations such as low birth rate, decline in the number of school-age children and the addiction of many students to online activities arise in Hong Kong, whether the authorities will encourage schools to make use of the subsidy granted under the Fund to organize more life-wide learning activities conducted in groups and physical settings;*

(4) *whether the authorities have received complaints on or identified problems in the operation of the Fund since its establishment; if so, of the follow-up actions; and*

(5) *whether the authorities have assessed if the operation of the Fund since its establishment can achieve its intended objectives; whether a comprehensive review of the overall operation of the Fund will be conducted in the light of the experience gained in the operation of the Fund, feedback of stakeholders, development of society, changes in students' needs, etc.?*

The written reply provided by the **Secretary for Education** on 8 May 2024 is in **Appendix 1**.

Lifts connecting to public footbridges

10. **PROF LAU CHI-PANG** (in Chinese): *Regarding lifts connecting to public footbridges ("the lifts"), will the Government inform this Council:*

(1) *how it monitors the cleansing works performed by the contractors for the lifts (e.g. whether the contractors are required to submit regular reports) to ensure that the lifts are clean and bright;*

(2) *how frequently the maintenance works of the lifts are carried out, and of the average time taken by the contractors to deal with unforeseen lift failures; how the Government monitors and ensures that the contractors carry out regular inspections;*

(3) *given that the Government has enhanced its newly constructed lifts for the convenience of users (including the introduction of touchless lift buttons, the installation of reflective panels inside the lifts and the provision of buttons on the side walls of the lift cars), whether the Government has plans to adopt such a design in all its lifts; if so, of the specific work plan; if not, the reasons for that;*

(4) *given that the Government indicated in its paper submitted to the Panel on Transport of this Council in October last year that it was conducting tests on a number of materials and devices (including nano-self-cleaning coatings and nano-fibre filters) for its lifts and lift towers to reduce the accumulation of dust and dirt, whether the results of the tests meet the relevant requirements; if so, of the specific timetable for the adoption of such materials; if not, the improvement plans in place to meet the relevant requirements; and*

(5) *given that the Electrical and Mechanical Services Department is contemplating the use of cleansing robots to carry out cleansing works for the lifts, whether the Government has plans to introduce more similar programmes to reduce the workload of cleansing workers and minimize the impact of the suspension of lift service on the public?*

The written reply provided by the **Secretary for Transport and Logistics** on 8 May 2024 is in **Appendix 1**.

Encouraging Hong Kong young people to take up employment in the Mainland cities of the Greater Bay Area

11. **MR MARTIN LIAO** (in Chinese): *The Government implemented the Greater Bay Area Youth Employment Scheme on a pilot basis ("the pilot scheme") in 2021 and regularized the scheme ("the regularized scheme") in 2023. On*

encouraging Hong Kong young people to take up employment in the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area ("the Greater Bay Area"), will the Government inform this Council:

(1) given that in reply to a question raised by a Member of this Council on the Estimates of Expenditure 2024-2025, the Government indicated that 718 job offers for young people had been received under the regularized scheme as at 29 February this year, of the industries in which the employed young people are engaged, and whether the participation in the regularized scheme has met the Government's expectation;

(2) as it has been reported that a total of 1 091 young people had been employed under the pilot scheme, and among the 632 people who had completed the 18-month on-the-job training, 464 were offered further employment, whether the authorities have followed up on the reasons why the young people participating in the pilot scheme quitted midway and were not offered further employment; if so, of the details; if not, the reasons for that;

(3) as a survey has pointed out that some young people who have completed the pilot scheme aspire to pursue development in the Mainland cities of the Greater Bay Area, but they have indicated that the Mainland job search platforms are not clear about how to recruit Hong Kong young people to work on the Mainland and resolve technical issues such as taxation and the "five insurances and one housing fund" for them, how the authorities will optimize the regularized scheme to assist the young people who have completed the scheme to continue to seek development in the Mainland cities of the Greater Bay Area, so as to enhance continuity of the relevant policy initiatives;

(4) whether the authorities will consider arranging cross-programme collaborations between the regularized scheme and other youth programmes in the Greater Bay Area (e.g. the Alliance of Hong Kong Youth Innovation and Entrepreneurial Bases in the Greater Bay Area, and the Funding Scheme for Experiential Programmes at Innovation and Entrepreneurial Bases in the Guangdong-Hong Kong-Macao Greater Bay Area), so as to provide assistance for the entire

community of Hong Kong young people who pursue development in the Mainland cities of the Greater Bay Area, and to enhance the long-term exchanges between young people on the Mainland and in Hong Kong; and

(5) given that the authorities of the Guangdong Province have introduced measures, including the Centralised Public Recruitment of College Graduates by the Public Institutions in the Guangdong Province in 2023 and the Guangdong Province Internship Programme for Hong Kong, Macao and Taiwan Students, to provide Hong Kong young people with employment and internship opportunities in various industries in the Mainland cities of the Greater Bay Area, how the authorities will step up cooperation with the authorities of the Guangdong Province to attract more Hong Kong young people to take up employment in the Mainland cities of the Greater Bay Area, so as to encourage them to integrate into the country's overall development?

The written reply provided by the **Secretary for Labour and Welfare** on 8 May 2024 is in **Appendix 1**.

Shopping centres in public housing estates under the Hong Kong Housing Authority

12. **MR VINCENT CHENG** (in Chinese): *It is reported that recently, numerous shops have been left vacant in many shopping centres in public housing estates ("PHEs") under the Hong Kong Housing Authority ("HA"), while supermarkets, shops selling daily necessities, etc. have also surrendered their tenancy, greatly affecting the daily lives of the residents. In this connection, will the Government inform this Council:*

(1) of the following information on the shopping centres in PHEs under HA in the past year: (i) the number of shops, (ii) the number of vacant shops, and (iii) the vacancy rate, and set out in Table 1 a breakdown by District Council ("DC") district;

Table 1

DC district	*(i)*	*(ii)*	*(iii)*

(2) of (i) the number of vacant shops and (ii) the vacancy rate of the seven shopping centres in PHEs in the Sham Shui Po District under HA (i.e. (a) Shek Kip Mei Shopping Centre, (b) Ching Lai Commercial Centre, (c) Nam Shan Shopping Centre, (d) So Uk Shopping Centre, (e) Lai Tsui Shopping Centre, (f) Hoi Lai Shopping Centre, Sham Shui Po and (g) Pak Tin Commercial Centre) in each of the past five years, and set out in Table 2 a breakdown by name of shopping centre;

Table 2Year: __________

Name of shopping centre	*(i)*	*(ii)*
(a)		
……		
(g)		

(3) as there are views pointing out that high rental is one of the reasons for the many vacant shops in the shopping centres in PHEs, whether HA has considered reviewing the mechanism for determining shop rents or lowering the rents to attract new and old tenants; if so, of the details; if not, the reasons for that;

(4) whether HA will, in view of the rising shop vacancy rates of the shopping centres in PHEs, review the principles for formulating the types of trades and tenant trade mix of the shops in the shopping centres in PHEs; if so, of the details; if not, the reasons for that; and

(5) as some members of the local community in Sham Shui Po have proposed organizing crowd-pleasing activities or providing other concessions at the shopping centres in PHEs within the district to attract visits and patronage by more members of the public and create an ideal business environment for the tenants, thereby lowering the shop vacancy rates, whether HA will consider adopting the relevant proposals; if so, of the details; if not, the reasons for that?

The written reply provided by the **Secretary for Housing** on 8 May 2024 is in **Appendix 1**.

Enhancing the level of convenience in the use of Home Return Permits

13. **MS MAGGIE CHAN** (in Chinese): *It is learnt that when members of the public register Mainland online services with their Mainland Travel Permits for Hong Kong and Macao Residents (commonly known as "Home Return Permits"), they often come across situations like "authentication failure" or "non-valid type of identity document" as these permits are not Mainland identity documents. In this connection, will the Government inform this Council:*

(1) given that as pointed out by the People's Government of Guangdong Province in the "Three-Year Action Plan of Digital Greater Bay Area Construction" announced in November last year, it would promote the unification of identity authentication for residents in the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA") and expeditiously take forward the initiative to accord the same level of convenience for Home Return Permits and Residence Permits for Hong Kong and Macao Residents ("residence permits") in the handling of businesses in areas such as transport, accommodation and job-seeking registration in GBA as that of Mainland resident identity cards, and the HKSAR Government indicated in reply to a question raised by a Member of this Council in examining the Estimates of Expenditure 2024-2025 that it would proactively participate in the Action Plan, and the Office of the Government Chief Information Officer ("OGCIO") was now studying with the Government Services and Data Management Bureau ("GSDMB") of Guangdong Province, which is responsible for the implementation of the Digital GBA, the setting up of a joint task force to discuss and take the next step of work, whether OGCIO will consider first discussing with GSDMB of Guangdong Province the expedition of promotion of the relevant business handling arrangements for Home Return Permits and residence permits; if so, of the details; if not, the reasons for that;

(2) whether it will proactively conduct regular exchanges and collaboration with the relevant Mainland authorities, so as to promote the full digitalization of the process from application for Home Return Permits to immigration clearance with the use of Home Return Permits; if so, of the details; and

(3) *given that some members of the public hope that the level of convenience in the use of Home Return Permits will be enhanced, whether the HKSAR Government will relay their aspiration to the Mainland Government in the coming year and conduct regular exchanges and communication in this regard; if so, of the details?*

The written reply provided by the **Secretary for Constitutional and Mainland Affairs** on 8 May 2024 is in **Appendix 1**.

Cross-boundary medical cooperation

14. **MR STANLEY LI** (in Chinese): *Many members of the public have indicated that the waiting time for specialist outpatient services and related medical examination services at public hospitals is excessively long. Regarding cross-boundary medical cooperation, will the Government inform this Council:*

(1) *whether it knows the average waiting time for various examination services (e.g. Computed Tomography and Magnetic Resonance Imaging) at public hospitals in the past five years;*

(2) *given that the Government launched the Pilot Scheme for Supporting Patients of Hospital Authority in Guangdong-Hong Kong-Macao Greater Bay Area last year to enable eligible patients of the Hospital Authority to receive subsidized consultation services at the University of Hong Kong-Shenzhen Hospital, whether the Government will consider extending in the near future the healthcare institutions in which such patients can receive consultation services to Mainland hospitals accredited under the China's International Hospital Accreditation Standards (2021 Version) ("the Accreditation Standards") ("accredited Mainland hospitals") and hospitals of Tier 3 Class A in the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area; if so, of the details; if not, the reasons for that;*

(3) *in order to alleviate the burden on the public healthcare system in Hong Kong, whether the Government will consider recognizing the medical records issued by the accredited Mainland hospitals, and publishing the list of accredited Mainland hospitals for public reference; if so, of the details; if not, the reasons for that;*

(4) *whether the Government will consider referring members of the public who have needs for specialist services to the accredited Mainland hospitals for further examinations if they so wish; if so, of the details; if not, the reasons for that; and*

(5) *whether the Government will consider cooperating with more Mainland cities to build more healthcare institutions on the Mainland that adopt the Hong Kong management model and are accredited under the Accreditation Standards, so as to promote cross-boundary medical cooperation; if so, of the details; if not, the reasons for that?*

The written reply provided by the **Secretary for Health** on 8 May 2024 is in **Appendix 1**.

Traffic Accident Victims Assistance Fund

15. **MR FRANKIE YICK** (in Chinese): *According to the Traffic Accident Victims Assistance Fund Annual Report for the year from 1 April 2022 to 31 March 2023, both the rate of application for Traffic Accident Victims Assistance and the total amount of assistance paid in the year had increased as compared with those in 2021-2022, and among which, the victims of nearly 90% of the cases sustained slight injuries. There are views pointing out that the increased amount of assistance paid is due to the abuse of the Traffic Accident Victims Assistance Fund ("the Fund"). In this connection, will the Government inform this Council:*

(1) *of the following information on the applications made to the Fund in 2022-2023 in respect of the aforesaid slight injury cases:*

(i) *the respective numbers of applications in which the victims were drivers, passengers and pedestrians;*

(ii) *whether it has categorized the severity of the injuries under "slight injury"; if so, set out the respective numbers of applications in which the victims were drivers, passengers and pedestrians with a breakdown by such categories;*

(iii) *the respective numbers of applications submitted with injury certificates issued by doctors in public and private healthcare institutions;*

(iv) *among the applications with injury certificates issued by doctors in private healthcare institutions, (a) the number of applications involving an re-assessment of the injury certificates and (b) whether it has found cases involving injury certificates mostly issued by a small number of private doctors; and*

(v) *the respective numbers of applications in which injury grant and interim maintenance grant were granted, together with a breakdown by the number of days of sick leave for the victims (i.e. less than one month, one month to less than three months, and three months to six months) as certified by doctors;*

(2) *the number of reports on fraud of the Fund received by the Government in the past three years; whether it will step up measures to encourage the public to report suspected cases; and*

(3) *given that the amount of assistance disbursed from the Fund in 2020-2021 was substantially higher than that in 2019-2020, and the Fund recorded deficits in the past three years, whether the authorities will consider tightening the Fund's eligibility criteria as well as the vetting and approval of applications, such as by tightening the requirements on sick leave certificates or shortening the time limit for the submission of an application after the accident, so as to eradicate fraud and abuse of the Fund by lawbreakers and reduce the financial pressure on the Fund; if so, of the details; if not, the reasons for that?*

The written reply provided by the **Secretary for Labour and Welfare** on 8 May 2024 is in **Appendix 1**.

Overall walkability strategy for Hong Kong

16. **MS JUDY CHAN** (in Chinese): *From 2019 to early 2021, the Transport Department ("TD") decluttered non-essential traffic signs and pedestrian railings in the pilot areas of Central and Sham Shui Po. To tie in with the overall walkability strategy for Hong Kong, TD will extend the decluttering works to other suitable locations progressively. However, some members of the public have*

relayed that at present, many narrow footpaths on Hong Kong Island are still cluttered with non-essential traffic signs, causing much inconvenience to pedestrians. In this connection, will the Government inform this Council:

(1) of (i) the number of non-essential traffic signs and (ii) the length of non-essential pedestrian railings removed each year since the completion of the pilot scheme, together with a breakdown by District Council ("DC") district;

(2) of the existing mechanism adopted by the authorities to identify non-essential traffic signs and pedestrian railings for removal; whether they will consider establishing a channel for DC members and members of the public to formally put forward proposals for removal of non-essential traffic signs and pedestrian railings; and

(3) of the specific plans in future to achieve respectively the four objectives of "make it connected", "make it safe", "make it enjoyable" and "make it smart" under the overall walkability strategy for Hong Kong, so as to create a more comfortable walking environment for members of the public?

The written reply provided by the **Secretary for Transport and Logistics** on 8 May 2024 is in **Appendix 1**.

Food waste recycling

17. **MS CHAN HOI-YAN** (in Chinese): *The Government will implement the Municipal Solid Waste Charging ("MSW charging") on 1 August this year. However, some members of the catering industry have indicated that the current food waste recycling supporting facilities for eateries are still insufficient. In this connection, will the Government inform this Council:*

(1) of the current average daily quantity of food waste recovered in each of the 18 districts across the territory;

(2) of the current number of the following premises participating in the Pilot Scheme on Food Waste Collection in Hong Kong: (i) food processing factories, (ii) public markets, (iii) cooked food centres,

(iv) wholesale markets, (v) hospitals, (vi) government facilities, (vii) tertiary institutions, (viii) hotels, (ix) club houses, (x) restaurants, (xi) public housing estates, and (xii) private housing courts (with a tabulated breakdown by District Council district);

(3) of the current average daily quantity of food waste recovered at (i) each food waste recycling point at refuse collection points and (ii) each food waste recycling spot in Hong Kong, with a tabulated breakdown by District Council district;

(4) of the maximum handling capacity of each food waste treatment facility of the Government; the total quantity of food waste from the industrial and commercial sectors recovered by each food waste treatment facility in each of the past three years, and the percentage of such quantity in the maximum handling capacity of the facilities;

(5) whether it has assessed if the quantity of food waste to be recovered will increase after the implementation of MSW charging; if it has assessed and the outcome is in the affirmative, whether it has assessed if the current food waste treatment facilities of the Government can cope with the increasing quantity of food waste to be recovered; if it has assessed and the outcome is in the negative, of the corresponding measures to be put in place;

(6) of the authorities' specific means to further encourage the industrial and commercial sectors to reduce food waste at source, such as whether they will consider subsidizing the catering industry to set up sorting and recycling facilities, or encouraging the industry to participate in food recovery and donation activities; if so, of the details; if not, the reasons for that; and

(7) whether the authorities will introduce measures to facilitate the development of the downstream food waste recycling industry, so as to improve the food waste recycling industry chain; if so, of the details; if not, the reasons for that?

The written reply provided by the **Secretary for Environment and Ecology** on 8 May 2024 is in **Appendix 1**.

The situation of importation of labour

18. **MR YIU PAK-LEUNG** (in Chinese): *The Government successively launched the Labour Importation Scheme for the Transport Sector - Aviation Industry and the Enhanced Supplementary Labour Scheme ("ESLS") last year to alleviate the manpower shortage across different sectors. However, members of various sectors have relayed to me that these two schemes, which have been implemented for more than half a year, are not as effective as expected and have failed to help them alleviate the imminent manpower shortage. In this connection, will the Government inform this Council:*

(1) of the number of imported workers who have arrived to work in Hong Kong since the implementation of the Labour Importation Scheme for the Transport Sector - Aviation Industry, with a breakdown by the 10 job types under the scheme;

(2) of the respective numbers of applications received and approved by the authorities and the number of workers involved since the implementation of ESLS, and whether the authorities will compile statistics on/estimate the number of workers who have arrived to work in Hong Kong; of the aforesaid information on the 26 job categories normally excluded from the Supplementary Labour Scheme;

(3) of the respective numbers of applications from the hotel, guesthouse and travel agent industries received, being processed, approved and rejected by the authorities and the job types involved since the implementation of ESLS; whether the authorities will compile statistics on/estimate the number of workers who have arrived to work in Hong Kong; and

(4) as members of the industry generally consider that the progress of processing applications under ESLS has been slow, making it difficult to alleviate the imminent frontline manpower constraints facing the industry, and the Government indicated in the reply to a question raised by a Member of this Council on the 10th of last month that new measures will be introduced shortly to further improve the workflow of processing relevant applications, of the anticipated reduction in the average time taken to process each application following the implementation of the new measures?

The written reply provided by the **Secretary for Labour and Welfare** on 8 May 2024 is in **Appendix 1**.

Developing Kowloon East

19. **MR TANG KA-PIU** (in Chinese): *The 2011-2012 Policy Address put forward the Energizing Kowloon East initiative, which aims to transform Kowloon East ("KE") into the second core business district ("CBD2") through the development of the office belt and tourism and leisure facilities at Kai Tak as well as the revitalization of industrial buildings. In this connection, will the Government inform this Council:*

(1) of the numbers and gross floor areas ("GFAs") of (i) industrial buildings, (ii) commercial buildings (broken down into (a) Grade A offices, (b) Grade B offices and (c) other office sub-sectors), and (iii) business buildings providing accommodation for a mix of industrial and commercial uses in CBD2, and set out in Table 1 a breakdown by age of the building (i.e. (I) 0 to 10 years, (II) 11 to 20 years, (III) 21 to 30 years, (IV) 31 to 40 years, (V) 41 to 50 years and (VI) 51 years or above);

Table 1

<table>
<tr><th colspan="2">Use of building</th><th>Age of building</th><th>Number of building</th><th>GFA</th></tr>
<tr><td colspan="2" rowspan="3">(i)</td><td>(I)</td><td></td><td></td></tr>
<tr><td>……</td><td></td><td></td></tr>
<tr><td>(VI)</td><td></td><td></td></tr>
<tr><td rowspan="9">(ii)</td><td rowspan="3">(a)</td><td>(I)</td><td></td><td></td></tr>
<tr><td>……</td><td></td><td></td></tr>
<tr><td>(VI)</td><td></td><td></td></tr>
<tr><td rowspan="3">(b)</td><td>(I)</td><td></td><td></td></tr>
<tr><td>……</td><td></td><td></td></tr>
<tr><td>(VI)</td><td></td><td></td></tr>
<tr><td rowspan="3">(c)</td><td>(I)</td><td></td><td></td></tr>
<tr><td>……</td><td></td><td></td></tr>
<tr><td>(VI)</td><td></td><td></td></tr>
<tr><td colspan="2" rowspan="3">(iii)</td><td>(I)</td><td></td><td></td></tr>
<tr><td>……</td><td></td><td></td></tr>
<tr><td>(VI)</td><td></td><td></td></tr>
</table>

(2) *among the applications received by the Government for the new round of the revitalization scheme for industrial buildings launched in 2018, of the respective numbers of applications involving industrial buildings in CBD2 that were approved and rejected, and the reasons for the rejection of the applications;*

(3) *whether it has compiled statistics on the numbers and areas of sites in CBD2 which are currently (i) idle sites for which no development plan has been finalized and (ii) sites for temporary use only with no long-term development plan, and set out in Table 2 a breakdown by landowner (i.e. (a) the Government and (b) the private sector);*

Table 2

Type of site	*Landowner*	*Number of sites*	*Site area*
(i)	*(a)*		
	(b)		
(ii)	*(a)*		
	(b)		

(4) *of the respective numbers and floor areas of the properties (i) owned and (ii) rented by the Government in CBD2, and set out in Table 3 a breakdown by use of the property (i.e. (a) district service centres of government departments, (b) headquarters of government departments, and (c) others);*

Table 3

Property owned/rented by the Government	*Use*	*Number of properties*	*Floor area*
(i)	*(a)*		
	(b)		
	(c)		
	Total		
(ii)	*(a)*		
	(b)		
	(c)		
	Total		

(5) *whether it has compiled statistics on the numbers of companies in (i) innovation and technology ("I&T"), (ii) culture, (iii) sports, (iv) tourism and (v) other industries (a) operating business and (b) headquartered in CBD2, and the numbers of jobs provided by such companies and their gross output, with a breakdown as set out in Table 4; and*

Table 4

Industry of company	*Operating business/setting up headquarters*	*Number of companies*	*Number of jobs provided*	*Gross output*
(i)	*(a)*			
	(b)			
……	*(a)*			
	(b)			
(v)	*(a)*			
	(b)			

(6) *given that in reply to my question on 5 July last year, the Government indicated that KE has the potential to promote I&T and arts, culture and creative industries given its historical background in industrial development and the ambience of cultural workers moving in one after another in recent years, whether the authorities have plans to further promote the development of the industries of I&T, culture, sports and tourism in KE, and to develop KE into a "city of entrepreneurship" for the aforesaid industries; if so, of the specific measures; if not, the reasons for that?*

The written reply provided by the **Secretary for Development** on 8 May 2024 is in **Appendix 1**.

Multi-functional smart lampposts

20. **MS CHAN YUET-MING** (in Chinese): *In the 2017 Policy Address, the Government proposed to implement the Multi-functional Smart Lampposts Pilot Scheme ("the Scheme") in selected urban locations. The Scheme was completed*

in December last year with over 400 multi-functional smart lampposts equipped with smart devices ("smart lamppost") installed in selected locations. In this connection, will the Government inform this Council:

(1) of the respective installation cost of various smart devices in a smart lamppost; as there are views pointing out that most smart lampposts are only equipped with radio frequency identification tags and Geo-QR code tags, rendering their deployment of smart devices incomplete, whether the Government will consider equipping these smart lampposts with more smart devices;

(2) as there are views that smart lampposts have been densely installed in many districts, so much so that dozens of smart lampposts can be found on the same street, of the justifications for the relevant arrangement;

(3) whether it has evaluated the effectiveness of the Scheme, and whether it will make a report on the Scheme to this Council;

(4) as the 2023 Policy Address proposed to expedite the expansion of mobile network infrastructure in rural and remote areas, whether the Government will pilot the use of smart lampposts as fifth generation ("5G") radio base stations in rural areas with poorer mobile network signals, with a view to improving mobile communications services in these areas; and

(5) given that in reply to a question raised by a Member of this Council on the Estimates of Expenditure 2024-2025, the Government indicated that smart lamppost would be a standard infrastructure to be installed in new development areas, whether the Government will replace conventional lampposts already installed with smart lampposts in large numbers; if so, of the relevant expenditure?

The written reply provided by the **Secretary for Innovation, Technology and Industry** on 8 May 2024 is in **Appendix 1**.

Manpower of Traffic Wardens

21. **MR DENNIS LEUNG** (in Chinese): *Some trade unions have relayed that there has been a persistent shortage of Traffic Wardens ("TWs") and the wastage rate of new recruits is high. In this connection, will the Government inform this Council:*

(1) of (a) the staff establishment and (b) the strength of (i) Senior Traffic Wardens ("STWs") and (ii) TWs in each year from 2019 to 2024 (set out in Table 1);

Table 1

Rank	*Manpower*	*Year (based on the figures as at 31 December each year)*					
		2019	*2020*	*2021*	*2022*	*2023*	*2024 (as at 31 March)*
(i)	*(a)*						
	(b)						
(ii)	*(a)*						
	(b)						

(2) of (i) the target number of recruits, (ii) the number of applicants and (iii) the number of people recruited in the TW recruitment exercises conducted in 2021 and 2023 (set out in Table 2);

Table 2

Year of recruitment exercise	*(i)*	*(ii)*	*(iii)*
2021			
2023			

(3) whether it has plans to launch a new round of TW recruitment exercise; if so, when it will be conducted, and of the target number of recruits of (i) STWs and (ii) TWs (set out in Table 3);

Table 3

Rank	*Target number of recruits*
(i)	
(ii)	

(4) *of the number of (i) STWs and (ii) TWs who left the service in each year from 2019 to 2024 (set out in Table 4), and the reasons for their departure;*

Table 4

Year (based on the figures as at 31 December each year)	*Number of departures*	
	(i)	*(ii)*
2019		
……		
2024 (as at 31 March)		

(5) *whether it has estimated the number of (i) STWs and (ii) TWs who will reach their retirement age in each year from 2024 to 2026 (set out in Table 5); and*

Table 5

Rank	*Year*		
	2024	*2025*	*2026*
(i)			
(ii)			

(6) *of (a) the lower quartile, (b) the median and (c) the upper quartile of the length of service of (i) STWs and (ii) TWs in each year from 2019 to 2024 (set out in Table 6)?*

Table 6

Year	*Length of service*					
	(a)		*(b)*		*(c)*	
	(i)	*(ii)*	*(i)*	*(ii)*	*(i)*	*(ii)*
2019						
……						
2024 (as at 31 March)						

The written reply provided by the **Secretary for Transport and Logistics** on 8 May 2024 is in **Appendix 1**.

Non-plastic disposable tableware

22. **IR CHAN SIU-HUNG** (in Chinese): *It has been reported that the findings of a multinational survey on the presence of per- and polyfluoroalkyl substances ("PFAS") in food packaging materials published by a global environmental group at the end of last year indicated that of the 119 samples tested, 64 were found to contain these substances. The food packaging materials concerned include plant fibre food containers, cardboard boxes for greasy food and grease-resistant paper bags, etc. These substances are difficult to excrete, and their accumulation in the human body may even lead to health problems such as liver damage, infertility and cancer. Regarding non-plastic disposable tableware, will the Government inform this Council:*

(1) given that at present, tableware suppliers wishing to enrol their non-plastic disposable tableware on the "Green Tableware Platform" under the Environmental Protection Department are only required to demonstrate the compliance of the tableware with the relevant non-plastic requirements when submitting their applications, whether the authorities will, in the light of the aforesaid survey findings, consider requiring suppliers to also provide the relevant safety test reports in respect of their non-plastic disposable tableware when submitting applications via the Green Tableware Platform; if not, whether the authorities will take the initiative to test the safety of such tableware;

(2) as the Government indicated in its paper submitted to the Panel on Environmental Affairs of this Council in February this year that it will continue to, through different channels (such as supporting community programmes that offer reusable meal box lending services), promote various "plastic-free" campaigns which aim at reducing the use of disposable plastic tableware and encouraging the use of reusable ones, of the details of the relevant support programmes; whether the Government has plans to develop centralized meal box lending services in the future; and

(3) as it has been reported that some restaurants consider biodegradable disposable plastic tableware more environmentally-friendly and choose to use it as an alternative for disposable plastic tableware, but biodegradable disposable plastic tableware requires a specific environment to degrade and cannot be recycled and processed with

other plastics, and the catering industry can still provide biodegradable disposable plastic cups and plastic food containers to takeaway customers during the first phase of implementation of the relevant legislation on regulating disposable plastic tableware, whether the authorities have studied how to reduce the amount of biodegradable disposable plastic tableware being sent to landfills before the second phase of implementation of the relevant legislation; if so, of the details; if not, the reasons for that?

The written reply provided by the **Secretary for Environment and Ecology** on 8 May 2024 is in **Appendix 1**.

GOVERNMENT BILLS

First Reading and Second Reading of Government Bill

First Reading of Government Bill

PRESIDENT (in Cantonese): Government Bill: First Reading.

DEPOSIT PROTECTION SCHEME (AMENDMENT) BILL 2024

CLERK (in Cantonese): Deposit Protection Scheme (Amendment) Bill 2024.

Bill read the first time and ordered to be set down for Second Reading pursuant to Rule 53(3) of the Rules of Procedure.

Second Reading of Government Bills

PRESIDENT (in Cantonese): Government Bills: Second Reading.

DEPOSIT PROTECTION SCHEME (AMENDMENT) BILL 2024

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I move the Second Reading of the Deposit Protection Scheme (Amendment) Bill 2024 ("the Bill").

The main purpose of the Bill is to amend the Deposit Protection Scheme Ordinance and its subsidiary legislation to strengthen protection for depositors under the Deposit Protection Scheme ("DPS"), maintain banking stability, and keep up with international standards and the latest developments in Hong Kong.

DPS, which was fully launched in 2006 to provide protection for depositors and contribute to banking stability, is a core part of the financial safety net. The Hong Kong Deposit Protection Board ("the Board") conducts reviews of the design and operation of DPS from time to time, taking into account industry developments and relevant international guidance. According to the latest review conducted by the Board in 2021, the overall design and key aspects of DPS generally remain appropriate, and the protection offered is in line with that in other jurisdictions. The Board recommended five enhancement measures:

First, raising the protection limit from the current \$500,000 to \$800,000. As the current protection limit was first implemented in 2011, the proposal will not only enable the protection limit to catch up with the cumulative inflation from 2011 to mid-2023 but also increase its real value by 21%. The coverage ratio will also rise from the current 89% to 92% of depositors, which complies with the international standard recommended by the International Association of Deposit Insurers that the deposit protection limit should be able to fully cover at least 90% of depositors. Meanwhile, the additional costs to DPS members ("Scheme members") will be maintained at moderate and manageable levels;

Second, adjusting the levy system for Scheme members so that the Board can charge the "build-up levy" from Scheme members again when the protection limit is raised, and the target fund size can be reached within a reasonable time frame;

Third, enhancing the deposit protection arrangement in the event of a bank merger or acquisition, so that for depositors who have deposits with more than one of the banks before a merger or acquisition, each depositor will, for a limited period of six months upon the bank merger or acquisition, be entitled to compensation in respect of the protected deposits with each of the original Scheme members up to the DPS standard protection limit (i.e. \$800,000 upon implementation of the enhancement measures). For example, if a depositor has protected deposits of \$800,000 in each of the two banks involved in a merger or acquisition, the depositor will enjoy deposit protection of \$1.6 million for six months from the date of the merger or acquisition;

Fourth, requiring Scheme members to display the DPS membership sign on their electronic platforms, given that electronic platforms such as websites or mobile applications have gradually become major avenues for delivering banking services in recent years; and

Fifth, enhancing the negative disclosure requirement on non-protected deposit (e.g. structured deposits) transactions between banks and their private banking customers.

The Board launched a public consultation on the above proposals from July to October last year, and the responses were generally supportive. Additionally, the Board commissioned a public opinion survey during the consultation period, which revealed that around 80% of respondents supported the proposal to increase the protection limit to $800,000.

The Government briefed the Panel on Financial Affairs of the Legislative Council on the legislative proposals on 30 October last year. Members generally expressed support for the proposals outlined in the Bill.

President, the banking system and regulatory regime in Hong Kong have all along been sound, and DPS has never been triggered since its establishment. Nevertheless, I urge this Council to support the expeditious passage of the Bill to enhance DPS and align more closely with international best practices, which will strengthen depositors' confidence and maintain banking stability, thereby consolidating the status of Hong Kong as an international financial centre.

I so submit. Thank you, President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Deposit Protection Scheme (Amendment) Bill 2024 be read the second time.

In accordance with the Rules of Procedure, the Second Reading debate is adjourned and the Bill is referred to the House Committee.

Resumption of Second Reading Debate on Government Bill

PRESIDENT (in Cantonese): This Council now continues the Second Reading debate on the Appropriation Bill 2024. As Members already spoke at the last meeting, I will now call upon the Secretaries concerned to speak and then the Financial Secretary to reply.

APPROPRIATION BILL 2024

Resumption of debate on Second Reading which was moved on 28 February 2024

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, first and foremost, I would like to thank a number of Members for expressing their valuable views on the social welfare and labour portfolio in the debate on the Appropriation Bill 2024. I will take this opportunity to briefly respond to their views:

(1) Provision for social welfare

In 2024-2025, government recurrent spending on social welfare is estimated to be $127.4 billion, accounting for 22% of the total recurrent government expenditure of the year, coming first amongst all policy area groups.

The Government has announced earlier the Productivity Enhancement Programme ("the Programme"), under which recurrent government expenditure will be cut by 1% in 2024-2025 and 2025-2026 respectively. The resources thus saved will be re-allocated for enhancing existing or introducing new public services. On the premise that such schemes as the Comprehensive Social Security Assistance ("CSSA") and the Social Security Allowance Scheme will not be affected, it was announced in the 2024-2025 Budget that all government departments would need to cut recurrent government expenditure by another 1% in 2026-2027. We understand the concerns raised by non-governmental organizations ("NGOs") that provide subvented welfare services regarding the Programme. Having considered various factors and made the best endeavour to re-allocate resources internally, I met with NGOs in person in March to explain the implementation details and announce a series of relief measures. In short, all subvented organizations, to which the reduction in allocation for this year will be fully covered by the Social Welfare Department ("SWD"), will not be affected by the Programme. For the next two years, about two-thirds of the organizations with recurrent funding below $50 million will be exempted from the Programme, while the remaining one-third of them will have their recurrent funding reduced by 2% and 3% respectively. The financial implications of the various relief arrangements are about $190 million per year from 2026-2027 onwards and will be borne by SWD on a long-term basis.

The Programme is a part of the Fiscal Consolidation Programme of the Government, which aims to contain the growth of operating expenditure to ensure resilience and sustainability of our public finances. The Government will continue to implement support programmes for welfare service organizations, including injecting $1 billion into the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care and setting up a dedicated fund of $500 million to assist NGOs in meeting their development needs for staff training and system enhancement. The Government looks forward to working concertedly with NGOs to make the best use of public resources and jointly implement projects, so as to deliver high quality services to those in need.

(2) Elderly services

The recurrent government expenditure on elderly services this year is projected to reach about $16 billion, marking an increase of around 60% compared to the approximately $10 billion allocated five years ago.

The Government will continue to enhance residential and community care services for the elderly, adding 1 000 more residential care service vouchers for the elderly ("RCSV") and 1 000 more community care service vouchers for the elderly ("CCSV") starting from the second quarter of this year, so that RCSV and CCSV will have a total of 5 000 and 11 000 vouchers respectively. Starting from the second quarter of this year, the service scope of RCSV will be extended from care-and-attention places to nursing home places.

(3) Enhancing community support measures on mental health and support for persons with disabilities

The Government will enhance the services of the Integrated Community Centres for Mental Wellness, including strengthening early identification and early intervention of persons with mental health needs, and scaling up the training of social workers in the relevant service units to raise their capacity in handling complicated cases. The additional annual expenditure involved is over $60 million.

In addition, the Government will seek funding of about $129 million from the Community Care Fund to implement a three-year pilot scheme from the third quarter of 2024 onwards, so as to provide an additional subsidy of $500 per month to disabled CSSA recipients who are in employment as a means of encouraging their employment.

(4) Enhancing support for carers

On the support for carers, the Government injected more than $500 million in the last financial year to implement various measures for carers, including the regularization of four financial assistance schemes and the launch of a designated hotline for carers and an information gateway. In 2024, the Government will continue to appeal and promote to the public the Care the Carers Campaign.

Debuted in March this year with Tsuen Wan and Southern District as the pilot districts, we have kick-started the District Services and Community Care Teams—Pilot Scheme on Supporting Elderly and Carers ("the Pilot Scheme"). The Care Teams have so far visited and contacted more than 400 households of needy elders/persons with disabilities and their carers and referred cases to the relevant welfare service units for follow-up. They will also assist needy households in the installation of emergency alarm systems. Upon reviewing its effectiveness, we will consider extending the Pilot Scheme to other districts.

In the fourth quarter of 2024, the Government will invite recognized service providers participating in the CCSV Scheme to provide day respite services for needy elderly when there are vacant service places. The annual expenditure involved is about $24 million.

In April 2024, SWD set up a dedicated team in each of the 21 District Support Centres for Persons with Disabilities across the territory to proactively contact the carers of special school leavers six months before graduation, provide training on caring and interaction skills, arrange post-school care plans and link with community support services, and provide follow-up services for needy cases after graduation. The annual expenditure involved is about $110 million.

To support persons in mental recovery and their carers, the Government will strengthen this year peer support services and set up next year four additional Parents/Relatives Resource Centres for carers of persons in mental recovery. The annual recurrent expenditure involved is about $26 million.

(5) Assisting working families in childbearing

The Government will set up 10 more aided standalone child care centres in phases and increase the Child Care Centre Parent Subsidy. SWD will extend in phases the After-School Care Programme for Pre-primary Children to cover all districts in Hong Kong. Additionally, SWD will increase the incentive payment for home-based child carers and double the service places to about 2 000, with a view to doubling number of beneficiaries to 20 000. The various initiatives would involve an annual expenditure of about $408 million.

(6) Child protection

The Government is preparing various measures to prepare for the possible increase in the number of child abuse reports after the implementation of the mandatory reporting regime. The relevant additional full-year provision is about $186.5 million.

SWD is increasing the residential child care service places, substantially increasing the incentive payment for foster families, and strengthening the support and training for foster families. The relevant full-year provision is about $178.4 million.

(7) Improving employment rights and benefits and promoting employment

On labour policy, the Government is committed to improving employment rights and benefits and promoting employment. We have successfully implemented the three major initiatives proposed in the Chief Executive's 2023 Policy Address. First, the Labour Advisory Board has reached a consensus in February this year on the review of the "418" requirement under the Employment Ordinance, which will enhance the protection of the rights and benefits of the employees with shorter working hours. Second, the Government announced at the end of last month (30 April) its adoption of the Minimum Wage Commission's recommendations on enhancing the review mechanism of the Statutory Minimum

Wage to further protect the income of grass-roots employees. Third, the Labour Department ("LD") will launch the Re-employment Allowance Pilot Scheme on 15 July this year to encourage more elderly and middle-aged people to join the workforce.

To tie in with the implementation of the abolition of the mandatory provident fund offsetting arrangement on 1 May next year, the Government is pressing ahead with the preparatory work, including developing an information technology system for the Government Subsidy Scheme and formulating its operational details. We will also review the ex gratia payment ceiling for severance payment under the Protection of Wages on Insolvency Fund.

(8) Enhancing occupational safety and health

The Government is highly concerned about the recent fatal work accidents. Apart from commencing immediate on-site investigation, issuing suspension notices to the relevant duty holders and ascertaining the legal liability of the duty holders concerned, LD has also launched follow-up actions having regard to the nature of the accidents, such as conducting targeted special enforcement operations to combat unsafe work activities.

LD has revised the Code of Practice for Bamboo Scaffolding Safety to enhance the stability of bamboo scaffolds and require bamboo scaffolders to possess valid safety training certificates before carrying out the relevant work. The newly revised Code has been gazetted on 19 April.

On the other hand, LD is speeding up the revision of the Code of Practice—Safety and Health at Work in Confined Spaces, with a view to issuing the revised Code in the coming month or so to enhance the protection of workers' safety and health in confined spaces.

(9) Pilot Rehabilitation Programme for Employees Injured at Work

Starting from this month, LD is going to extend the Pilot Rehabilitation Programme for Employees Injured at Work to cover the "catering and hotel industry" and the "transportation and logistics industry", with the aim of benefiting injured employees in more industries.

(10) Trawling for talents

To address the challenge of local labour shortage, the Government has launched a number of measures since late 2022 to proactively attract foreign talents. So far, the various talent admission schemes have successfully attracted about 120 000 talents to Hong Kong, showing that the relevant policies have achieved initial success. The Hong Kong Talent Engage established at the end of last year will continue to provide comprehensive one-stop support to incoming talents, including job-matching services, with a view to assisting talents in their long-term development in Hong Kong.

I notice that some Members are concerned whether such schemes as the Top Talent Pass Scheme ("TTPS") will be abused by ineligible persons. TTPS is initially designed to provide convenience to qualified talents by allowing the incoming talents to come to Hong Kong to explore opportunities without the need to be employed by an employer in Hong Kong first. However, before the expiry of the first two-year visa period, they must be employed or have set up or participated in a business in Hong Kong before they can renew their visas to stay in Hong Kong. The Immigration Department will exercise stringent gate-keeping measures and conduct vetting in accordance with the established mechanism to ensure that only eligible persons will be granted visas and have their visas renewed.

Some Members are concerned that the talent admission schemes will deal a blow to local employment. I must stress that the main thrust of the Government's manpower policy has all along been nurturing local talents, complemented by attracting outside talents. In formulating various measures to compete for talents, we ensure that local workers are given priority on employment, making sure that due consideration is given to the impact on the local labour force. The Government will review the talent admission arrangement in the middle of this year to ensure that various talent attraction measures are effective in enriching the talent pool in Hong Kong and meeting local manpower needs.

President, with these remarks, I hope Members will support the Appropriation Bill 2024.

SECRETARY FOR INNOVATION, TECHNOLOGY AND INDUSTRY (in Putonghua): President, I would like to express my heartfelt gratitude to Members for their valuable views on issues relating to the development of innovation and technology ("I&T") in their speeches made during the Second Reading debate.

I&T is an important driving force for high-quality economic and social development. At the end of 2022, the current-term Government promulgated the Hong Kong Innovation and Technology Development Blueprint ("the Blueprint"), which was formulated from the perspective of top-level design to provide a clear development path and systematic strategic planning to promote the development of I&T in Hong Kong. The Blueprint aims to accelerate the formation and development of new quality productive forces that leverage Hong Kong's competitive edges, thereby creating stronger impetus for growth. In the past year or so, the current-term Government has introduced and implemented a number of important I&T policies and measures, continuously optimizing the I&T ecosystem in Hong Kong and charting Hong Kong in moving full steam towards the vision of becoming an international I&T centre.

This year's Budget closely follows the development directions and key strategies set out in the Blueprint and proposes key measures in a number of major areas, including consolidating Hong Kong's research and development ("R&D") strengths and promoting technology industry development; developing I&T infrastructure and promoting "new industrialization"; nurturing I&T start-ups and talent; and developing digital economy and promoting digital transformation. I will briefly respond to the views expressed by Members under this framework.

To enhance Hong Kong's I&T ecosystem, we believe it is necessary to promote interactive development of the upstream, midstream and downstream sectors. We provide focused support for strategic areas such as life and health technology, artificial intelligence ("AI") and data science, and advanced manufacturing, especially microelectronics. A number of Members have expressed concern about Hong Kong's progress in promoting AI development and some Members have suggested expediting the progress of the development of an AI Supercomputing Centre. This year's Budget allocates $3 billion for the launch of a three-year AI Subsidy Scheme, precisely to accelerate the all-round development of the local AI ecosystem. In addition, in the area of microelectronics, we will establish the Hong Kong Microelectronics Research and Development Institute ("MRDI") this year to facilitate research collaboration on the third-generation semiconductors. MRDI will set up two pilot lines in the Microelectronics Centre to conduct trial runs with a view to commercializing their R&D outcomes.

As for life and health technology, some Members have proposed that the Government should strengthen support for R&D in life and health technology, and more life and health technology enterprises and R&D centres should be attracted to set up operations in Hong Kong. It has been announced in this year's Budget that we will allocate $2 billion, from the $10 billion earmarked to promote the development of life and health technology, to support the InnoHK research clusters in establishing presence in the Loop. We will also allocate $200 million to provide assistance to start-ups in the Hong Kong-Shenzhen Innovation and Technology Park ("HSITP") engaging in life and health technology in the form of incubation and acceleration programmes, etc., with a view to promoting the setting up of the InnoLife Healthtech Hub in HSITP.

We will also consult the Legislative Council within this year on the launch of the Frontier Technology Research Infrastructure Support Scheme to assist universities in procuring facilities and conducting research projects led by top scientists at home and abroad, targeting cutting-edge scientific and technological fields. Furthermore, we will provide subsidies of no more than $16 million per year to the Technology Transfer Office of each university. These measures will better consolidate Hong Kong's scientific research advantages, accelerate the transformation of mid-stream research outcomes, and further enhance our I&T ecosystem.

Moreover, I have noticed that a number of Members have expressed concern about the progress of the development of HSITP in the Loop. HSITP is the largest I&T infrastructure project in Hong Kong's history and is of great significance to Hong Kong's high-quality development. The SAR Government attaches great importance to and will continue to support the development of HSITP. The first three buildings in batch one will be gradually completed from the end of this year while the construction of the remaining five buildings will commence as soon as possible upon completion of the transfer of community isolation facilities and the site formation works. The Hong Kong-Shenzhen Innovation and Technology Park Limited ("HSITPL") is actively making efforts on leasing and investment promotion to prepare for the formal operation of HSITP in the future. Last month, HSITPL signed Memoranda of Understanding with some 60 partners, marking a significant milestone of HSITP entering the operational phase. The SAR Government is stepping up its efforts to draft a programmatic document on the development of the park on the Hong Kong side, which will further elaborate on the development direction, positioning, hardware and software package of HSITP. The goal is to publish the relevant document within this year.

Some Members have proposed during the debate that the authorities should strengthen the training of scientific research talents to align with the direction of developing "new quality productive forces", which is very much in line with the direction of "new industrialization" that we are actively promoting. We plan to set up the New Industrialization Acceleration Scheme within this year and invite applications. Enterprises participating in the scheme will receive funding support for engagement of research talent through the Research Talent Hub for Technology Companies Conducting R&D Activities in Hong Kong, and for recruitment of a small number of non-local technology talent via a pilot scheme to be implemented under the Technology Talent Admission Scheme. We will seek funding approval from the Finance Committee next week and I sincerely hope that Members will support the funding application.

Digital economy has become a new driving force for economic development. A number of Members have emphasized that developing the digital economy is crucial to accelerating Hong Kong's economic upgrading and transformation. In respect of the Digital Transformation Support Pilot Programme with an allocation of $500 million in this year's Budget, Cyberport has invited the first batch of small and medium enterprises ("SMEs") to apply for funding since March this year. This initiative enables SMEs to select and adopt ready-to-use basic digital solutions, such as digital payment solutions, thereby expediting the pace of their digital transformation. The Government also proposes the establishment of a "digital identity of enterprises" platform, with an estimated expenditure of about $300 million, to enable SMEs to conduct online business transactions and use electronic services.

In addition, some Members are concerned about the Government's efforts in alleviating the digital divide and have proposed providing subsidies to the elderly and needy students so that they can have the opportunity to make use of digital technology to improve their quality of life and enhance their learning efficiency. It is announced in this year's Budget that the Government will allocate $100 million under the Social Innovation and Entrepreneurship Development Fund to provide, in the next three years, elderly people with digital training courses and technical support to promote digital inclusion. The first group of projects is expected to commence in the fourth quarter of this year at the earliest.

Additionally, as I have noticed, a number of Members are concerned that the operations of some livelihood-related electronic systems launched by individual government departments or statutory organizations were not running smoothly at the initial stage and personal data leakage incidents also occurred. In this connection, the Government will further strengthen monitoring of the new information systems launched by bureaux, departments and relevant public organizations; in particular, it will do a good job of testing before launching the systems. It will also take a series of practical measures to prevent the recurrence of personal data leakage incidents. The Digital Policy Office to be established will not only have the function of formulating and implementing policies to promote the development of digital economy and smart city, it will also play a stronger steering role, with a view to leading bureaux and departments to appropriately respond to the community's needs and aspirations of further promoting the development of digital government.

Concluding remarks

President and Honourable Members, this year's Budget continues to allocate resources to support building a vibrant I&T ecosystem. With the support of this Council, I am looking forward to our collaboration in taking forward the development of Hong Kong as an international I&T centre and driving high-quality economic and social development.

With these remarks, I hope Members will support the Appropriation Bill 2024. Thank you, President.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I would like to thank Members for their valuable views put forth during the debate on the Appropriation Bill 2024 ("the Bill") on issues under the purview of the Financial Services and the Treasury Bureau. I will respond to several aspects, including Hong Kong being an international financial centre and an offshore Renminbi ("RMB") business hub, the asset and wealth management business, introducing a company re-domiciliation mechanism, deepening mutual-market access, financial technologies ("fintech"), and developing green technology and green finance.

Hong Kong being an international financial centre

All along, the Central People's Government has fully supported Hong Kong in its effort to maintain its distinctive status and edges on a long-term basis. In April this year, the State Council promulgated the Several Opinions on

Strengthening Regulation, Preventing Risks and Promoting the High-Quality Development of the Capital Market. Additionally, the China Securities Regulatory Commission has announced five important measures for cooperation between the Mainland and Hong Kong financial markets. These measures, including (1) expanding the product scope of equity exchange-traded funds under Stock Connect; (2) including real estate investment trusts ("REITs") under Stock Connect; (3) supporting the inclusion of the RMB stock trading counter under the Southbound Trading of Stock Connect; (4) enhancing the arrangements for mutual recognition of funds; and (5) encouraging leading enterprises of industries in the Mainland to list in Hong Kong, have been met with positive market responses.

We will continue to capitalize on Hong Kong's unique edges, performing the roles as "super connector" and "super value-adder" in a proactive and effective manner. At the same time, we will strive for innovation, and adopt new thinking, methods and approaches to enhance our competitiveness. Moreover, in the light of the development of "new quality productive forces" in our country, we will better serve the advanced productivity led by technological innovation, contributing to the high-quality development of our country's real economy and elevating the development of Hong Kong's financial industry to new heights.

Offshore Renminbi business hub

We will continue to reinforce Hong Kong's position as an offshore RMB business hub. In fact, with the support of the Central People's Government, Hong Kong continues to be the largest global offshore RMB business hub, taking a leading position in RMB settlement, financing and asset management. As at the end of February this year, the total amount of RMB deposits in Hong Kong exceeded $1 trillion, with about 80% of global offshore RMB payments being processed in Hong Kong. The Government will continue to work in collaboration with the financial regulators and the industry to increase the choices of offshore RMB products and services in Hong Kong. For instance, on the issuance of offshore RMB bonds, the Government has issued multiple tranches of government green bonds denominated in RMB since November 2021, with a total issuance amount reaching RMB31.5 billion. Furthermore, the Shenzhen Municipal People's Government and the People's Government of Hainan Province have also issued multiple tranches of offshore RMB bonds in Hong Kong, covering green bonds, blue bonds, sustainability bonds and social bonds. Since June last year, 24 Hong Kong-listed stocks have been allowed to be traded in RMB through the dual counter system.

Asset and wealth management business

We will continue to consolidate Hong Kong's position as an international asset and wealth management centre and a family office hub. According to market research, about 2 700 single family offices were operating in Hong Kong at the end of last year. To promote industry development and attract more funds to Hong Kong, the Government has announced a three-year extension of the Grant Scheme for Open-ended Fund Companies and Real Estate Investment Trusts and will also waive the stamp duty payable on the transfer of REIT units. Additionally, in recent years, the Government has implemented several measures to support family offices and asset owners, including providing profits tax exemption for family offices, streamlining the suitability assessment when dealing with sophisticated professional investors, and setting up the Hong Kong Academy for Wealth Legacy to cultivate a deep talent pool for the sector. The second Wealth for Good in Hong Kong Summit, which was held in March this year, has also fully demonstrated Hong Kong's vision and development advantages as a world-leading hub for family offices.

On enriching the talent pool and attracting more new capital to Hong Kong, the New Capital Investment Entrant Scheme ("the New CIES") was officially launched on 1 March this year. Since its launch, the New CIES has been met with a positive response, with over 130 applications received as at the end of April. We welcome asset owners to deploy and manage wealth in Hong Kong to fully realize our diversified investment opportunities, and we will continue to offer one-stop support services to family offices.

Introducing a company re-domiciliation mechanism

Some Members have mentioned the company re-domiciliation system. We understand that the market, especially the insurance industry, has a certain interest in and demand for re-domiciliation to Hong Kong. Drawing reference from other business centres with company re-domiciliation mechanisms in place and the smooth operations of the re-domiciliation mechanisms for open-ended fund companies and limited partnership funds since their implementation in November 2021, we will introduce a company re-domiciliation system to facilitate the re-domiciliation of non-Hong Kong companies to Hong Kong. Following a public consultation conducted last year, we are actively following up on feedback with stakeholders. We plan to summarize stakeholders' views and put forward proposals on the legislative directions in the first half of this year.

Deepening mutual-market access

This year marks the 10th anniversary of the launch of the mutual-market access between the two places, which has garnered global attention for the achievements it has made so far. We will continue with our efforts in this regard. As at March this year, the amount of bonds held by foreign institutions through channels such as Bond Connect has reached nearly RMB4 trillion, making it a major channel for deploying domestic bond assets overseas. Furthermore, the average daily trading volume has also leapt 20 times from RMB2.2 billion in 2017 to over RMB45 billion in the first quarter of this year.

Financial technologies

The development of fintech is another key focus. We will continue to dedicate efforts to boosting the competitiveness of Hong Kong's financial services industry to better support our real economy.

Developing green technology and green finance

We will also continue to promote the development of Hong Kong into an international green technology and finance centre. Last year, the total green and sustainable debt issued in Hong Kong (including bonds and loans) exceeded US$50 billion, among which the total volume of green and sustainable bonds arranged for issuance in Hong Kong was the highest in the Asian market, accounting for more than one-third of the total share. On sustainability disclosure, we published in March this year a Vision Statement to set out the vision and approach of the Government and financial regulators in developing a comprehensive ecosystem for sustainability disclosure in Hong Kong. Our target is to launch a roadmap on the appropriate adoption of the International Financial Reporting Standards Sustainability Disclosure Standards ("the International Sustainability Standards Board (ISSB) Standards") within 2024 to provide a transparent and well-defined pathway on sustainability reporting for businesses in Hong Kong. To prepare listed companies to move towards the ultimate goal of sustainability reporting in accordance with the local sustainability reporting standards, the Stock Exchange of Hong Kong Limited published in the middle of last month the consultation conclusions on the consultation paper on enhancement of climate-related disclosures under the environmental, social and governance framework, and will introduce new climate disclosure requirements. The new climate requirements are based on ISSB Standard 2: Climate-related Disclosures, and provide exemptions from implementation, including pro rata and phased extension measures, to address the reporting challenges that some issuers may face. The revised Listing Rules will become effective on 1 January next year.

President, with these remarks, I hope Members will support the Bill.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, first of all, I would like to thank Members for their valuable views for the Commerce and Economic Development Bureau ("CEDB"). I will focus my response on several areas of greater concern to Members:

International trade centre

Over the past six months, the current-term Government has signed Investment Promotion and Protection Agreements ("IPPAs") with Turkey and Bahrain. So far, Hong Kong has signed 24 IPPAs with 33 economies. In addition, we have signed eight free trade agreements ("FTAs") involving 20 economies. We will continue to actively take forward our work in this area, including FTA negotiations with Peru, and IPPA negotiations with Saudi Arabia and Bangladesh.

In view of the huge potential for economic development in the Belt and Road countries, the Financial Secretary announced in the 2024-2025 Budget the SAR Government's plan to set up overseas Hong Kong Economic and Trade Offices in Riyadh and Kuala Lumpur, and we are closely following up on the details of the plan. Invest Hong Kong will also set up consultant offices in Cairo, the capital of Egypt, and Izmir, the third largest city in Turkey, in 2024-2025 to bring in capital and enterprises from high-potential markets such as the Middle East and North Africa. In addition, the Hong Kong Trade Development Council will set up consultant offices in Dhaka, the capital city of Bangladesh, and Phnom Penh, the capital city of Cambodia, in 2024-2025 to strengthen trade promotion in emerging countries.

To establish Hong Kong as a multinational supply chain management centre, CEDB, Invest Hong Kong ("InvestHK") and "Team Hong Kong" organizations have proactively commenced the relevant work so as to draw up specific work targets and plans. We have asked InvestHK to step up its efforts in reaching out to Mainland manufacturing enterprises and study the pain points and service needs of these enterprises as they plan to set up operations in Hong Kong, with a view to exploring with "Team Hong Kong" organizations how to assist these enterprises more appropriately.

Hong Kong has a very close trading relationship with members of the Regional Comprehensive Economic Partnership ("RCEP"), with our total merchandise trade with them accounting for about 70% of Hong Kong's total in 2023. We will continue to lobby and build consensus by means of different platforms and occasions, with a view to achieving accession to RCEP as soon as possible.

Intellectual property trading centre

As outcomes of research and development, innovation and creativity require legal protection of their respective intellectual property rights ("IPRs"), the demand for professional services in managing IPRs will increase significantly, creating more business and quality job opportunities in the relevant professional services sectors, such as IPR law, mediation and arbitration, accounting, finance, valuation, management, consultancy and agency. To sustain the growth of our talent pool, the Intellectual Property Department ("IPD") will provide intellectual property training to 5 000 staff in various sectors in the current term of the Government. We will also nurture intellectual property management and patent talents, enhance service quality and further promote the development of the industry through measures such as planning for the introduction of regulatory arrangements for local patent agent services and organizing the establishment of a Technology and Innovation Support Centre. IPD will also continue to enhance the capability of original grant patent examiners with a view to acquiring institutional autonomy in conducting substantive patent examination by 2030.

SME Financing Guarantee Scheme

As small and medium enterprises ("SMEs") are very important to the economic development of Hong Kong, the Government has been providing support to Hong Kong's SMEs having regard to the economic situation and needs of the industries. In the past few years, the Government has assisted SMEs in securing commercial loans under the SME Financing Guarantee Scheme ("SFGS") to cope with capital-flow problems and alleviate the impact of the epidemic on them. In this year's Budget, the Government announced that the application period for the 80% and 90% Guarantee Products under SFGS will be extended for two years to the end of March 2026, so as to help more eligible SMEs with capital needs. The Government's total guaranteed commitment under SFGS will be increased by $10 billion, i.e. from the current $280 billion to $290 billion.

Dedicated Fund on Branding, Upgrading and Domestic Sales ("BUD Fund")

To strengthen support for SMEs in enhancing competitiveness and developing more diversified markets, it is also announced in this year's Budget that $500 million would be injected into the BUD Fund to maintain its operation, and "E-commerce Easy" would be launched to provide funding support for SMEs to implement e-commerce projects in the Mainland.

Domestic sales

HKTDC will enhance the services of the GoGBA one-stop platform to provide more comprehensive support to Hong Kong enterprises intending to access the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA") to tap the domestic market. HKTDC has also set up "GoGBA Business Support Centres" in all the nine Mainland cities in GBA, and will set up another service centre in Futian in the second quarter of this year.

Duty rate on strong liquors

Some Members were concerned whether Hong Kong, as a regional wine trading hub, would consider reducing or waiving the duty on strong liquors to promote the development of the industries concerned. In this connection, we have consulted the relevant Policy Bureaux. In formulating any revenue measures, the Government will consider the relevant policy needs, views from various sectors, the economic situation of Hong Kong, the burden on public finances, public health and the needs of different sectors of the community. The current duty rate on liquors with an alcoholic strength of more than 30% is 100% of their value. The ad valorem duty system is simple and fair, and it can uphold the "affordable users pay" principle. The Government has no plan to exempt or relax the duty rate on strong liquors.

Promoting the development of the fifth generation ("5G") mobile communications technology

To enhance the 5G mobile network coverage in Hong Kong and tie in with the development of more advanced mobile technologies in the future, the Government will expeditiously implement the amendments to the Telecommunications Ordinance and draw up guidelines to ensure that new and redeveloped buildings will have sufficient space for installing mobile communications facilities. In addition, the Government will enhance rural mobile network infrastructure through subsidies and proactively coordinate the enhancement of 5G network capacity at major event venues. The Government will also provide a total of 510 MHz of spectrum for public mobile services in the fourth quarter of this year. Mobile network operators that have acquired the spectrum in these bands will benefit from the Inland Revenue (Amendment) (Tax Deductions for Spectrum Utilization Fees) Ordinance 2024, which took effect in January this year following the implementation of the 2023-2024 Budget proposals, and they will be entitled to full tax deductions for the relevant spectrum utilization fees. This will encourage mobile network operators to increase their investment in mobile communications infrastructure.

Concluding remarks

With these remarks, President, I implore Members to support the Appropriation Bill 2024.

SECRETARY FOR CULTURE, SPORTS AND TOURISM (in Cantonese): President,

Introduction

I would like to thank Members for expressing valuable views on issues relating to culture, creative industries, sports and tourism during the debate on the Appropriation Bill 2024 ("the Bill"). I now give a brief response.

Tourism

Members have expressed their concerns about the development of tourism in Hong Kong and hope that it can give impetus to the local economy. They have put forward a number of new ideas, including suggestions on tourist attractions, tourism experience or concessions, which we will actively examine and implement in full steam where finances permit and where technically feasible. Some Members are also concerned about the promotional strategy in tourism and suggested that we should step up the promotion of diversified tourism experience across the territory, which is consistent with the strategy and work of the Government in recent years. Besides developing and linking up different tourism experiences, the Government directs the Hong Kong Tourism Board ("HKTB") to step up promotion in source markets and promote enriched and diversified tourism offerings and products through diversified means including social media platforms like Xiaohongshu, Douyin and Weibo and invitation of relevant key opinion leaders (KOLs), as well as conducting thematic promotion on mega events and festive events. In addition, we will continue to promote cross-sector collaboration and encourage the industry to launch signature tourism products targeting high-end visitors, so as to attract them to visit Hong Kong and boost their spending in the city. We will launch a courtesy campaign shortly starting with the service industry, and will extend the campaign to different social strata through the efforts of the whole Government.

I would also like to take this opportunity to report to Members that during the recent Labour Day Golden Week of the Mainland, the total number of Mainland visitors exceeded 760 000, representing a year-on-year increase of over 22%, which is in line with expectations. Visitor arrival on 2 May reached over 190 000, which is a new single-day record this year and also the second highest single-day record since the resumption of normal travel at the beginning of last year. We expect that this will bring Hong Kong's economy consumption returns of more than $2 billion, with a vibrant ambience. The Government will continue to work with HKTB and the industry to enhance the speed and quality of the development of Hong Kong's tourism industry, so as to create a pleasant travel experience for visitors.

Mega event economy

Since last year, we have been actively promoting mega events, on which a number of Members have expressed their views. In fact, the Government has all along been organizing and subsidizing different mega events. Under the purview of the Culture, Sports and Tourism Bureau ("CSTB"), the Government's past efforts in promoting mega events on culture, sports and tourism aimed at promoting the development of these areas, and the current-term Government hopes to further promote economic growth through mega events. As suggested by Members, we have strengthened our liaison with industries related to mega events, so that these events can drive the businesses of industries such as tourism, hotel, catering and retail, as well as bestowing pedestrian traffic to and consolidating the integrated development of these industries. Initial results were achieved in the past year. We will continue our efforts to proactively solicit mega events to be staged in Hong Kong, so as to attract elites of industries from around the world to personally experience Hong Kong's actual situation and vibrancy. We will also leverage the $100 million earmarked in the Budget to boost mega event promotions over the next three years, as well as continuously updating the calendar of mega events and announcing new events as early as possible, so as to keep the general public and visitors posted on mega events to be held in Hong Kong for their early planning of journeys. Besides, we will facilitate the partnership and cross-sector collaboration between different industries and mega events to enable the industry to develop promotional plans and tourism products at an early stage.

Quite a number of Members have highlighted the need to set performance indicators. CSTB is drawing on the experience gained last year to examine the approval mechanisms for the "M" Mark System, Mega Arts and Cultural Events Fund, funding schemes on tourism events etc., with a view to encouraging and assisting more new and high-level international mega events to be held in Hong Kong. This will foster Hong Kong's cultural, sports and tourism development and attract more visitors from both the Mainland and overseas, thereby driving the development of the tourism industry and the growth of our economy.

Sports

In respect of sports development, we will continue to promote sports development in Hong Kong by supporting elite sports, enhancing professionalism, maintaining Hong Kong as a centre for major international sports events, developing sports as an industry, and promoting sports in the community. These include strengthening the support to elite athletes, attracting major international sports events to Hong Kong and further promoting sports development through enhanced professionalism in the sports sector and the development of sports as an industry.

The Kai Tak Sports Park ("the Park") is scheduled to be completed by the end of 2024 and open in 2025. As the largest sports infrastructure built in Hong Kong, the Park will be a premier venue for major events such as international football and rugby matches and concerts, further promoting sports development and the mega event economy, as well as benefiting relevant industries. Test runs, including those for sports competitions and performances, will be conducted before the official opening of the Park. The Government has been working with the Kai Tak Sports Park Limited on promoting the facilities in the Park as well as identifying and scheduling activities and performances for the next two years. Our goal is to bring splendid events to Hong Kong by making full use of this major facility, which will not only promote the development of culture, sports and tourism, but also bring economic benefits to Hong Kong.

The 15th National Games

The Government attaches great importance to the 15th National Games in 2025 to be co-hosted by Guangdong, Hong Kong and Macao for the first time. We will be well prepared for the organization of the event and the related publicity work, with a view to attracting members of the public and visitors to attend the event and deepening the exchanges and cooperation among the governments of Guangdong, Hong Kong and Macao through the co-hosting of the National Games. The Government will continue to encourage national sports associations to organize more sports exchange programmes with other cities in the Greater Bay Area ("GBA"), and to organize more major sports events in GBA in the future.

Culture

In respect of cultural and creative industries, the Chinese Culture Promotion Office set up under the Leisure and Cultural Services Department ("LCSD") has already been taking active steps to fully utilize and coordinate the resources within LCSD, coupled with the strengths of other government departments, cultural institutions and stakeholders, to promote Chinese culture from various perspectives, so as to enhance citizens' cultural confidence and sense of national identity. This is part of patriotic education as well as a practical measure to tell China's stories well. The first exhibition in the General History of China Series, "The Ancient Civilization of the Xia, Shang and Zhou Dynasties in Henan Province", is now open at the Hong Kong Museum of History. The inaugural Chinese Culture Festival, which will last for about four months, will kick off on 7 June. Besides, we will enhance the content relating to the history of the War of Resistance and Chinese coastal defence in the Hong Kong Museum of the War of Resistance and Coastal Defence.

The 4th Guangdong-Hong Kong-Macao Greater Bay Area Culture and Arts Festival ("the Festival"), to be hosted by Hong Kong for the first time, will kick off with the symphonic work of "The Sound River" at the Hong Kong Coliseum on 19 October. The Festival, which will last for more than a month, will feature more than 100 performances and exchange activities in Hong Kong and other GBA cities.

The inaugural Hong Kong Performing Arts Expo, to be held in October 2024, will provide a platform for outstanding performing arts from Hong Kong and the Mainland to go global and explore overseas business opportunities. It will also bring an array of international performing arts programmes to Hong Kong, captivating both local residents and tourists and promoting the development of other industries, thus giving full play to Hong Kong's role as an East-meets-West centre for international cultural exchange.

Creative industries

The Government will restructure Create Hong Kong as the Cultural and Creative Industries Development Agency in June to further promote the development of arts, culture and creative sectors as industries under the industry-oriented principle. It will also inject approximately $1.4 billion and $2.9 billion into the Film Development Fund ("FDF") and the CreateSmart Initiative respectively in 2024-2025, with a view to injecting new impetus into the eight major creative industries. We will continue to collaborate with various stakeholders, including Hong Kong Design Centre and the Hong Kong Trade Development Council, in organizing large-scale events to enhance the ecosystem for the industries. As for the film industry, we will launch the Film Financing Scheme for Mainland Market and the Hong Kong-Europe-Asian Film Collaboration Funding Scheme through FDF.

The Government will organize the Hong Kong Fashion Design Week annually from this year onwards. We aim to turn this event into an Asian fashion design mega event through collaboration with counterparts in Hong Kong, GBA cities and Belt and Road countries, and at the same time boost Hong Kong's economy as well as the retail and tourism industries.

Lastly, we are currently revising the Blueprint for Arts and Culture and Creative Industries Development ("the Blueprint"). Over the past year, we have received a lot of new ideas and innovative suggestions regarding the development of the arts, culture and creative industries in response to social and economic changes, prompting us to make substantial changes to the initial draft of the Blueprint. We will consult the Culture Commission on the draft in due course and aim to publish the Blueprint expeditiously to outline our vision and initiatives for advancing these industries in the future. Prior to its release, we will continue to roll out a host of measures to support their development, including the new measures proposed in the 2024-2025 Budget.

Concluding remarks

With these remarks, President, I hope Members will support the Bill. Thank you, President.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, first of all, I would like to thank Members for providing many valuable views on the work of the Development Bureau during the debate on the Appropriation Bill 2024, especially regarding the implementation of public works projects, driving innovation in the construction industry, addressing the manpower needs of the industry, land supply, and urban renewal.

Implementation of public works projects, driving innovation in the construction industry and addressing the manpower needs of the industry

As I have mentioned earlier at a special meeting of the Finance Committee ("FC"), we will complete a review this year on how to control the costs of public works projects, so as to effectively take forward land production and other infrastructure development in the future. We have already implemented a number of strategies and measures over the past few years to promote the efficiency and cost-effectiveness of construction works in the industry, such as encouraging the industry to actively adopt advanced construction technologies, including construction digitalization, applied research and development ("R&D"), and Modular Integrated Construction and Multi-trade Integrated Mechanical, Electrical and Plumbing. In addition, we will establish the Building Testing and Research Institute within this year to conduct R&D activities, devise standards, conduct testing and provide accreditation for innovative materials, construction methods and technologies, with a view to spearheading innovation in the construction industry and attracting R&D talent to come and develop in Hong Kong.

We will also continue to adopt a multi-pronged strategy to address the manpower needs of the construction industry. It includes applying innovative construction methods and technologies, as well as enhancing training quality and quantity, to enhance productivity, and making good use of the Labour Importation Scheme for the Construction Sector under the premise of safeguarding employment priority for local workers.

Land supply

Although our public finances are currently facing numerous challenges, the Government will not reduce its allocation of resources for capital works but maintain it at a high level to create strong impetus for Hong Kong's growth. Over the next five years, the average annual capital works expenditure will be about $90 billion, representing an approximately 17% increase compared to the average annual expenditure of $76 billion over the past five years. A significant portion of the future works expenditure will be dedicated to the development of the Northern Metropolis and other land creation projects. For example, the Second Phase development of Hung Shui Kiu/Ha Tsuen will be submitted to FC for scrutiny in two days. Regarding the Kau Yi Chau Artificial Islands project, although there have been some delays in the reclamation works and Members have expressed concern during the debate, we are striving to kick off the works within the current term of the Government, and we are preparing for the commencement of the statutory vetting and approval procedures for the Environmental Impact Assessment within this year.

I would like to emphasize that the Government remains committed to creating more land. While taking into account the sustainability of public finances, we are dedicated to making land available in order to achieve the target of providing 410 000 public housing units in the next 10 years, as well as providing sites for innovation and technology and other industry uses in a timely manner. Short-term adjustments to the timetable of individual projects will not affect our adherence to the strategic direction outlined in the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030", and our policy objective of building up a land reserve.

To minimize the pressure of development on public finances, we will make good use of market forces. At the end of last year, we relaxed the application threshold for in-situ land exchange for New Development Areas ("NDAs") in the Northern Metropolis, and we recently secured the first land exchange in the Fanling

North NDA under the revised arrangement. We look forward to more successful cases in other NDAs in the future. Additionally, we are actively exploring different modes of development in the hope of alleviating the pressure on public finances in terms of cash flow while expediting the pace of development.

Urban renewal

In terms of urban renewal, the Government has been upholding the dual-track approach of building maintenance and redevelopment to address urban decay.

Safety and maintenance of old buildings

A series of incidents have shown that owners have not taken the statutory Mandatory Building Inspection Scheme ("MBIS") notices and Fire Safety Directions issued by the Government seriously. In light of this, we will enhance the effectiveness of our enforcement while providing more assistance and support to owners.

The Buildings Department ("BD") will strengthen enforcement and prosecution efforts on various fronts. In addition to allocating more manpower through internal redeployment to step up prosecution, BD will also reprioritize enforcement and focus resources on the handling of high-risk buildings such as single-staircase buildings, those with more guesthouses or subdivided units, and those with non-complied MBIS notices and that have yet to appoint a registered inspector.

In February this year, we briefed the Panel on Development on our initiatives to enhance building safety and maintenance. They include identifying high-risk buildings more precisely for the issuance of MBIS notices; compiling lists of pre-qualified inspectors and contractors, or even conducting tendering exercises for the owners, to assist the owners participating in Operation Building Bright 2.0 in expediting the inspection and repairs of their building; and conducting inspections of the external walls of 360 buildings with higher risk every year. We will also review the Buildings Ordinance and consider increasing the penalties for non-complied notices under MBIS and the Mandatory Window Inspection Scheme, lowering the prosecution threshold, and streamlining prosecution procedures.

Given the large number of old buildings in Hong Kong, the Government alone cannot ensure their safety and maintenance; the owners and the community should also take part and work together. For instance, several professional bodies, including The Hong Kong Institute of Architects, The Hong Kong Institution of Engineers and The Hong Kong Institute of Surveyors, will collaborate with BD in inspecting the external walls of buildings this year and join hands to improve the safety and maintenance of old buildings.

Redevelopment of old buildings

For some old and dilapidated buildings, redevelopment is in fact a more practical solution. Given the rapid ageing of buildings in Hong Kong, the Government needs to adopt more effective policy means to accelerate the pace of redevelopment and urban renewal. Urban renewal cannot rely solely on public organizations, like the Urban Renewal Authority ("URA"); the involvement of the private sector is indispensable.

We will continue to provide URA with various forms of financial support. Additionally, the relevant Bills Committee of the Legislative Council is currently working in full swing on scrutinizing the Land (Compulsory Sale for Redevelopment) (Amendment) Bill 2023 introduced by the Government in December last year. The bill proposes to, among others, lower the application threshold for compulsory sale, and facilitate the redevelopment of adjoining lots, which is expected to provide a stronger push for larger-scale redevelopment.

The Government has also implemented numerous measures in recent years to increase the redevelopment potential of old districts and encourage market participation. For example, we have been gradually implementing the proposals and new planning tools from the District Study for Yau Ma Tei and Mong Kok ("YMDS"), including the plot ratio transfer pilot scheme and the allowance for interchangeability of domestic and non-domestic gross floor area, with the aim to enhance the financial viability of redevelopment projects. Based on the experience of YMDS, URA, supported by the Government, has started similar planning studies on Tsuen Wan and Sham Shui Po respectively to examine their redevelopment potential, including the possibility of raising the plot ratio of the entire district to encourage larger-scale redevelopment. It is expected that urban renewal master plans and restructuring proposals of the two districts will be announced in phases from the second half of this year.

President, all the aforementioned issues, including resolving the costs and manpower bottlenecks faced by the construction industry, increasing land supply and upgrading infrastructure facilities while maintaining public finance sustainability, and effectively promoting urban renewal, are longstanding, grave and thorny, touching on areas of concern of individual stakeholders. Nonetheless, in order to increase land supply to enhance development momentum and improve people's livelihood, and promote the maintenance and redevelopment of old buildings to enhance safety and living environments, the Government will overcome all difficulties with the utmost determination.

(THE PRESIDENT'S DEPUTY, MS STARRY LEE, took the Chair)

With these remarks, Deputy President, I implore Members to pass the Appropriation Bill 2024.

SECRETARY FOR HOUSING (in Cantonese): Deputy President, first of all, I would like to thank Members for their views on housing during the debate on the Appropriation Bill 2024, and I now give a brief response.

I am grateful to many Members for their support for the withdrawal of the demand-side management measures for residential properties. We note that the market has responded positively to the announcement of the withdrawal of the "harsh measures". For example, nearly 8 600 sale and purchase agreements in respect of residential units were submitted to the Land Registry for registration in April this year, representing a monthly increase of nearly 1.2 times over the 4 000 or so registered in March, and a year-on-year increase of more than 80% over the figure for April 2023 onwards. This shows that the overall transactions have been active, and that the number of transactions has increased notably after the lifting of the measures, reflecting that the withdrawal of the "harsh measures" has effectively achieved the purpose of boosting market confidence. As property prices have remained stable, some people are concerned whether the withdrawal of the "harsh measures" will lead to a resurgence of speculation. We will remain vigilant and closely monitor the situation of the residential property market, and adopt appropriate measures dynamically to respond to changes in the market in light of the prevailing circumstances.

Quite a number of Members have expressed views on upgrading the construction techniques and expediting the process of government projects. In respect of public housing, the Hong Kong Housing Authority ("HKHA") has been adopting various measures to enhance quantity, speed, efficiency and quality, with a view to expeditiously taking forward the construction works, enhancing productivity and speeding up housing production. For example, in parallel with the Government's "land production" processes, we will carry out pre-construction preparatory tasks such as surveying, ground investigation, tree/traffic/environmental assessment, as well as building design and layout, and adopt the Modular Integrated Construction method, the Design and Build procurement model, and phased construction and delivery of flats to tenants in suitable projects. Under the Public Rental Housing Advance Allocation Scheme, the construction of the first batch of 2 000-odd flats has been completed. After completing the inspection process and issuing occupation permits, we have gradually arranged population intake since early May.

Apart from expediting the construction of public housing, one of our major tasks is to help households in inadequate housing out of their predicament as soon as possible. The Government will continue to take forward transitional housing and Light Public Housing projects to provide short-term accommodation for those in need. As at end of March 2024, 13 600 units of transitional housing have been completed and 6 300 more units will be completed this year. In addition, four major contracts involving a total of about 28 500 flats have been awarded under Light Public Housing projects with construction works at seven locations, and these projects have commenced in full swing since December last year. In addition, we will continue to work with the Rating and Valuation Department to implement rent control for subdivided units ("SDUs"), so as to maximize the protection for tenants. Up till now, we have successfully prosecuted a total of 218 landlords in 255 cases, and other cases will be heard one after another. The Task Force on Tackling the Issue of Subdivided Units led by the Deputy Financial Secretary and the relevant bureaux and departments are now exploring various orderly solutions at full speed, including setting the minimum standards of living conditions for SDUs and eradicating substandard SDUs, so as to comprehensively tackle the problem of SDUs.

Regarding the Cash Allowance Trial Scheme ("CATS"), it was announced in this year's Budget that the scheme would be extended for one year until June 2025. We note that while some Members consider that CATS should be regularized, some have indicated their opposition to the proposal. We believe that the completion of transitional housing and Light Public Housing projects, alongside the substantial increase in the number of public housing units over the next decade, will bring about a positive change in the living conditions of grass-roots families awaiting public rental housing ("PRH"). Therefore, we consider it appropriate to extend CATS for one year for the time being, and we will conduct a review in due course.

In addition, some Members suggested adjusting the ratio of PRH units to subsidized sale flats in public housing to help young families or young people to purchase their own homes. With the substantial increase in the supply of public housing in the second five-year period (i.e. from 2029-2030 to 2033-2034), there will be room for adjusting the ratio of PRH units to subsidized sale flats. We will continue to review the public/private split of housing supply target, as well as the ratio of PRH units to subsidized sale flats in the Long Term Housing Strategy annual update, and make appropriate adjustments after careful consideration of various social factors. At present, the average waiting time for PRH is still relatively long. We will endeavour to take forward the projects in hand to increase the PRH supply, so that families who cannot afford private rental housing can be allocated with PRH units as soon as possible, thereby improving their living environment.

We will help people of different financial means (including young people) to move up the housing ladder. The Government has all along been actively providing various types of subsidized sale flats, including those under the Home Ownership Scheme ("HOS"), the Green Form Subsidised Home Ownership Scheme ("GSH"), the White Form Secondary Market Scheme ("WSM"), the Private Subsidised Sale Flat—Pilot Scheme and the Starter Homes for Hong Kong Residents ("SH") projects, so as to establish a home ownership ladder that bridges the public and private housing sectors in the overall framework.

In fact, young people aged 40 or below have consistently constituted a significant proportion of buyers of subsidized sale flats. For example, nearly half of the successful applicants for first-hand HOS flats are young people aged 40 or below; more than 80% of the buyers of WSM flats fall within the same age group; and about 85% of the applicants and ultimate buyers of SH flats are also young people aged 40 or below.

Besides, HKHA has enhanced the financial arrangements for subsidized sale flats by extending the maximum mortgage default guarantee period and mortgage repayment period under the Deeds of Guarantee for purchasers of HOS, GSH and

Tenants Purchase Scheme flats to enable purchasers to obtain mortgage loans. When the guarantee period for mortgage loans in the secondary market is extended from 30 years to 50 years, the number of HOS and GSH flats with a remaining guarantee period of more than 10 years in the market will be substantially increased from about 14% to about 98%, thus providing more opportunities for the public (including young people) to move up the home ownership ladder. In fact, HKHA recorded a total of 721 transactions of subsidized sale flats in the secondary market in the first quarter of 2024, representing a significant increase when compared to 547 transactions in the third quarter and 494 transactions in the fourth quarter of 2023. After years of hard work, we have built up a well-positioned housing ladder to meet the needs of families in different income groups and individuals with different circumstances. While maintaining the design of the existing ladder, we will closely monitor the latest socio-economic and macro-environmental changes and flexibly optimize and rationalize the implementation details and specific arrangements.

Finally, I would like to thank Members for their support for our enhanced efforts in combating PRH abuse. Starting from October 2023, HKHA has been implementing enhanced measures to combat PRH abuse, including requiring tenants to declare their occupancy status and whether they own any residential properties in Hong Kong every two years. We have also established a data matching and verification mechanism with the Land Registry to more effectively verify the registration particulars of PRH tenants in respect of their ownership of residential and non-residential properties in Hong Kong. In 2023-2024, the number of flats recovered for the above reasons or under the Marking Scheme has already exceeded 2 700, which is nearly 110% higher than the average of 1 300 flats per year in 2020-2021 and 2021-2022. This shows HKHA's determination and effectiveness in combating PRH abuse. We will continue to actively review the existing measures and explore different options to safeguard the rational use of public housing resources, thus benefiting more grass-roots families. Furthermore, PRH flats have been recovered for reallocation due to various reasons, including flats recovered through our efforts to combat abuse or under the Marking Scheme, voluntary surrender after the tenants have purchased subsidized sale flats or emigrated, and cases where the PRH tenant has passed away. The total number of these flats amounted to as many as 15 500 last year, which was 55% more than about 10 000 in the past.

Deputy President, these efforts exemplify the diligent work of the entire team of the Housing Bureau across various aspects, and we remain committed to serving the public with our utmost dedication.

With these remarks, I implore Members to support the Appropriation Bill 2024. Thank you.

DEPUTY PRESIDENT (in Cantonese): I now call upon the Financial Secretary to reply.

FINANCIAL SECRETARY (in Cantonese): Deputy President and Honourable Members, first and foremost, I wish to express my gratitude to Members for their valuable comments on the 2024-2025 Budget. Just now, seven bureaux secretaries have briefly responded to some major policy areas of concern to Members.

Next, allow me to give Members an overview of the global economy as well as the economic situation of the Mainland and Hong Kong, and then I will expound on the Budget initiatives and matters of concerns to Members.

Global economic overview

The current external environment remains complicated. Geopolitical tensions are affecting international trade and capital flows. Meanwhile, the abating inflation in the United States has stalled, restraining the pace of interest rate cuts by the Federal Reserve Board of the United States ("the Federal Reserve"). This has kept interest rates persistently high and the financial conditions tight. However, contrary to many people's earlier expectations, the global economy has outperformed expectations so far this year, thus providing support for Hong Kong's exports.

In April, the International Monetary Fund ("IMF") slightly revised upward its forecast of global economic growth for this year to 3.2%, which is at the same pace as last year. According to IMF, risks to the global outlook are now broadly balanced, with several caveats. First, commodity and food prices could spike in response to the geopolitical upturn. Furthermore, persistent core inflation would hike interest rate levels, which in turn would pose a downside risk to asset prices. Therefore, international financial stability is a matter that requires attention. Moreover, while governments around the world have experienced large deficits as a result of the pandemic and are actively engaged in fiscal consolidation in an effort to reduce their debt levels, this process would still raise concerns about the economic recovery.

Here below is the performance of the major economies. The Mainland economy grew by 5.3% year-on-year in the first quarter of this year, with solid growth in investment and consumption despite a more volatile export performance. According to the Report on the Work of the Government released in March, macro regulation would be strengthened this year, coupled with the implementation of an appropriately strengthened fiscal policy and a prudent monetary policy. This will be favourable to boosting domestic demand and reinforcing the upturn of the Mainland economy. It is anticipated that the Mainland economy will continue to grow steadily this year, with the attainment of the 5% annual growth target posing no significant challenge.

Turning to the United States, although its quarterly economic growth moderated to an annualized rate of 1.6% in the first quarter, domestic demand remained resilient. The local labour market showed signs of cooling off slightly in April, but it remained robust. The recent downward trend in inflation has stalled. As expected, the Federal Reserve left interest rates unchanged last week, indicating that it might take longer before they are confident that inflation is lowering towards their 2% target. It is widely anticipated that the Federal Reserve will commence a series of interest rate cuts as early as September, with some analysts suggesting it could even be a little later. According to IMF's forecast, the United States's economic growth is expected to experience a marginal uptick from 2.5% last year to 2.7% this year.

In the eurozone, the economy registered a modest growth of 0.4% year-on-year and 0.3% quarter-on-quarter in the first quarter. The slowdown in inflation was also broadly in line with market expectations. The European Central Bank kept its key policy rate unchanged at its April meeting, but saying that it might be appropriate to ease monetary policy if the latest data increase their confidence in a sustained return of inflation to its target level. However, this remains to be seen. The market expects the European Central Bank to start cutting interest rates at its June meeting. IMF forecasts that the eurozone economy will grow by a modest 0.8% this year, slightly surpassing the 0.4% growth observed last year.

In Asia, most economies continued to expand in the first quarter, with domestic demands maintaining growth and external trade performance improving. IMF forecasts that emerging and developing Asian economies will maintain a growth rate of 5.2% this year, compared to the 5.6% growth recorded last year.

I have just provided Members with an update on the global economic landscape mainly because Hong Kong is a small and open economy. Given our economy's susceptibility to external factors, it is crucial for us to have a good grasp of the external situation, which will enable us to take these favourable or unfavourable factors into full consideration when taking forward our policies and measures.

Regarding our economy, we recorded a modest growth in the first quarter of this year. According to the advance estimates released last week, the real Gross Domestic Product ("GDP") grew by 2.7% year-on-year in the first quarter, or roughly by 2.3% on a seasonally adjusted quarter-on-quarter basis.

We are familiar with the three driving forces of Hong Kong's economic growth. How are they performing? Among the three driving forces that propel Hong Kong's economic growth, exports recorded growth; consumption also recorded growth, albeit at a slower pace of about 1.0%; and investment also recorded growth. Overall, the economic situation in the first quarter was stable. In terms of visitor arrivals, the total number was about 34 million last year. This year, our aim is to achieve around 50 million visitor arrivals, which would be equivalent to more than 70% of the pre-pandemic level. During the Labour Day Golden Week period, we witnessed about 766 000 Mainland visitors coming to Hong Kong, representing an increase of 22%. The total number of visitor arrivals during the Golden Week was over 903 000, representing an increase of 25%. Looking ahead to the second half of the year, with the gradual resumption of international flights, the number of inbound visitors is expected to increase, which will contribute to the growth of consumption in our economy.

Regarding the asset market, as Members have heard from me just now, our economy was in good shape last year, and the growth this year is estimated to be about 2.5% to 3.5%. However, turning to the asset market, we observed a decline of about 7% in the property market last year, along with a 4.5% contraction in transaction volume. The stock market also experienced a 13.8% decline in value last year, with a decrease in turnover of approximately 16%.

While our economy has been on the upswing this year, we have also observed a consistently low inflation rate, which was recorded at 1.7% last year and is estimated to remain at the same level of 1.7% this year. Additionally, the unemployment rate has remained remarkedly low, ranging from 2.9% to 3% last year, and it has remained relatively stable so far this year.

Given this economic and statistical context, what factors have contributed to the performance of the asset market in this way? In the first two months of this year, the property market has experienced a downward adjustment of about 3%; and the stock market has also dropped by about 3%.

During the preparation of the Budget, insights gathered from public consultations and extensive interactions with various sectors of the community over the past period of time revealed concerns regarding the downturn in the asset market and the geopolitical environment. Given our positive economic outlook and the solid backing from our country for Hong Kong's development, we believe that there is no need to let overly pessimistic sentiments affect the formulation of the Budget.

We are also aware that some Western media have made biased and negative comments about us. Therefore, in the Budget, we prioritize stabilizing confidence and market expectations in the short term. As a result, we have taken decisive actions in the asset market and have completely withdrawn the so-called "harsh measures" from the property market.

The stock market is more complicated because it is slightly different from the property market. While the property market is more locally-oriented, the stock market is affected by international capital flows and geopolitics, and market sentiments are also affected by external political factors. Therefore, after the Budget initiatives were introduced, the property market has stabilized. Statistics from March and April indicate a rising trend in transactions, exceeding 8 000 transactions per month. This marks a significant increase compared to previous months. In contrast to the typical medium-to-long-term average of 4 000 to 5 000 transactions per month, the current level of over 8 000 transactions is indeed robust. Additionally, property prices have shown relative stability, with fluctuations ranging from 1% to 2%, varying across different districts.

In other words, after the measures on the property market were introduced, transactions have increased but property prices have remained relatively stable, showing that the measures have achieved a stabilizing effect on society. As for the stock market, as I have just said, it is affected by a number of factors. On the one hand, we have to strive to do what we can. We have progressively implemented the recommendations made by the Task Force on Enhancing Stock Market Liquidity. At the same time, the Central Government is very supportive of Hong Kong and has all along been fully backing us, especially in consolidating and enhancing our status as an international financial centre. Therefore, at the end of April, the China Securities Regulatory Commission launched the five measures, which I am not going to repeat, as we are all very familiar with them.

Following the introduction of the five measures, the market has responded positively both in terms of stock prices and trading volume. We will continue to work towards enhancing the competitiveness of the stock market, and we will provide Members with more details later.

In the past 12 months since I updated the Legislative Council last year on our work, a key focus of our work has been on attracting enterprises and investment, including efforts to compete for enterprises and talents. Earlier on, Secretary Chris SUN has already briefed Members on the efforts in attracting talents. As for competing for enterprises, I would like to inform Members that from the establishment of the Office for Attracting Strategic Enterprises in late December 2022 until the end of March this year, we have attracted approximately 50 strategic enterprise partners. We refer to them as partners because they not only establish themselves here, but also bring other enterprises in their industrial chains to the city. These 50 or so enterprises will invest more than $40 billion in Hong Kong, generating more than 13 000 job opportunities.

At the same time, colleagues at Invest Hong Kong have also been making continuous efforts in this regard, bringing in some 380 enterprises last year. According to the information they have reported to us, the total investment made by these enterprises in the next few years will amount to $60 billion, and a lot of job opportunities will be created. These are the progress we have made in competing for enterprises.

As for trawling for talents, as at the end of April, a total of 290 000 applications have been received under various talent admission schemes, with 180 000 applications approved and 120 000 talents already arrived in Hong Kong, serving as a new impetus for our future development.

Looking ahead, we have the following ideas on boosting the economy. First of all, the country is very supportive of Hong Kong, and we have unparalleled unique advantages under the arrangement of "one country, two systems". We are the most unique not only in China, but in the whole world because Hong Kong enjoys both the international advantage and the China advantage. How can we capitalize on these advantages?

In the National 14th Five-Year Plan, the country proposed the "eight centres" positioning of Hong Kong. Members are all familiar with the "eight centres" positioning, so I am not going to repeat them. Just now, a few colleagues have mentioned our future development direction in the areas of innovation and technology ("I&T"), finance and commerce and economic development. Generally speaking, regarding finance, we have to explore new sources of capital, investors and companies to list in Hong Kong.

In the past, many companies listing in Hong Kong were Mainland companies, and this has contributed to the successful take-off of our stock market. In the next phase of development, apart from continuing to encourage quality Mainland enterprises to list in Hong Kong, we would also like to increase the number of quality international enterprises to list in Hong Kong, including those from the Middle East and Southeast Asia.

One of the recent mutual-market access initiatives is to allow eligible international companies which are primarily listed in Hong Kong to be included in the Southbound Stock Connect under the mutual-market access schemes, subject to certain conditions. This is indeed very good news for us. With the support of this policy, when attracting overseas enterprises to list in Hong Kong, we can tell them the fact that they can access not only international capital but also Mainland capital when they come to list in Hong Kong. Thus, the liquidity of their stocks will be greatly increased, which will support their stock prices.

The initiative is important not just in attracting these companies to list in Hong Kong. It is also a significant step in Hong Kong's development as an offshore Renminbi ("RMB") business hub. In the future, Mainlanders can buy international stocks directly in RMB through the mutual-market access schemes albeit in a "closed-loop" manner. This will also contribute to the internationalization of RMB in a steady and prudent manner, which is in line with our national policy. In the course of development of our country, Mainland residents will need to find suitable investment tools for their savings as they become increasingly affluent, and if they need to allocate assets outside China, Hong Kong is naturally the place for them. The recent breakthrough is thus important in this regard.

In relation to enhancing mutual market access, there is still a lot of work for us to do, and specific arrangements can also be made in promoting many aspects. These are the areas in which the SAR Government will continue to communicate with the relevant Central Authorities and solicit their support.

Apart from finance, we will devote resources and capacities of the SAR Government on four selected I&T areas, namely, artificial intelligence ("AI") and big data, life and health technologies, financial technologies, and new energy technologies and new materials. We will focus our efforts in these four areas.

Over the past period of time, we have attracted foreign investment. Most of the key leading enterprises attracted to Hong Kong are engaged in AI and big data, to be followed by those in the fields of life and health technologies.

I would also like to report on the work of the Hong Kong Investment Corporation Limited ("HKIC"). In attracting enterprises and investment, we certainly hope to bring in key leading enterprises so that they will make substantial investments in Hong Kong, create more quality job opportunities for the public, and introduce new technologies and foster research and development ("R&D") here, especially more frontier R&D. Throughout the process, these enterprises have to make considerable commitment to us, and in return, they will seek assurance from the SAR Government regarding the support they can expect. In this regard, we believe that Hong Kong has its unique advantages, i.e. those under the principle of "one country, two systems", which I am not going to repeat.

(THE PRESIDENT resumed the Chair)

With these unique advantages, if we can invest part of our fiscal reserves in the above-mentioned enterprises through HKIC to make the Government a minority shareholder, we will be showing our commitment to these enterprises. Furthermore, although obtaining investment return is not our primary objective, it is still a consideration for us as a minority shareholder. Besides, this initiative will foster more new driving forces for the diversified development of Hong Kong's economy in the future and create more good job opportunities for our younger generation, especially those who are pursuing studies in the I&T and engineering disciplines. The Government's equity investment in the process will increase our chance of success in I&T development. This is because if we want to promote I&T development, research alone is not sufficient to make a significant positive contribution to our GDP growth and the number of employment places in the future. However, if we bring in strategic enterprises to Hong Kong in addition to conducting research, we will be able to make greater contributions to the number of employment places, GDP and building the whole ecosystem. At present, HKIC is assisting us in this endeavour. Thus, its positioning, unlike those of sovereign wealth funds in other countries, is not to invest in projects unrelated to Hong Kong. Now, I would also report on some issues of concern to Members.

Apart from keeping the asset market steady, it is most important to protect small and medium enterprises ("SMEs") to stabilize the short-term situation because SMEs account for more than 98% of the total number of companies in Hong Kong and they employ more than 45% of all employees in the labour market. Although the economy is gradually recovering, there are considerable fluctuations in the process. As the unstable geopolitical situation will continue to affect the financial market sentiment and capital flow, we must continue to provide SMEs with rather stable support. Thus, we have extended the application period for the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme for two years. However, simply providing liquidity to enable enterprises to survive is inadequate; we must also assist them in tapping into new markets. As Secretary YAU also mentioned in his speech earlier, we have injected $500 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), with a view to helping enterprises tap into new markets, in particular with the launch of "E-commerce Easy", a digital transformation project. We would like to help SMEs (especially those in the catering and retail industries) with their upgrading and transformation to keep pace with digitalization. Apart from supporting SMEs, we have taken short-term measures to boost visitor flow. Hence, we have been promoting mega event economy in the hope of attracting more people to our venues to increase both visitor flow and spending. In addition, we have considered that over the past period of time, biased reports in different types of media have caused a lot of misunderstandings about Hong Kong, both domestically and abroad. We want to let people come and see for themselves, so that they will understand the situation in Hong Kong. In our communication with visitors, be they business travellers or tourists, we would let them know that Hong Kong is a place of great freedom, offering a variety of choices where they can relax and unwind. Hong Kong's attractiveness is beyond any doubt and as long as we continue to do our job well, we need not worry about a lack of interest in visiting us.

In the medium to long term, while remembering to capitalize on Hong Kong's unique advantages under the principle of "one country, two systems", we must also bear in mind that we enjoy strong support of the motherland while being closely connected to the world. Therefore, we must align our efforts with national development strategies. On this premise, we will have a better chance of getting twice the result with half the effort, allowing us to leverage the huge market and economic power of the Mainland to foster our development. Regarding national development strategies, President XI has proposed to develop new quality productive forces. During the "two sessions", he mentioned the need to develop new quality productive forces according to local conditions and actively make industries higher-end, smarter, and more eco-friendly. When Director XIA Baolong delivered his speech last month, he also repeatedly emphasized that Hong Kong should take the initiative to follow the trend of the times, keep pace with the latest development and actively identify, adapt to, and embrace changes, so as to open up new horizons for Hong Kong's development amidst the evolving landscape. Under the leadership of the Chief Executive, the entire team of the SAR Government is deeply aware of the internal and external environment and challenges we are facing, and we clearly understand the responsibilities we have to shoulder. Therefore, in our work, apart from consolidating and enhancing our "eight centres" positioning, we must grasp the current situation and opportunities, and strive to explore new development paths with a new mindset.

When it comes to development paths, President XI mentioned the development of new quality productive forces during the "two sessions", highlighting green development and digital economy, which are the two main lines of cross-sector development in the future. In respect of green development, apart from developing Hong Kong into an international green financial and technology centre, we also need to make good use of Hong Kong's special position to connect with the green development of our country, and help attract foreign capital and attain faster and better development in the process of green transformation. Achieving the dual carbon goal by 2060 requires an investment of RMB10 trillion, and apart from using government resources, using market resources is of utmost importance. When we attend international conferences, we understand that Western countries attach great importance to green or green transformation investment projects and are very interested in investing in these projects. So, one of our tasks is green classification, i.e. "green taxonomy". What is the point? In capital introduction, it is most important to ensure that the money invested is put into green or green transformation projects rather than "greenwashing" as the common saying goes. As an international financial centre, Hong Kong is known internationally for its excellent professionalism and rule of law environment, and it can assist the Mainland in developing such standards. The first step is the formulation of these standards. Having formulated these standards, the second step is the certification of the green projects of individual enterprises. The third step is the disclosure of green projects. If we can do a good job in these areas, international investors will have confidence in the projects with certification in Hong Kong, and the funds they invested will promote the rapid development of the Mainland economy in terms of green transformation.

As for digital economy, since this is a very familiar topic, I am not going to elaborate further. The Government is now making interdepartmental promotional efforts and has allocated about $300 million to launch the business version of "iAM Smart". The Hong Kong Monetary Authority is also promoting the Multiple Central Bank Digital Currency Bridge Project ("Project mBridge") which has already entered the pilot phase. This initiative has also garnered significant attention in the international arena. The successful implementation of Project mBridge could potentially lead to a shift in the dominance of the US dollar as the currency for international trade settlement in the future. Instead, countries will have the option to use their own currencies for settlement, enabling them to benefit from faster transaction processing, mitigate exchange rate risks and enjoy lower costs. That is what we are working on right now.

Next, I would like to report on public finances. During the epidemic in the past few years, just like the rest of the world, we have had fiscal deficits in a few consecutive years. After the epidemic, we are now entering a fiscal consolidation stage, and we are determined and confident that the SAR Government will achieve fiscal balance within three years or so. This does not include the proceeds from bond issuance. The fiscal consolidation policies we are implementing have been widely implemented in the international arena. Owing to the epidemic in the past few years, various governments had fiscal deficits and borrowed loans. Putting it simply, implementing fiscal consolidation policies are raising revenues and cutting expenditures. What is the focus? The focus is that we have to take into account the burdens of the public and we cannot put excessive burdens on them. Moreover, in the process of economic recovery, we have to ensure steady progress as far as possible as we do not want to put excessive burdens on the business sector at this stage of attracting investment. This is a constraint. What should we do? We should save money and cut expenditures. In terms of public finance policies, our focus is on cutting expenditures, and it can be said that we will put about 80% of our efforts on cutting expenditures in the next few years in order to restore fiscal balance.

Concerning expenditures, apart from strictly controlling the growth in expenditures, as we all know, the Productivity Enhancement Programme will be implemented. On the premise that such schemes as the Comprehensive Social

Security Assistance ("CSSA") Scheme and the Social Security Allowance Scheme will not be affected, recurrent government expenditure will be cut by 1% each year from 2024-2025 to 2026-2027 respectively. The resources thus saved will be re-allocated to different bureaux and departments for introducing new public services. The Medium Range Forecast sets out that expenditures will be reduced by about $46.8 billion in the coming five years. The growth rate of government operating expenditures will be reduced from more than 5% per year in the past few years—even higher in some years—to 2.2% in five years' time while nominal economic growth will be 5.5%, and there is a gap between the two. As for increasing revenues, we will raise the ratio of revenues to GDP from around 20% at present to over 22% in five years' time, and there will be a public finance balance in the next two to three years. I would like to reiterate that we have been very cautious in cutting expenditures to ensure that public services provided to the public are not compromised. Those receiving CSSA and other subsidies can rest assured that the relevant expenditures is not our target of reduction.

The Government has maintained zero growth in the civil service establishment since 2021-2022, and despite the continuous increase in public services, there was zero growth in the establishment and a cumulative reduction of 2 000 posts by the end of March 2021, with Directorate posts accounting for less than 1% of the total civil service establishment. This is the general situation of the establishment.

In terms of expenditures on major infrastructure projects, we have diligently evaluated the readiness of each major project and its significance to people's livelihood, which allows us to establish priorities accordingly. In the next few years, the annual expenditure on public works projects will be around $90 billion, representing an average growth rate of 17% as compared to the previous five years. The Government understands the concerns raised by the public and the Legislative Council regarding the rising expenditures on public works projects. Therefore, we are committed to enhancing cost control and project management capabilities. The Development Bureau is currently examining the overall trend of construction costs and drawing insights from systems employed in the Mainland and overseas systems, so as to identify the major factors contributing to high construction costs in Hong Kong and formulate measures to achieve cost reduction.

As regards bond issuance, there were misunderstandings and even unfair comments about whether the SAR Government has been issuing bonds to make ends meet. I can tell Members that we adhere strictly to fiscal discipline and proceeds from bond issuance will not be used for funding recurrent expenditure but rather for investment and infrastructure projects; in particular, proceeds from bond issuance in the coming few years will mainly be used to promote the development of the Northern Metropolis. Even if we issue bonds of about $95 billion to $135 billion per annum in the coming years, the ratio of Government debt to GDP will be in the range of about 9% to 13%, and it will be around 13% in five years' time, which is a lower and safer level as compared with that of any advanced economy. In 2024-2025, our interest expenditures will be around $9 billion, accounting for about 0.3% of GDP, which is at a manageable level. We will continue to adhere to the principles of exercising fiscal prudence.

President and Honourable Members, Hong Kong now finds itself at a crucial juncture in the process of economic recovery. The Budget seeks to consolidate the momentum of this recovery through a range of short-term measures while promoting the high-quality development of the Hong Kong economy through medium- and long-term measures, with a view to creating new room for development for different industries. With its embrace of both Chinese and Western cultures and blessed with the strong support of our country and the close connection to the world, Hong Kong must identify the right position and direction, fully leverage its unique advantages, and actively integrate into the overall development of our country. So long as we work diligently together, I am confident that Hong Kong will definitely achieve prosperous development.

I urge Honourable Members to support the passage of the Appropriation Bill 2024 so that various measures in the Budget can be implemented as soon as possible.

Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Appropriation Bill 2024 be read the second time. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CLERK (in Cantonese): Appropriation Bill 2024.

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

CHAIRMAN (in Cantonese): This Council now becomes committee of the whole Council to consider the Appropriation Bill 2024.

In accordance with the Rules of Procedure, the committee will first consider the Schedule and then the clauses, details of which are set out in the Appendix to the Script.

I remind Members that in accordance with the House Rules, in a debate in committee of the whole Council, each Member may speak more than once for a maximum of five minutes each time.

APPROPRIATION BILL 2024

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the sums for the following heads stand part of the Schedule.

CLERK (in Cantonese): Heads 21 to 28, 30, 31, 33, 37, 39, 42, 44 to 49, 51, 53, 59, 60, 62, 63, 70, 72, 74, 76, 78 to 80, 82, 90 to 92, 94 to 96, 100, 106, 112, 114, 116, 118, 120 to 122, 132, 135 to 144, 147, 148, 151, 152, 155, 156, 158 to 160, 162, 163, 166, 168 to 170, 173, 174, 180, 181, 184, 186, 188, 190 and 194.

CHAIRMAN (in Cantonese): The committee will first proceed to a debate on the sums for all the heads read out by the Clerk just now standing part of the Schedule.

Upon the conclusion of the debate, the committee will vote on the sums for all the heads standing part of the Schedule, and then the Schedule standing part of the Bill.

Mr Louis LOONG, please speak.

MR LOUIS LOONG (in Cantonese): Chairman, today, the Financial Secretary and I truly share a sense of mutual sympathy as fellow sufferers. This morning, my ward office colleagues asked me, "Should you really come back in such a state?" I replied, "Although I am feeling slightly under the weather today, my sense of responsibility has not diminished as a result." As a Member, I have a duty. As long as I can speak, I will definitely speak in today's debate on the Bill. However, I will wear a mask from the beginning to the end, so please rest assured, Chairman.

Chairman, the theme of this year's Budget is "Advance with Confidence, Seize Opportunities, Strive for High-quality Development". To accelerate the high-quality development of society, the application of innovation and technology plays a pivotal role. In the Estimates of Expenditure under "Head 47—Office of the Government Chief Information Officer", the Government has indicated that it will allocate $3 billion to implement the Scheme for Supporting the Development of Artificial Intelligence Ecosystem in Hong Kong. This scheme will support local universities, research institutes and enterprises to leverage the computing power of Cyberport's Artificial Intelligence Supercomputing Centre, strengthen cyber security and data protection of the centre, launch promotional and educational activities, etc. I support this funding proposal.

In the Estimates of Expenditure under "Head 138—Development Bureau (Planning and Lands Branch)", the Government has indicated that it will increase the non-recurrent commitment for the development of Common Spatial Data Infrastructure ("CSDI") portal from the current $150 million to $310 million to meet the operational expenses and enhancement work in the next five financial years. I also support this funding proposal, as I believe that the availability of various spatial data on CSDI will facilitate the development of applications and government services that make everyday life more convenient, as well as the development of the digital economy.

The Budget announced developing Modular Integrated Construction ("MiC") as one of the industries in the Greater Bay Area that enjoy clear advantages. The Government allowed $14 million in 2023-2024 for the payment of the expenses for three studies, including strengthening the supply chain of the MiC modules, establishing the Building Testing and Research Institute, and constructing the advanced construction industry building. In the 2024-2025 Estimates of Expenditure under "Head 159—Development Bureau (Works Branch)", the estimated expenditure for these three studies will be doubled to $28 million. I support this funding proposal to drive the construction industry to enhance innovative applications and strive for high-quality development.

Similarly, in the Estimates of Expenditure under "Head 159", the Government has estimated that the total expenditure for subsidizing various construction manpower training schemes will increase from about $150 million in 2023-2024 to over $230 million in 2024-2025. The relevant measures include the Pilot Scheme for On-the-job Training Subsidy for Construction-related Part-time Degree Programmes and the Pilot Scheme for On-the-job Training Subsidy for Construction Safety Officers. I strongly support these measures and proposals aimed at nurturing talents in the construction industry.

Regarding "Head 90—Labour Department", the authorities launched in September 2022 a Pilot Rehabilitation Programme for Employees Injured at Work targeting injured employees in the construction industry. This year, the programme will even be expanded to cover the catering and hotel industry and the transportation and logistics industry, which I certainly support. However, I hope the authorities can monitor the programme's effectiveness and explore extending it to cover injured employees in other industries.

Chairman, due to time constraints, I will leave my other views on the Bill for a later time.

Thank you, Chairman.

MR JEFFREY LAM (in Cantonese): Thank you, Chairman. I speak in support of the sums for the 84 heads standing part of the Schedule, and I would like to express my views on some of the heads of expenditure. Recurrent government expenditure will increase by 7% to $580.2 billion in 2024-2025. Of course, we can see that many expenditure items are closely related to people's livelihood, including expenditure on healthcare, social welfare and education. The expenses of the civil service also account for a significant portion of the expenditure.

The Government anticipates that by the end of March 2025, the civil service establishment will be around 194 000 posts. Although this number represents zero growth, I hope the Government will understand that nowadays, one person is taking up several roles in many companies and job types outside. For example, in some companies, one secretary needs to assist multiple supervisors simultaneously. To save costs, many companies no longer have a dedicated person sitting at the reception but instead use Artificial Intelligence ("AI") robots to handle reception, document delivery and other tasks. Therefore, I hope the Government can conduct a thorough review on the manpower needs of various departments and make efforts to minimize its staffing establishment to reduce the internal expenditure so incurred.

Chairman, I must emphasize that I do not support a pay reduction for the civil service. On the contrary, I think that civil service pay adjustment should be more flexible and handled with a sound system. Indeed, the system under which one will still get paid regardless of whether one does the work or not is already outdated. I believe it is possible to streamline the structure so that able people should do more work, but those who work more should also be paid more. Those who perform well should be given a pay rise, while those who perform poorly should be phased out by the market. Only in this way can morale be boosted and work efficiency be enhanced.

Chairman, I have always been concerned about the business environment for small and medium enterprises ("SMEs"). SMEs are the lifeline of Hong Kong's economy, but they are facing many challenges on the road to the resumption of normalcy. I am very glad that the Financial Secretary has indicated in the Budget that he has instructed the Hong Kong Monetary Authority ("HKMA") and banks to adopt an accommodating manner to help enterprises tide over their liquidity needs. Subsequently, HKMA has also introduced nine measures to support SMEs, which have been well received by the community.

Two days ago, the Business and Professionals Alliance for Hong Kong ("BPA") organized a large-scale SME symposium, which received a very enthusiastic response. Many SME representatives reflected that the relevant measures not only alleviate the financing pressure on SMEs but also help SMEs plan for their business development. At the symposium, HKMA also made it clear that banks will not call loans or reduce loan amounts due to a drop in property prices. I hope the Government can reserve more expenditure under various relevant heads of expenditure in the future to do more to help SMEs.

For example, for exploring emerging markets, countries along the Belt and Road have huge development potential. During my visit to Kuwait last week, six memoranda of understanding were signed. In fact, there is much room for future cooperation between Hong Kong and the Middle East region. I hope the Government can do more to publicize Hong Kong through the Hong Kong Trade Development Council, the Hong Kong Tourism Board ("HKTB"), Invest Hong Kong and other departments, so as to help SMEs enter markets in the Association of Southeast Asian Nations (ASEAN) region, the Middle East and so on.

As for the tourism industry, I also welcome the adoption of numerous proposals from BPA in the Budget to support the Tourism Commission and HKTB in organizing a series of activities, including the allocation of $100 million to step up the promotion of mega events. Recently, a series of themed events have been organized under the "Day x Night Vibes@18 Districts" across the territory to promote local economic development. I have also visited many districts and found that these events are well received. I suggest that the Government should include more diversified entertainment events (e.g. AI concerts) to attract more citizens and tourists to participate.

Chairman, with these remarks, I support that the sums for the relevant heads stand part of the Schedule and the Appropriation Bill 2024 be passed.

MR LOUIS LOONG (in Cantonese): Chairman, I am speaking for the second time. Recently, we have been very concerned about the issue of municipal solid waste ("MSW") charging. In the Estimates of Expenditure of "Head 44―Environmental Protection Department", the estimated expenditure on waste management is only $666 million (that is, 11.8%) higher than the revised estimate for the previous financial year. To enhance promotion and education as well as community support on waste reduction and recycling, the Green Outreach of the Environmental Protection Department has been providing outreach services in the community to offer on-site support and assistance to residents and property management companies, as well as launching publicity campaigns to educate members of the public on waste reduction at source and to foster a deeper understanding of MSW charging among them. The Green Outreach currently has an annual expenditure of around $100 million. Its work and the related funding are worth supporting. However, I hope that the Government will consider allocating more resources to implement effective support measures for waste separation and recycling in the community, in particular those for food waste collection in private housing estates, so as to achieve waste reduction at source. Otherwise, what the Green Outreach does will only get half the result with twice the effort.

To enhance primary healthcare services, the Government has indicated prior to the official launch of the District Health Centres ("DHCs") that it will continue to subsidize non-governmental organizations to operate DHC expresses in various districts. In the Estimates of Expenditure of "Head 140—Health Bureau", the authorities proposed that the commitments for non-recurrent expenditure of the "DHC Express" Scheme be increased from the originally approved $596 million to $1.1 billion in support of the operations of 11 DHC expresses. I support this funding proposal and hope that the authorities will implement the long-term development plan of setting up DHCs in all 18 districts as early as possible.

In the Estimates of Expenditure of "Head 170—Social Welfare Department", the Government proposed making an additional injection into the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care to increase the approved commitment from $1 billion to $2 billion and expanding its scope to allow eligible service units to procure gerontechnology products suitable for household use by elderly persons, persons with disabilities and their carers. I support this funding proposal and expect the fund to be effective in improving the quality of life of service users and alleviating the pressure on carers.

As Hong Kong will co-host the National Games and the 12th National Games for Persons with Disabilities and 9th National Special Olympic Games with Guangdong Province and Macao in 2025, I support the proposed allocation of $116 million in the Estimates of Expenditure of "Head 160—Radio Television Hong Kong" for the production, promotion and live broadcast as well as the infrastructure enhancement and upgrading for the coverage and broadcast of these events. I believe that enhancing the television broadcast coverage of the National Games will help promote not only sports development in Hong Kong but also patriotic education, thereby fostering a sense of national identity and patriotism among the public.

With these remarks, Chairman, I support that the sums for all the heads stand part of the Schedule.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): If not, I now call upon the public officers to speak. Then, the debate will come to a close. Financial Secretary, do you wish to speak again?

FINANCIAL SECRETARY (in Cantonese): Chairman, I now report to the Council.

CHAIRMAN (in Cantonese): Not yet. As Members have spoken in the committee of the whole Council, does any public officer wish to make a response?

FINANCIAL SECRETARY (in Cantonese): Chairman, I have nothing to respond.

CHAIRMAN (in Cantonese): If no public officers wish to make a response, I now put the question to you and that is: That the sums for the heads read out by the Clerk stand part of the Schedule. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CHAIRMAN (in Cantonese): The committee has completed dealing with all the heads in the Schedule.

I now put the question to you and that is: That the Schedule stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Bill.

CLERK (in Cantonese): Clauses 1 and 2.

CHAIRMAN (in Cantonese): I remind Members that the committee will now proceed to a debate on clauses 1 and 2 standing part of the Bill. Members may indicate whether they support the Bill as a whole in this debate.

Upon the conclusion of the debate, the committee will vote on the two clauses standing part of the Bill.

Dr TIK Chi-yuen, please speak.

DR TIK CHI-YUEN (in Cantonese): Chairman, as the Government cut welfare expenditure in the past two years, I abstained from voting to express the dissatisfaction of the social welfare sector with the cut. This year, the Government once again reduced welfare expenditure, so I have to voice my discontent as well. But this time, the Secretary for Labour and Welfare has made some adjustments, such that subvented organizations with a recurrent funding of more than $50 million are subject to funding cuts, while those with a recurrent funding of less than $50 million are exempted. As large organizations have more flexibility in deploying their resources, their pressure from funding cuts tends to be lower. We can all have a respite in this regard.

When I was pondering how I should cast my vote this time, a colleague told me, "if the Government does nothing, we have to oppose it for sure; but the Government is doing something this time, so wouldn't it be unreasonable for us to keep on opposing it? Are we not supporting the Government in doing something?" Therefore, after consideration, I will vote in support of this Budget.

Although large organizations may still manage to survive funding cuts in the next two to three years, Secretary, our burden is still heavy in the long run. We hope, as the Financial Secretary said, that the cut on welfare expenditure will be lifted when our economy turns around after a couple of years. Financial Secretary, we in the social welfare sector have no room for "trimming down". There is no room for us to "trim down" at all. Financial Secretary, allow me to voice it out once again. The social welfare sector simply cannot afford any form of "trimming down".

Chairman, I will vote in support of the Budget.

MR LOUIS LOONG (in Cantonese): Chairman, I support this year's Budget as a whole, in particular, the Government's withdrawal of all the "harsh measures" for the property market to create favourable conditions for the development of the property market and economic recovery and to regain our growth momentum. In the past month or two, we have witnessed the development of the property market in a steady and orderly manner, and I believe this momentum will continue.

Faced with a deficit of hundreds of billions of dollars, apart from efforts in controlling expenditure, the Financial Secretary still managed to introduce a series of measures to revitalize the economy. It is indeed not easy to be the Financial Secretary, which is the chief treasurer of Hong Kong.

I hope that the Appropriation Bill 2024 can be passed as soon as possible. I believe that the various sectors of society will advance with confidence, seize the existing opportunities and strive for high-quality development, working hand in hand to build a better home for Hong Kong.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): If not, does any public officer wish to make a response?

FINANCIAL SECRETARY (in Cantonese): Chairman, I have nothing to add.

CHAIRMAN (in Cantonese): The committee will now vote on the clauses standing part of the Bill.

I now put the question to you and that is: That clauses 1 and 2 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

PRESIDENT (in Cantonese): All the proceedings on the Appropriation Bill 2024 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

FINANCIAL SECRETARY (in Cantonese): President, I now report to the Council: That the

Appropriation Bill 2024

has been passed by committee of the whole Council without amendment. I move the motion that "This Council adopts the report".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Financial Secretary be passed.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

Third Reading of Government Bill

PRESIDENT (in Cantonese): Government Bill: Third Reading.

APPROPRIATION BILL 2024

FINANCIAL SECRETARY (in Cantonese): President, I move that the

Appropriation Bill 2024

be read the third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Appropriation Bill 2024 be read the third time and do pass.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CLERK (in Cantonese): Appropriation Bill 2024.

GOVERNMENT MOTIONS

PRESIDENT (in Cantonese): Government motions.

Proposed resolution moved by the Chief Secretary for Administration under Article 73(7) of the Basic Law and section 7A of the Hong Kong Court of Final Appeal Ordinance relating to the appointment of a judge of the Hong Kong Court of Final Appeal from another common law jurisdiction.

Members who wish to speak please press the "Request to speak" button.

I now call upon the Chief Secretary for Administration to speak and move the motion.

PROPOSED RESOLUTION UNDER ARTICLE 73(7) OF THE BASIC LAW AND SECTION 7A OF THE HONG KONG COURT OF FINAL APPEAL ORDINANCE RELATING TO THE APPOINTMENT OF A JUDGE OF THE HONG KONG COURT OF FINAL APPEAL FROM ANOTHER COMMON LAW JURISDICTION

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I move that the resolution under my name, as printed in the Agenda, be passed, that is, this Council endorses the appointment of the Honourable James Leslie Bain ALLSOP, AC as a non-permanent judge from another common law jurisdiction ("CLNPJ") of the Court of Final Appeal ("CFA").

Constitutional and statutory framework

CFA is the final appellate court in Hong Kong, hearing both civil and criminal appeals. According to the Hong Kong Court of Final Appeal Ordinance (Cap. 484), CFA consists of the Chief Justice ("CJ") and the permanent judges. Non-permanent judges may be invited to sit and they may come from Hong Kong or other common law jurisdictions. When hearing and determining appeals, CFA is constituted by five judges, comprising CJ, three permanent judges, and one non-permanent Hong Kong judge ("HKNPJ") or one CLNPJ.

Article 88 of the Basic Law provides that judges of the courts of the Hong Kong Special Administrative Region ("HKSAR") shall be appointed by the Chief Executive on the recommendation of an independent commission composed of local judges, persons from the legal profession and eminent persons from other sectors. The Judicial Officers Recommendation Commission ("JORC") is the statutory body constituted by the Judicial Officers Recommendation Commission Ordinance (Cap. 92) to perform the functions of the independent commission referred to in Article 88 of the Basic Law. Pursuant to Article 92 of the Basic Law, judges of HKSAR shall be chosen on the basis of their judicial and professional qualities and may be recruited from other common law jurisdictions.

In the case of the appointment of judges of CFA, Article 90 of the Basic Law provides that the Chief Executive shall, in addition to following the procedures prescribed in Article 88 of the Basic Law, obtain the endorsement of the Legislative Council ("LegCo") and report such appointment to the Standing Committee of the National People's Congress for the record.

The arrangement of appointing CLNPJs by HKSAR, as authorized under the Basic Law, is a unique feature that is rare among other common law jurisdictions. This is precisely Hong Kong's advantage. HKSAR has continuously appointed top-notched overseas judges who are internationally renowned and with rich judicial experience as non-permanent judges of CFA. This manifests the protection to exercise independent judicial power in accordance with the law by the HKSAR Judiciary as enshrined in the Basic Law. This also helps maintain a high degree of trust and confidence in HKSAR's judicial system from the international community, and enables Hong Kong to maintain close ties with other common law jurisdictions.

The current appointment

At present, CFA has 13 non-permanent judges, comprising four HKNPJs and nine CLNPJs. Since all of these CLNPJs have extensive professional commitments themselves, including arbitration, mediation and lecturing work, they are very busy. In addition, most of the judges have expertise in different areas of law. Appointing more CLNPJs with different expertise helps CFA handle different cases more effectively and flexibly, thereby ensuring the Court's effective operation. Having these distinguished overseas jurists with extensive judicial experience sitting on CFA will continue to be a unique strength of HKSAR's judicial system.

JORC has recommended to the Chief Executive the current appointment of Mr ALLSOP as a CLNPJ for a term of three years. Mr ALLSOP is a judge of eminent standing and reputation. He served as Chief Justice of the Federal Court of Australia from March 2013 till his statutory retirement in April 2023. As a Judge and the Chief Justice of the Federal Court of Australia, Mr ALLSOP sat at first instance and on appeal on a full range of the Court's jurisdiction, including intellectual property, banking finance and insurance, company law, bankruptcy and insolvency, labour law, commercial arbitration, taxation, public law and constitutional law, and native title. His appointment will make a significant contribution to CFA.

In accordance with the procedures previously endorsed by the House Committee of LegCo, the Government informed the House Committee on 25 March 2024 that the Chief Executive had accepted the recommendation of JORC on the appointment of Mr ALLSOP as a CLNPJ. At the House Committee on 12 April, Members agreed that it was not necessary to form a subcommittee to consider the recommended appointment. Subject to the endorsement of this Council, the appointment is expected to take effect within May 2024.

Among the "four musts" raised by President XI Jinping in his address made in Hong Kong on 1 July 2022, one of them is that Hong Kong's distinctive status and advantages must be maintained, including maintaining the common law system. President, the appointment of overseas judges from other common law jurisdictions in HKSAR is an exceptionally favourable arrangement resulting from our country's long-term commitment to the good policy of "one country, two systems". It fully demonstrates the internationalization of Hong Kong's judicial system, which is our distinctive advantage. Maintaining this arrangement is crucial for preserving Hong Kong's unique status as a highly regarded common law jurisdiction.

I invite Members to endorse the appointment. Thank you, President.

The motion moved by the **Chief Secretary for Administration** is in **Appendix 2**.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Chief Secretary for Administration be passed.

Prof Priscilla LEUNG, please speak.

PROF PRISCILLA LEUNG (in Cantonese): President, I speak in support of this appointment. During our deliberation on the appointment of the Honourable James Leslie Bain ALLSOP, AC, another British judge, Lord Michael BRIGGS, gave a talk at the University of Hong Kong and openly stated that Hong Kong is a member of the common law family. In fact, Hong Kong has been practising common law for over a century, and Hong Kong's brand of the rule of law today is closely linked to our fine common law heritage. The success of our common law system has been highly acknowledged by successive leaders of the Central Government. As a practising barrister in the system, I am deeply honoured and proud of it.

President, the subject matter today concerns the appointment of a foreign judge. I would first like to point out that according to Articles 82 and 92 of the Basic Law, judges can be invited from other common law jurisdictions to sit on Hong Kong courts. The arrangement not only demonstrates the great political magnanimity and far-sightedness of our country, but it is also the original aspiration in the implementation of "one country, two systems". I have been teaching law at the City University of Hong Kong for almost 30 years, and there are students from Europe and North America. When they studied those articles, they were all astonished at the breadth and freedom of "one country, two systems" adopted by Hong Kong. The requirement on the nationality of judges, except for the Chief Justice of the Court of Final Appeal and the Chief Judge of the High Court, is quite lax. Why is that so? I believe the reason is that our country highly appreciates the rule of law, the management efficiency, and the fusion of Chinese and Western cultures in Hong Kong, so much that after Hong Kong's return to the motherland, it makes every effort to safeguard Hong Kong's significant position as the only jurisdiction practising common law within the whole country.

Since Hong Kong's return to the motherland, we have had many discussions on related issues, and I have repeatedly taken part in subcommittees on the proposed appointment of foreign judges. In my view, there are four key focuses in today's debate: first, Hong Kong's international reputation; second, the development of our profession; third, the overall interests of Hong Kong; and fourth, the contribution to our country. At this point in time, I am pleased to see that in addition to the foreign judge Mr ALLSOP's acceptance of our invitation, Lord BRIGGS has also made remarks which I think are fair in the present context.

When promoting the Belt and Road Initiative, we have heard experts from various legal systems stating that Hong Kong is a key area where common law is practised, and that they are willing to use common law as a legal bridge. The legal system in the Mainland, the common law system, and many other legal systems in various Belt and Road countries, are all distinct from one another. By adopting a common law system, which is a legal language acknowledged worldwide, Hong Kong can gain trust and support more easily.

I am absolutely in favour of inviting international legal talents to sit on trials in Hong Kong. I have also repeatedly advocated in this Council that we should give full play to the strengths of our system, particularly Articles 82 and 92 of the Basic Law. Therefore, a foreign judge with expertise in international law, international trade law and intellectual property law will truly be an asset to Hong Kong, and the appointment will precisely enable Hong Kong to perform its important role of supporting the country.

However, it should be noted that for cases concerning national security or other issues with considerable controversies in society (such as marriage and values), it may not be appropriate to involve foreign judges in the trials. In fact, the judges themselves may prefer not to get involved to avoid political embarrassment or pressure from their home countries. All in all, we should leverage and promote the strengths of the arrangement of appointing foreign judges. With foreign judges sitting on trials, Hong Kong, as an international financial centre and the only common law jurisdiction in the country, will be able to give greater play to our role as an important gateway bridging the country with the international community.

With these remarks, President, I support the appointment.

MR HOLDEN CHOW: President, we are pleased to embrace the proposal for appointing Mr James ALLSOP as our non-permanent judge of our Court of Final Appeal. Mr ALLSOP is an eminent judge and he used to serve as the Chief Justice of the Federal Court of Australia as well as the President of the New South Wales Court of Appeal. Additionally, he has ample experience in handling cases relating to various matters, including insurance, banking, finance, and commercial law. He also taught maritime and shipping law at different universities. I am fully convinced that by having Mr James ALLSOP as our non-permanent judge, we can leverage his profound judicial experience and that will surely be conducive to the development of our rule of law, our judicial system, as well as our links to other common law jurisdictions. Thank you.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Chief Secretary for Administration to reply. Chief Secretary for Administration, do you wish to speak?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I am deeply grateful to the two Members for expressing their valuable views on the proposed appointment just now.

The Basic Law and the Hong Kong Court of Final Appeal Ordinance provide that the Court of Final Appeal ("CFA") may, as required, invite judges from other common law jurisdictions to sit on the court. The Hong Kong Court of Final Appeal Ordinance also provides that one non-permanent Hong Kong judge or one non-permanent judge from another common law jurisdiction ("CLNPJ") shall be among the judges who hear and determine appeals, who is usually a CLNPJ under the current arrangement.

The Chief Justice of CFA exercises the judicial power conferred by the Basic Law to select and invite CLNPJs to sit on CFA to hear appeals. This unique institutional arrangement in Hong Kong under "one country, two systems" will not only help maintain CFA's reputation for being of the highest judicial standard but also highlights the unique advantages of internationalization of Hong Kong's judicial system. The arrangement has been proven effective. Since the establishment of the Hong Kong Special Administrative Region, CFA has heard more than 750 substantive appeals and made numerous landmark judgments in the common law jurisdictions. This achievement is attributed not only to our local judges but also to CLNPJs.

I am grateful to the Members who have spoken in support of the appointment, recognizing that Hong Kong, being the only common law jurisdiction within China under "one country, two systems", possesses unique advantages. The fact that outstanding overseas judges from other common law jurisdictions have come to Hong Kong to serve as non-permanent judges signifies their recognition of and confidence in Hong Kong's judicial system. We will maintain the current arrangement of appointing suitable and competent persons as CLNPJs.

Conclusion

President, CFA will continue to appoint outstanding overseas judges as CLNPJs. Their regular participation in the judicial work of CFA is crucial for upholding Hong Kong's advantages of adopting a common law system under "one country, two systems", maintaining Hong Kong's links with other common law jurisdictions, and bolstering the international community's confidence in Hong Kong's unique position. In addition, it will further consolidate the advantage of internationalization of Hong Kong's judicial system, which is one of the keys to manifesting its status as a highly regarded common law jurisdiction.

The Honourable James Leslie Bain ALLSOP, AC is a highly accomplished judge with extensive experience and an eminent standing in the profession. This appointment will strengthen the pool of CLNPJs and help maintain CFA's reputation for being of the highest judicial standard. The SAR Government supports the recommendation of the Judicial Officers Recommendation Commission.

I implore Members to endorse this appointment. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Chief Secretary for Administration be passed. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

PRESIDENT (in Cantonese): Proposed resolution moved by the Secretary for Financial Services and the Treasury under the Loans Ordinance.

Members who wish to speak please press the "Request to speak" button.

I now call upon the Secretary for Financial Services and the Treasury to speak and move the motion.

PROPOSED RESOLUTION UNDER THE LOANS ORDINANCE

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I hereby move the proposed resolution on the Agenda pursuant to section 3(1) of the Loans Ordinance. The proposed resolution in question will approve the Government to borrow, for the purposes of the Capital Works Reserve Fund ("CWRF"), sums not exceeding in total $500 billion or equivalent for the Infrastructure Bond Programme ("IBP") and the Government Sustainable Bond Programme ("GSBP"). Firstly, I would like to express our gratitude to Mr CHAN Chun-ying for assuming the Chairmanship of the Subcommittee on the proposed resolution and leading Subcommittee Members to complete the scrutiny of and express support for the proposed resolution.

The Financial Secretary announced in the Budget last year the expansion of the scope of the Government Green Bond Programme ("GGBP") to cover sustainable projects, as well as the establishment of IBP to enable better management of the cashflow needs of major infrastructure projects and facilitate their early completion for the good of the economy and people's livelihood.

IBP will cover the projects under the Government's capital works programme, including those under major infrastructure initiatives such as the Northern Metropolis. Meanwhile, since its establishment in 2018, GGBP has established important benchmarks for issuance of green bonds in the region, encouraged best practices and won considerable acclaim from international investors. GGBP has also encouraged issuers to arrange financing for their green projects through the Hong Kong capital market, thereby promoting the development of green finance in Hong Kong and expanding the local green investor base. It is commonly accepted in the international capital markets that the concept of sustainable finance covers the financing of green projects and social projects. To further consolidate Hong Kong's position as a green and sustainable financial hub, we propose, building on the success of GGBP, the expansion of its scope to cover sustainable projects and renaming it as GSBP.

Under IBP and GSBP, retail bonds will be issued for public subscription, in addition to bonds offered to institutional investors worldwide. This promotes financial inclusiveness and enhances the sense of participation among the public in major infrastructure and sustainable development projects. Besides, a certain proportion of the issuances under IBP and GSBP will be earmarked for priority investment by the Mandatory Provident Fund ("MPF") Schemes, thereby providing MPF scheme members with an investment option that offers a stable return.

We propose setting the borrowing ceiling at a total of $500 billion for IBP and GSBP to allow greater flexibility in quota allocation, and facilitate timely and effective investment of proceeds in projects conducive to the long-term development of Hong Kong. All bond proceeds will be credited to CWRF for financing eligible projects thereunder, and will not be used for funding government recurrent expenditure.

On practical implementation, the Government and the Hong Kong Monetary Authority will continue to monitor market conditions closely in stipulating appropriate bond issuance timing and parameters for IBP and GSBP. The existing Steering Committee chaired by the Financial Secretary to oversee GGBP will be expanded to oversee the implementation of both IBP and GSBP.

Once again, I would like to express our gratitude for the valuable comments and suggestions provided by Members of the Panel on Financial Affairs and the Subcommittee on this proposed resolution. The Subcommittee scrutinized the details of the two bond programmes, including the issuance procedure, factors for consideration, approval and monitoring mechanism, actual issuance size and process, interest and other expenses, and handling and use of bond proceeds. We have been provided with the opportunity to explain further the relevant arrangements to the Legislative Council and the public.

President, this proposed resolution facilitates the provision of funding for various Government infrastructure and sustainable projects, thereby building capacity for future economic development and promoting the development of green and sustainable finance in Hong Kong. I earnestly appeal for Members' support. Thank you.

The motion moved by the **Secretary for Financial Services and the Treasury** is in **Appendix 3**.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Financial Services and the Treasury be passed.

Mr CHAN Chun-ying, please speak.

MR CHAN CHUN-YING (in Cantonese): President, in my capacity as the Chairman of the Subcommittee on Proposed Resolution under section 3(1) of the Loans Ordinance ("the Subcommittee"), I now report the salient points of the deliberations of the Subcommittee to this Council.

The proposed resolution seeks to give effect to the Budget proposal under which the borrowing ceiling for the Infrastructure Bond Programme ("IBP") and the Government Sustainable Bond Programme ("GSBP") will be set at a total of $500 billion. The bond proceeds will be credited to the Capital Works Reserve Fund ("CWRF") for the use of financing relevant government infrastructure and sustainable projects.

Members have enquired about the quota allocation between the two bond programmes within the ceiling of $500 billion, as well as the size and timetable of bond issuances planned in the coming years. Additionally, they have expressed concerns about the adequacy of supervision over the issuance arrangements, alongside the handling and utilization of the bond proceeds, such as whether they will be used to fund government operating expenditure.

According to the Administration, no specific quota has been set for each of the two bond programmes to allow for greater allocation flexibility. Before each bond issuance exercise, the Government and the Hong Kong Monetary Authority will make relevant decisions based on the prevailing funding needs and market conditions. Specific arrangements will be subject to the approval of the Steering Committee chaired by the Financial Secretary. The Administration has stressed that the Government adheres strictly to fiscal discipline. The proceeds from bond issuance would only be used to finance eligible projects under CWRF and would not be used for funding government recurrent expenditure.

Regarding the size and timetable of bond issuances, the Administration has advised that, as announced in the 2024-2025 Financial Budget, $120 billion worth of bonds would be issued under the two bond programmes in 2024-2025. Bonds of about $95 billion to $135 billion per annum would be issued in the coming five years up to 2028-2029. All bond proceeds would continue to be credited to CWRF and reflected in the Consolidated Government Accounts.

In the course of deliberation, Members have made suggestions and comments on further developing the local financial sector, including developing more diversified retail bonds, RMB-denominated bonds and tokenized bonds; enhancing measures in support of the trading and settlement of bonds; and giving priority to local fund managers in investing in institutional tranches under the two bond programmes. The Administration has undertaken to relay members' views to the Steering Committee for consideration as appropriate.

President, my personal views on the proposed resolution are as follows.

Upon the passage of the proposed resolution, the Government's borrowing ceiling will be set at a total of $500 billion. However, it is hoped that the Government will consider increasing the proportion of RMB-denominated bonds in bond issuances to provide more high-quality RMB asset options for overseas investors.

Currently, there is a high level of activity in offshore RMB-denominated bond issuance. At the same time, green and social bonds have emerged as significant trends in the development of the bond market. If the Government takes a more proactive approach to the issuance of RMB-denominated bonds, global funds will be attracted to invest in RMB assets in Hong Kong. This will enable Hong Kong to fully leverage the current market trends and consolidate our position as a green finance hub.

In addition to the issuance of infrastructure and sustainable project bonds, I would like to suggest that the Government consider issuing catastrophe bonds to transfer the risks associated with the escalating losses resulting from the increasing frequency of global natural disasters. Yet, this suggestion may not be directly related to the $500 billion ceiling.

Although catastrophe bonds are relatively new financing instruments, they have already become the largest issued and most actively traded insurance bonds. Their market activity far exceeds that of the life insurance bonds in the second position. Hong Kong is one of the major issuers of catastrophe bonds in Asia. In 2021, the SAR Government launched a two-year Pilot Insurance-linked

Securities Grant Scheme, which offers grants to cover the costs of issuing eligible catastrophe bonds in Hong Kong. To date, four catastrophe bonds totalling US$560 million have been issued in Hong Kong, with three of them being issued by Chinese insurance institutions.

At present, the primary issuers of catastrophe bonds in Hong Kong are insurance institutions from the Mainland and international institutions. To further promote Hong Kong's financial strengths and engage more international financial institutions, local governments in the Mainland and financial institutions from Southeast Asia, the SAR Government can consider issuing its own catastrophe bonds. On one hand, this will expand the current supply of bonds. On the other hand, this will enhance Hong Kong's ability to manage critical catastrophic risks. I urge the relevant Bureaux to study this matter.

With these remarks, President, I support the proposed resolution. Thank you.

MS CARMEN KAN (in Cantonese): Thank you, President. As a member of the Subcommittee on this proposed resolution, I speak in support of the proposed resolution.

The proposed resolution seeks to give effect to the proposal announced by the Financial Secretary in the Budget this year to increase the combined borrowing ceiling for the Infrastructure Bond Programme and the Government Green Bond Programme ("GGBP") from $200 billion to $500 billion, with a view to supporting the development of the Northern Metropolis, as well as other infrastructure and sustainable development projects, which will be conducive to the long-term development of Hong Kong. President, the Government has emphasized that the proceeds from the bond issuance will be invested in our future to drive economic development and will not be used for funding recurrent expenditure. Furthermore, it has proposed to implement a fiscal consolidation programme with the aim of restoring fiscal balance in three years. Based on these two points, I think the Government has demonstrated a steadfast adherence to fiscal discipline.

After raising the borrowing ceiling to $500 billion, how do we compare Hong Kong with other advanced economies?

According to the Research Brief on the Budget published by the Legislative Council Secretariat on 9 April, the government debt-to-Gross Domestic Product ratios ("debt-to-GDP ratios") in the United States, Canada, the United Kingdom, France and Spain all exceeded 100% in 2023, with the ratios being 167.9% in Singapore, 255.2% in Japan, and only 6.1% in Hong Kong. Therefore, the Government has made it clear in the Budget that without affecting the level of fiscal robustness, the debt-to-GDP ratio between 2024-2025 and 2028-2029 will be increased to the range of 9% to 13%, which is much lower than that of most of the other advanced economies.

Other than raising the borrowing ceiling, appropriate enhancements have been made to the two bond programmes. Firstly, GGBP has been renamed as the Government Sustainable Bond Programme to expand its scope beyond green projects to cover sustainable development projects. I believe this will help enhance Hong Kong's position as a green and sustainable finance hub. Secondly, retail tranches are offered under both programmes, with a certain portion earmarked for priority investment by the Mandatory Provident Fund ("MPF") Schemes. This helps promote financial inclusiveness, while also providing MPF Scheme members with more investment options that generate stable investment returns. To this end, I express my support for these enhancements.

Apart from raising the borrowing ceiling, the Government should, in my view, explore further enhancing the relevant programmes in three directions.

First, the Government should pilot the issuance of bonds to involve more currencies so as to promote offshore Renminbi ("RMB") business development. As the Secretary mentioned in his speech this morning, RMB31.5 billion worth of RMB bonds has been issued. At the Subcommittee meeting, the authorities also revealed that the share of RMB-denominated bonds was about 20%. Taking the opportunity to raise the borrowing ceiling, I suggest that the Bureau should coordinate with the Hong Kong Monetary Authority ("HKMA") to regularly issue offshore RMB bonds of varying maturities and yield levels. With the development of a more complete offshore RMB yield curve, Hong Kong can further consolidate its position as an offshore RMB hub.

Secondly, the Government should strengthen policy coordination to build a sustainable future. I welcome the Hong Kong Taxonomy for Sustainable Finance (i.e. Common Ground Taxonomy) published by HKMA on 3 May as it is an important milestone in the sustainable finance landscape. The Government should capitalize on this mammoth undertaking to actively promote the application and development of the Hong Kong Taxonomy, and tap into the opportunity of raising the borrowing ceiling to promote effective cross-boundary cooperation and facilitate green finance flows, so as to contribute to the "dual-carbon" targets of the country and Hong Kong, as well as the sustainable development of the world.

Thirdly, the Government should expedite planning for financing to promote high-quality economic development in Hong Kong. I hope that the Government will expedite the work of the Committee on the Financing of Major Development Projects and make an early announcement of all financial arrangements in addition to bond issuance, for example, whether it will adopt the Build-Operate-Transfer (BOT) new model and public-private partnerships in infrastructure projects, so that the market can make investment and financing arrangements in advance, thereby facilitating the better integration of a capable government with an efficient market to speed up the progress of major development projects and promoting high-quality development in Hong Kong.

With these remarks, President, I support the proposed resolution.

IR DR LO WAI-KWOK (in Cantonese): President, I support the passage of the proposed resolution moved by the Secretary for Financial Services and the Treasury under section 3(1) of the Loans Ordinance. The proposed resolution seeks to approve the Government to borrow, for the purposes of the Capital Works Reserve Fund ("CWRF"), sums not exceeding in total $500 billion, under the Infrastructure Bond Programme ("IBP") and the Government Sustainable Bond Programme ("GSBP").

President, the issuance of bonds is often a means for governments around the world to support and expedite economic development. Hong Kong is no exception. In 2018, the SAR Government launched the Government Green Bond Programme ("GGBP") to promote the development of green finance in Hong Kong and demonstrate its support for sustainable development and its determination to address climate change. The Legislative Council ("LegCo") passed a proposed resolution under the Loans Ordinance in November 2018 to authorize the Government to borrow sums not exceeding in total $100 billion under GGBP, with the sums raised being credited to CWRF for funding the Government's green projects which are eligible for inclusion in GGBP. I was the Chairman of the Subcommittee on the proposed resolution back then. Subsequently, LegCo passed another proposed resolution in July 2021 to raise the borrowing ceiling of GGBP to $200 billion.

The SAR Government's outstanding debt now accounts for only about 4% of the Gross Domestic Product ("GDP"), which is much lower than that of most of the other advanced economies. Hence, the authorities should effectively utilize the opportunity of bond issuance to invest in the future based on our social development needs. The current-term Government advocates the introduction of "infrastructure-led" and "capacity-creating" planning approaches to promote sustainable economic development and improve the people's livelihood, including expediting the implementation of the planning of the Northern Metropolis. The engineering sector and I strongly support this idea, and we are pleased to see that the Financial Secretary has announced in the 2023-2024 Budget the setting up of IBP to better manage the cash flow needs of major infrastructure projects. IBP will cover projects under the Government's capital works programme, including major infrastructure projects such as the Northern Metropolis, thereby facilitating the early completion of projects for the good of the economy and people's livelihood. At the same time, the authorities have decided to further expand the scope of GGBP to cover sustainable projects and rename it as GSBP. The Financial Secretary has indicated in this year's Budget that the authorities will set a borrowing ceiling of a total of $500 billion for the two aforesaid programmes to allow more flexibility in quota allocation, and that the sums borrowed will be credited to CWRF for investment in projects which are conducive to Hong Kong's long-term development.

President, $500 billion is the maximum amount of all sums borrowed that may be outstanding by way of principal at any time. The authorities have also assured Members that the Government will adhere strictly to fiscal discipline, with the proceeds from bond issuance to be used for financing eligible projects under CWRF rather than funding government recurrent expenditure. Furthermore, it is projected by the Government that by the latter part of the 2027-2028 Medium Range Forecast, the government debt-to-GDP ratio will remain below 10%.

Meanwhile, a certain proportion of the issuances of Government bonds will be earmarked for priority investment by the Mandatory Provident Fund ("MPF") funds to provide members of MPF funds with more investment options with stable returns. Retail tranches will also be available for public subscription so that members of the public can take concrete actions to support Hong Kong's long-term development projects. All these ideas deserve commendation and support.

President, the issuance of green and infrastructure bonds by the Government is undoubtedly conducive to making proper financial arrangements for major infrastructure projects. However, I have repeatedly emphasized to the authorities that the Government should come up with ways to make greater use of market forces in taking forward major infrastructure projects such as the Northern Metropolis. A case in point is land exchange as it allows the Government to leverage market forces instead of relying solely on compensation for land acquisition. Meanwhile, some government projects often give the public the impression that they are excessively time-consuming and costly. I urge the authorities to compress the vetting and approval process on all fronts and proactively assist the trade in enhancing its competitiveness by, among other things, streamlining the administrative procedures and capitalizing on innovative construction technologies, such as the application of Modular Integrated Construction, to reduce costs and compress project duration. At the same time, the authorities should come up with more effective proposals to assist the trade in solving problems caused by manpower shortage, with a view to completing works projects with enhanced quantity, quality, speed and efficiency.

President, I so submit.

MR TANG KA-PIU (in Cantonese): President, we, The Hong Kong Federation of Trade Unions, fully support the proposed resolution discussed today. It seeks to expand the scale of bond issuance, a proposal introduced in the Budget passed earlier this year.

During the Second Reading debate on the Budget, I expressed my opinions on this topic. While it is true that bond issuance has more advantages than disadvantages, the main concern lies in ensuring the proper use of the bond proceeds and the Government's ability to repay the debts. As indicated in past records, the investment return from Government bond issuance surpasses the interest expenditure, making it an unquestionably favourable venture. In addition, the expansion and diversification of bond projects are crucial for Hong Kong, an international financial centre, to develop its bond market. Of course, there are both Government bonds and corporate bonds in the bond market. Thanks to the advantages of "one country, two systems", not only the SAR Government but also several local governments in the Mainland have also issued bonds in Hong Kong. This is a prime example showing the efficacy of "one country, two systems" and we should capitalize on it.

More importantly, with the ongoing development of our bond market, various complementary professions are doomed to prosper. Take bond ratings in the international arena as an example. Why can't Hong Kong engage in this field by nurturing multiple professional rating agencies or establishing our own standards for evaluating international bond ratings? Why should we rely merely on a handful of US credit rating agencies? In view of this, I believe if we can further develop our bond issuance policies and expand the scale of issuance, it will undoubtedly be conducive to the consolidation of Hong Kong's position as an international financial centre. This would also demonstrate our capacity to establish standards in crucial domains.

Given the frequent comparisons between Hong Kong and Singapore, I have examined their respective debt issuance figures. While some often claim that the Hong Kong Government needs to rely on debt to meet its financial obligations, it is noteworthy that Hong Kong's government debts account for less than 7% of its Gross Domestic Product ("GDP"). How about Singapore? Singapore's government debt amounts to nearly 170% of its GDP. Hong Kong's government debt-to-GDP ratio is less than 7%, while Singapore's is close to 170%. These figures warrant a call for objectivity when assessing Hong Kong's financial situation in comparison to other countries or regions worldwide. Let us maintain faith and confidence in Hong Kong.

Speaking of the proposed resolution which concerns the issuance of $500 billion in bonds, it is worth mentioning that the Government, in its general policy announcement and the relevant subcommittee meetings, has emphasized that a portion of the $50 billion tranche will be allocated for priority investment by the Mandatory Provident Fund ("MPF") funds. As a non-executive director of the Mandatory Provident Fund Schemes Authority, I am particularly concerned about this proposal. I have long been advocating that MPF should provide clear and guaranteed returns which outpace inflation to offer peace of mind for wage earners. Therefore, this development holds significance for our advocacy efforts. I would like to extend my gratitude to the SAR Government for this decision.

However, the key concern is how we can make this happen. During the subcommittee stage, I have not yet heard any detailed thoughts from the Government regarding the implementation of this proposal.

In the limited time remaining, I would like to propose a suggestion. I recommend using the $50 billion bond proceeds to establish a bond fund which is explicitly owned by the Hong Kong Government and inviting the 13 relevant trustees to participate in a bidding process in accordance with the "lowest bid wins" principle. This approach would prevent the bond fund from becoming a publicly available commodity for fund managers to acquire in the market. If this fund is mingled with the other 400-odd funds in the market, its distinctiveness will be compromised and returns will be adversely affected by administration and investment fees. My vision is to structure this fund as a single entity, managed by trustees through a competitive bidding process where the lowest price would secure the management rights. Ultimately, this approach would bring significant benefits to all wage earners.

I so submit.

MR ROBERT LEE (in Cantonese): Thank you, President. I speak in support of the proposed resolution which seeks to raise the maximum amount of borrowings under the Loans Ordinance. Pursuant to this proposed resolution, the borrowing ceiling will be increased from the current $200 billion to $500 billion, covering both the Infrastructure Bond Programme ("IBP") and the Government Sustainable Bond Programme ("GSBP"), to allow for greater flexibility in quota allocation and facilitate the provision of funding for various Government infrastructure and sustainable projects. From a macroeconomic point of view, the issuance of bonds on an appropriate scale can serve as an effective financial intermediation channel to complement the banking system. The diversity of financial intermediation channels helps promote financial stability and strengthen Hong Kong's position as an international financial centre, thereby promoting economic development.

Upon the passage of the proposed resolution, I suggest that the Government should take appropriate follow-up actions in three areas, including, first, the improvement of public explanatory work on fiscal soundness; second, the increase in the transparency of bond trade information; and third, the examination of the feasibility of direct investment by the Mandatory Provident Fund ("MPF") Schemes.

First, regarding the improvement of public explanatory work, the Hong Kong Government's current debt-to-Gross Domestic Product ratio ("debt-to-GDP ratio") is still low. According to the International Monetary Fund (IMF), as cited by the Legislative Council Secretariat, the debts of the Hong Kong Government accounted for about 4% of its GDP in 2022, which was significantly lower than the percentages of Japan (264%), Singapore (141%) and the United States (122%).

According to the recent Budget, the Government plans to issue bonds of about $95 billion to $135 billion per annum in the next five years. Yet, the expected government debt-to-GDP ratio will still be in the range of about 9% to 13%, which is much lower than most of the other advanced economies.

It is stated in a World Bank study that if the government debt-to-GDP ratio is above the threshold of 77%, each additional percentage point of debt costs 0.017 percentage points of annual real economic growth. Based on the findings, the Hong Kong Government's debt remains at a safe level and has no negative impact on the economy.

As there is ample room for Hong Kong to gradually expand the scale of bond issuance, thereby easing our fiscal deficit and fostering the diversified growth of the financial industry, I suggest that the Government intensify its efforts in publicizing and educating the public and overseas media about our current fiscal stability and debt levels. It should also reiterate that all bond proceeds will not be used for funding government recurrent expenditure, clearing up any misunderstanding and allaying concerns.

Second, speaking of the increase in the transparency of trade information, I am happy to see the Government listen to the industry and issue its retail bonds, allocating a certain portion of infrastructure and green bonds for retail investors to meet the public's demand for fixed income investment products. To stimulate trading activities in the secondary bond market, I suggest the Government enhance its communication with the Hong Kong Exchanges and Clearing Limited and brokerage firms to facilitate the disclosure of additional trade information on bonds to retail investors after their listing.

Third, as regards the examination of the feasibility of direct investment by the MPF Schemes, the Government has previously stated that a certain proportion of future issuances of Government green bonds and infrastructure bonds will be earmarked for priority investment by MPF Schemes, thereby providing MPF scheme members with an additional investment option. On this point, I suggest that the MPF Schemes should directly invest in the relevant Government bonds, as well as existing stock index funds and exchange traded funds (ETF) available in the market, to enable more effective tracking of diverse assets and minimize administrative fees, thereby increasing overall returns.

President, with these remarks, I support the proposed resolution.

MR ROCK CHEN (in Cantonese): President, I speak in support of the proposed resolution moved under section 3(1) of the Loans Ordinance and the policy objective of raising the borrowing ceiling of the Infrastructure Bond Programme and the Government Sustainable Bond Programme.

That said, I am still concerned about the potential implications that the expansion of bond issuance may have on our public finances. In 2021, the Government raised the borrowing ceiling to $200 billion under the Government Green Bond Programme, and this time, it proposes lifting the ceiling further to $500 billion. Taking into account the future increase in interest and principal repayment, I suggest the Government be prudent in its planning for the annual issuance sizes, tenors of the bonds and cash flow during debt repayment. Fortunately, Hong Kong's fiscal position remains healthy, with fiscal reserves being some $733 billion in late March. Even if the Government is to issue bonds for the next five years, the ratio of government debt to Gross Domestic Product ("GDP") will only be 13%, which, as many colleagues have mentioned, is much lower than that of other high-income economies. The United States and Japan, for example, have government debts accounting for as high as 120% and over 200% of their GDP respectively. However, even if Hong Kong is able to keep its debt level under control, bond issuance is not completely risk-free. Over-reliance on bond financing is bound to increase the Government's debt burden, making Hong Kong more vulnerable to external financial changes and interest rate hikes.

Moreover, long-term bond issuance amid a year-on-year decline in our fiscal reserves would affect Hong Kong's credit ratings. International credit rating agencies may assess Hong Kong's debt level and ability to repay debts. In extreme cases, they may consider downgrading Hong Kong's credit ratings, leading to higher borrowing costs for Hong Kong in the future. In the event of external financial turmoil, the Government may have to face a heavier debt burden, leaving our public finances in a vulnerable state.

According to the current bond repayment plan provided by the Government, the Government is able to repay $24.2 billion, $44.8 billion, $54.9 billion, $106.3 billion and $107.8 billion respectively in the next five financial years. However, given the estimated fiscal deficit for 2024, it is hard to have an entirely precise forecast of the economic recovery outlook at the moment. We will therefore have to wait and see if our government revenue and fiscal surplus can reach the anticipated level.

No doubt, the issuance of Government bonds is conducive to the development of the local bond market. It strengthens Hong Kong's function as an international financial centre and enhances the yield curve. Moreover, the bonds issued by the HKSAR Government have been well-received, with oversubscriptions recorded for those issued under the two programmes in the past. The issuances, which cover a wide spectrum of bond issuers, institutional investors and retail investors, have further consolidated Hong Kong's status as a leading bond market in Asia. Furthermore, the fact that Renminbi-denominated bonds have accounted for about 20% of the bonds issued helps promote the internationalization of Renminbi ("RMB") and consolidates Hong Kong's position as an offshore RMB hub.

All in all, in investing for the future, it is necessary for the Government to also consider the robustness and sustainability of public finance. It needs to evaluate the priority of capital works projects and prudently manage its debts as the issuance of bonds entails a repayment obligation. Given the prevailing high interest rates, the cost of bond issuance is high. In the long run, the Administration needs to expeditiously drive the upgrading and transformation of the economy while reinforcing the competitive edge of our existing industries. It should also strive to reduce expenditure, avoid unnecessary spending and ensure the growth rate of revenue surpasses that of expenditure as the key to maintaining healthy public finances lies in keeping expenditure within the limits of revenues to achieve a fiscal balance.

President, with these remarks, I support the passage of the proposed resolution.

DR WENDY HONG (in Cantonese): President, in recent years, the robustness of Hong Kong's public finances has been an issue of public concern. Over the past five years, we have experienced deficits in four out of five, with last year's deficit surpassing $100 billion and reaching approximately $160 billion if bond proceeds are excluded. Although it may appear that the deficit is narrowing for this financial year, with a budget deficit of only $48.1 billion, it is important to note that this figure includes $96 billion of net bond proceeds. Consequently, if we exclude the bond proceeds, the fiscal deficit for this year still amounts to hundreds of billions of dollars.

The persistent deficits are attributable to the fact that the rise in our expenditure is far outpacing the increase in revenue. It is understandable that we have introduced a large number of counter-cyclical measures amidst the epidemic to stabilize the economy. However, excluding non-recurrent expenditure during the epidemic, our government recurrent expenditure has shown an average annual increase of 5.7% over the past five years, while the government revenue and nominal Gross Domestic Product ("GDP") have shown an average annual growth rate of only 1.4% and 2.1% respectively over the same period. In particular, the recurrent expenditure on welfare has increased at an average annual rate of 9.3%, representing an increase of more than 50% in five years. For this financial year, our welfare expenditure is projected to increase by 13.3%, which is a staggering figure. Given the fast-ageing population trend in Hong Kong, the situation is worrying.

Basically, the trend of our expenditure outgrowing revenue has resulted in a rapid depletion of fiscal reserves from the peak of $1.17 trillion in 2019 to $730 billion in March this year, amounting to some 37% decrease over the past five years. At present, our outstanding commitments under the Capital Works Reserve Fund amount to over $600 billion.

In conclusion, our public finances are facing pressure on three fronts, namely the continuously expanding expenditure, accumulating fiscal deficits and shrinking fiscal reserves. The risk of a structural fiscal deficit has not been completely eliminated.

Nevertheless, as the saying goes, "good fortune follows upon disaster". In my view, we are currently in a favourable crisis. On the one hand, the economic downturn and the risk of a structural fiscal deficit have given us pressure and impetus for reform. On the other hand, our current state of full employment has given us support and confidence for reform. I hope that the Government will embark on a long-term revenue and expenditure structural reform rather than squandering this favourable crisis.

Looking ahead, Hong Kong should make transformative changes to address the deep-rooted socio-economic structural problems, while stepping up efforts to invest for the future and create capacity, thereby broadening its revenue sources. To this end, the Government should even proactively explore new sources.

Therefore, on the premise that our current debt levels remain on the low side, I think a moderate increase in bond issuance is an inevitable option. Therefore, I support the Government's proposal to raise the existing debt ceiling as it will also foster the development of the local bond market and sustainable investment market.

However, I would like to emphasize that excessive debt will increase the burden on our future generations, and we should not and cannot have the mentality of passing today's debt on to the next generation.

In the past, when our fiscal surplus was relatively large, the Government would spend more lavishly to cater for every need, regardless of populist demands. But today, as the sustainability of our public finances is in doubt, the Government should take it as a driving force for a reform of the economic structure and social system.

Regarding the reform, I deem it necessary to promote upward social mobility. For instance, we should shift the focus of welfare assistance from merely settling people at the grass-roots level to assisting those capable and qualified grass-roots individuals to become self-reliant and independent of welfare assistance. As for housing, apart from increasing public rental housing supply for housing more people, we should also put in place a housing ladder to increase upward mobility.

Furthermore, it is expected that the government debt-to-GDP ratio will reach a maximum of 13.2% in the next five years. I think the Government should conduct a study on global public debt levels and determine an appropriate debt level. This would ensure that debt can stimulate economic growth without becoming a burden that hinders long-term economic development while providing a basis for setting a public debt ceiling. I hope the Government will take action to demonstrate its determination to break away from "debt financing" and avoid falling into the vicious cycle of "taking on more debts to pay off existing debts".

With these remarks, President, I support the motion.

MRS REGINA IP (in Cantonese): President, I speak in support of the proposed resolution moved by Secretary Christopher HUI under the Loans Ordinance.

Being one of the members of the Subcommittee, I took part in the scrutiny of this proposed resolution. We asked many professional questions at the meeting, and we are grateful to the Government for giving us detailed replies and providing us with a lot of information, including information on the Infrastructure Bond Programme, the Government Sustainable Bond Programme, the Government Bond Programme, the total amount, the sums and the interest expenses, and so on.

However, having read the relevant information and listened to the speech delivered by the Financial Secretary just now, there are still some areas that I am not quite clear about. The Government has indicated that the proceeds from the issuance of the infrastructure bonds and other bonds, the borrowing ceiling of which will be raised to $500 billion, will not be used for funding government recurrent expenditure. It is clearly stated in the Government's paper that the proceeds will be credited to the Capital Works Reserve Fund, being the Capital Account, and will not be reflected in the Consolidated Government Accounts. Therefore, I find it puzzling to see that in the Supplement and on page 7 of the Appendices to the Budget of this financial year, concerning the Medium Range Forecast of the Government's financial position, the proceeds from the issuance of bonds in the amount of "$120 billion", "$135 billion", "$135 billion" and "$135 billion" are set out on a yearly basis. In other words, the amount of bond proceeds will be $120 billion in 2024-2025, $135 billion in the coming year, and $135 billion again thereafter, which will be used to offset our fiscal deficit and, in terms of figures, achieve a surplus in the Government's financial position by 2025-2026. This approach is different from what the Government has stated. The Government said that the proceeds would be used to finance infrastructure expenditure rather than government recurrent expenditure. In that case, why should they be included in this table, creating an impression that the Government is using these bond proceeds to offset the deficit? I find this approach somewhat misleading because the Financial Secretary just mentioned the expectation of reducing government expenditure and increasing revenue, and even the appearance of a crossover point in approximately three years where the deficit could be eliminated, although no specific figures were provided. Why is the information in the paper presented in this way? Why are the annual proceeds from the issuance of bonds to finance infrastructure expenditure included in the table of the Government's financial position, when this is actually a recurrent account? I believe it is somewhat misleading. I would appreciate it if the Secretary could provide an explanation, and I mainly want to raise this point.

Besides, I believe there is no problem with the issuance of bonds by the Government. As the Financial Secretary mentioned earlier, after issuing a significant amount of bonds, our debt still accounts for only about 13% of our GDP (Gross Domestic Product), which is relatively low compared to many developed economies. Moreover, as mentioned by Mr Rock CHEN just now, many members of the industry do not understand why Hong Kong has not been able to develop a bond market previously, and the reason is that we did not issue bonds. Countries that issue a substantial amount of bonds, such as the United States and Japan, have thriving bond markets. Bond issuance has its merits, and some people even hope that we can issue more Renminbi bonds and bonds with longer-term maturity to establish a yield curve. Therefore, I believe that it is basically sound and desirable to issue bonds to finance infrastructure expenditure. However, I am really puzzled about why the figures concerned are presented in this manner, and I would appreciate it if the Secretary could provide an explanation.

I so submit, thank you.

MR EDMUND WONG (in Cantonese): President, I speak in support of the proposed resolution moved by the Government to raise the borrowing ceiling of the Capital Works Reserve Fund to $500 billion with a view to preparing funding for future infrastructure investments.

There is no denying that after three years of epidemic, the Government has made use of a significant portion of its fiscal reserves for epidemic prevention and control. Coupled with the current uncertain global economic environment, persistent high interest rates eroding investment sentiment and increasing geopolitical risks, the Government's fiscal reserves have indeed decreased substantially over the past few years, which is understandable to the public. With the reduction in fiscal reserves, many people consider that the Government should spend less or be more frugal in its spending. The Financial Secretary also mentioned this point earlier when the Appropriation Bill 2024 received its Second Reading, and thus I am not going to repeat it. It is true that with reduced income, efforts should naturally be made to reduce expenses. However, as an accountant, I believe it is important to distinguish whether the money spent falls into the category of "expenses" or "investments."

The increase in the borrowing ceiling to $500 billion this time is intended for infrastructure projects, providing ample funding for the Infrastructure Bond Programme and the expanded Government Green Bond Programme, which are future investments for Hong Kong. More importantly, our bond market still has great potential for development. It is expected that during the financial years from 2024-2025 to 2028-2029, bonds will account for 9% to 13% of Hong Kong's GDP (Gross Domestic Product). As mentioned by other colleagues just now, this proportion is still much lower than that of other advanced economies. Increasing the issuance of high-quality bonds will further broaden the depth and breadth of Hong Kong's bond market, which is also conducive to further consolidating our status as an international financial centre.

At the same time, I also hope that the Government, when expanding the scale of bond issuance to support infrastructure projects in the future, can do well in three aspects. Firstly, it should fully grasp the demand for bond investment from the public. While attracting overseas funds, especially investments from family offices into our bonds, consideration should also be given to the needs of local residents. For example, as mentioned by Dr TAN Yueheng, Mandatory Provident Fund Schemes should be allowed to subscribe a certain proportion of these bonds, which is a very good proposition in my opinion.

Secondly, more innovative elements should be incorporated into future bond issuance. For example, the multiple issuance of digital bonds by the Government earlier has fully demonstrated its determination to promote innovation. I hope the Government will continue to make efforts in this regard, maintaining openness and engaging in communication with the financial industry to explore possibilities.

Lastly, I sincerely hope that the Government will strictly adhere to fiscal discipline because we have already utilized substantial funds to support infrastructure development. If there are any changes in the related model in future, the Government must have sufficient surplus to repay its debts. Of course, I am as confident as the general public in the future development of Hong Kong, but it is always better to be prepared than to scramble for solutions when in need.

Thank you, President.

MR TONY TSE (in Cantonese): Thank you, President. President, I share the view of many construction trade members and economists that the Government should not substantially slow down its investment in infrastructure due to temporary economic sluggishness and fiscal deficits, or else the economy and the consumption market in the short to medium term will become even worse, and in the long term, this will even affect the supply of land and housing in Hong Kong, development of industries, as well as the construction of various social and livelihood facilities.

I am glad that the Government has taken on board the relevant views in the Budget. On the one hand, it has reviewed the priorities of various infrastructure projects and development programmes in the light of the fiscal deficit, and at the same time, it has undertaken to contain the capital works expenditure at about $90 billion per annum, which still represents an increase of about 17% over the average in the last five years.

To better support capital works projects, including the funding needs for developing the Northern Metropolis, the Budget has proposed making changes to the Government's bond issuance programmes and the scale of issuance. This includes establishing the Infrastructure Bond Programme ("IBP") and renaming the existing Government Green Bond Programme as the Government Sustainable Bond Programme, as well as planning to issue bonds of about $95 billion to $135 billion per annum in the next five years. The proposed resolution under scrutiny seeks to raise the maximum amount of bond issuance from $200 billion to $500 billion, which is conducive to the implementation of the relevant programmes.

The Government's Announcements in the Public Interest educate the public that "you have to repay your loans" and "borrow only if you can repay". Some people have described this increase in bond issuance as akin to borrowing money to make ends meet, and they are worried that the Government may not be able to repay, which may lead to bankruptcy of the Government and affect the payment of civil service pensions, and so on.

First of all, it must be stressed that land creation, infrastructure projects and development projects are not mere expenses, but investments with returns. For instance, land reclamation can bring about revenues from land premium while fostering the development of industries through land supply can bring about economic growth and tax revenue, as well as returns in terms of social well-being (such as shortening the waiting time for public rental housing, reducing traffic congestion and improving healthcare services). The development of the Northern Metropolis will not only increase the supply of land and housing and promote the development of industries such as innovation and technology and modern logistics, but will also facilitate the integration of the SAR with the Greater Bay Area, which is pivotal to the long-term development of Hong Kong.

The situation is similar to that of taking out a mortgage loan for a home purchase, which is generally regarded as a kind of investment by Hong Kong people. The flats per se can be used for renting or self-occupation to bring about rental returns and improve the living environment. Of course, it will be a different story if excessive borrowing is involved. However, as pointed out by the Financial Secretary just now, Hong Kong's debt ratio is low when compared with most of the other advanced economies.

The Government has already put forward a fiscal consolidation programme in the Budget, with a view to achieving fiscal balance gradually under the principle of "reducing expenditure before generating revenue". The Government has also undertaken not to use bond proceeds—as mentioned by the Secretary just now—for financing increased recurrent expenditure on social welfare, civil service pay, etc. Such proceeds will only be used to take forward capital works projects and various projects which are conducive to the sustainable development of Hong Kong. Therefore, I think there is no need for us to be excessively worried about the Government's increase in bond issuance.

In conclusion, investing in infrastructure differs from borrowing to make ends meet, and investing for the future does not contradict fiscal prudence. The establishment of IBP will help enhance the public's "sense of participation" in the future development of Hong Kong. I therefore support the proposed resolution moved by the Secretary for Financial Services and the Treasury under the Loans Ordinance.

President, I so submit.

MR CHAN KIN-POR (in Cantonese): Thank you, President. The proposed resolution moved under the Loans Ordinance seeks the approval of the Legislative Council ("LegCo") to raise the maximum amount of borrowings by the Government for the purposes of the Capital Works Reserve Fund for the Infrastructure Bond Programme and the Government Sustainable Bond Programme to sums not exceeding in total $500 billion.

This Government's proposed resolution, which seeks to raise the borrowing ceiling, demonstrates that LegCo plays a role in controlling and monitoring government expenditure, ensuring that the borrowings remain within a reasonable range and do not reach astronomical figures. The Financial Budget has explained in detail that the purpose of Hong Kong's issuance of bonds is to allow the use of the capital raised from the market to drive green/sustainable and infrastructure projects while facilitating the development of the bond market. Additionally, it is worth noting that currently, particularly in recent years, a portion of bond proceeds is used for principal repayment, as the bonds issued have short durations. I believe that the government debt will be kept at a prudent level and will not impose long-term financial burdens on Hong Kong. The Financial Secretary has also expressed the expectation of achieving fiscal balance by 2029.

The ratio of government debt to Gross Domestic Product is estimated to be in the range of about 9% to 13%. Compared to other places around the world, including Singapore, Hong Kong has an extremely low debt ratio which indicates room for bond issuance. Besides, the proceeds will not be used to fund government recurrent expenditure but will be invested in infrastructure projects to promote long-term development and drive the economy at the same time. Therefore, I believe the Government has taken a holistic approach in setting an overall ceiling for LegCo's approval. For instance, the initial borrowing ceiling of $100 billion was raised to $200 billion and is now being further increased to $500 billion. I consider this a responsible approach.

With these remarks, President, I support the proposed resolution.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Financial Services and the Treasury to reply. Then, the debate will come to a close.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Thank you, President. Earlier on, 11 Members spoke consecutively, providing numerous opinions on the objectives of this initiative, the relevant mechanism and how the public can benefit from the future bond issuance, as well as how the proceeds should be utilized. In the next steps of implementation, we will fully consider these viewpoints. This is my first point.

Secondly, I would like to give a specific reply to the question raised by Mrs Regina IP, among the 11 Members, regarding whether there is any misleading information or room for improvement in the way of disclosure. In fact, in our current Medium Range Forecast, the bond-related item is included under the Consolidated Account. Since the accounts of the Hong Kong Government are cash-based, they reflect the inflows and outflows of money in a given year rather than how the money is utilized. Hence, after consolidating the Operating and the Capital Accounts, we have a Consolidated Account as a result, and then we provide a comprehensive disclosure in respect of the issuance of bonds for that year. I believe Mrs IP's concern is that bond proceeds are only an item under the Capital Account, but it seems like they are used to offset the deficit generated by the Operating Account, giving the impression of a larger surplus or a smaller deficit. In fact, this is not the concept of offsetting, but rather the concept of cash flow in terms of the overall figures, and we simply aim to provide a clear explanation from the perspective of cash flow.

Lastly, as regards the usage of the money, it will actually be allocated to capital expenditure, and we have made this very clear when we set out the objectives of this initiative. I hope this addresses Mrs IP's question.

Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Financial Services and the Treasury be passed. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11:00 am on Wednesday, 22 May 2024.

Adjourned accordingly at 2:24 pm.

<u>LEGCO QUESTION NO. 1</u>
(Written Reply)

Asked by <u>Dr Hon Junius HO</u>

Date of meeting : <u>8 May 2024</u>

Replied by : <u>Secretary for Development</u>

<u>Reply</u>

President,

The Hung Shui Kiu/Ha Tsuen New Development Area (the NDA) is situated in the west of the Northern Metropolis (the NM), which is positioned as the High-end Professional Services and Logistics Hub of the NM covering also Yuen Long, Tin Shui Wai, Yuen Long South NDA and the Lau Fau Shan, Tsim Bei Tsui and Pak Nai (Lau Fau Shan) area. While the NDA will provide a large number of public and private housing units to address the housing shortage problem, the NDA will also offer commercial and industry sites to develop financial, professional, logistics services, etc. for economic development and job creation.

(1)

The NDA is being implemented in three phases, viz. First Phase development, Second Phase development and Remaining Phase development.

The Government secured funding approval totalling $1,630.2 million in estimate from the Finance Committee (FC) of the Legislative Council (LegCo) on 26 June 2020 for the construction works for the First Phase development. The works involve relevant site clearance and formation to supply land for the development of multi-storey buildings (MSBs) for modern industries, dedicated rehousing estates (DREs), etc., as well as engineering infrastructure works. The MSB sites concerned have been included in the 2024-25 Land Sale Programme, and the DREs will be completed for intake progressively starting from the fourth quarter of this year.

The Government is seeking funding approval from the FC of LegCo for the construction works for the Second Phase development, which comprises site formation and engineering infrastructure works with project estimate of $25,946.8 million, and the first stage of Phase 1 District Cooling System (DCS) involving $3,216.3 million, totalling $29,163.1 million in estimate. The proposed works cover site clearance and formation to supply land for public and private housing, industrial and commercial facilities, government, institution or community facilities, open space, etc. in addition to road and engineering infrastructure works and pipe laying works connecting to the DCS.

As for the Remaining Phase development of the NDA, as part of the area has been incorporated into the land use review study for Lau Fau Shan as a whole, the relevant project design and estimate are subject to confirmation in the next stage of investigation study for Lau Fau Shan.

(2)

The development area of the Second Phase development of the NDA is about 263 hectares. Based on the abovementioned project estimate for site formation and engineering infrastructure works which totals $25,946.8 million, the average development cost is $9,900 per square metre. With reference to other projects of similar scale and nature (i.e. mainly for site formation and engineering infrastructure works) in the past few years, the average cost is about $9,600 - $16,500 per square metre. We consider the estimate for this project reasonable. We consulted the Public Works Subcommittee (PWSC) of the FC on 10 April this year on the funding application for the Second Phase development of the NDA, and the PWSC supported the submission of the funding application to the FC for consideration.

Ends

LEGCO QUESTION NO.2
(Written Reply)

Asked by: Hon SHANG Hailong Date of meeting: 8 May 2024

Replied by: Secretary for Culture, Sports and Tourism

Reply

President,

In respect of the question raised by the Hon SHANG Hailong, the reply is as follows:

(1) Riding on various mega events and activities in town, the Hong Kong Tourism Board (HKTB) has been partnering with the trade to step up publicity and promotion, with a view to encouraging spending by locals and visitors and boosting consumption ambience. For instance, HKTB extended the vibes of the "Hong Kong Wine & Dine Festival" held in October to launch the "Taste Around Town" campaign in November last year in partnership with some 400 restaurants and bars to step up promotion on the wine and dine activities and catering offerings in various districts in town. From late last year to early this year, HKTB also distributed 200 000 "Hong Kong Night Treats for Locals" dining vouchers, valued at HK$100 each, to locals in support of the "Night Vibes Hong Kong" campaign to enhance the appeal of local businesses and sustain business opportunities for the dining sector. In addition, riding on the Labour Day Golden Week, HKTB launched a dedicated "one-stop webpage for Golden Week offers and activities" to promote shopping, dining, attractions and hotel offers for visitors and locals with information on traffic arrangements, opening hours of major attractions, etc. to create a vivid ambience citywide to stimulate consumption in town.

While different Government departments will join hands to promote economic development, HKTB will continue to closely communicate and collaborate with the trade. HKTB will disseminate information on spending deals, events and offers from merchants through its one-stop e-platform with a view to attracting visitors to explore the different spending experiences in town.

(2)&(3) Expanding visitor sources to attract more high value-added overnight visitors has all along been one of the key strategies for developing Hong Kong's tourism. Hong Kong's capacity to receive tourists has been enhanced following the completion and optimisation of various large-scale cross-boundary infrastructure, tourist facilities, hotels and public transportation networks in the past few years. The Government is confident in providing more tourists from different source markets with a variety of high-quality travel experiences.

The Government has been in close liaison with the relevant Mainland authorities on the situation of Hong Kong and actively seeking policy initiatives to facilitate more high value-added Mainland visitors to experience Hong Kong's rich tourism resources in a more convenient and flexible way in a bid to promote the vibrant development of tourism-related industries.

The Hong Kong Special Administrative Region Government expressed sincere gratitude to the Central Government's support for expanding the Individual Visit Scheme (IVS) to cover Xi'an and Qingdao, and thereby increasing the number of Mainland cities covered under IVS from 49 to 51 since 6 March 2024. In addition to leading HKTB to visit Xi'an and Qingdao in mid-March to promote Hong Kong tourism, HKTB has also immediately launched a series of publicity and promotional activities targeting the new visitor source markets. We will continue to work with the trade to link up and explore more high-quality travel itineraries and products and to improve service quality, with a view to providing visitors with a variety of high-quality travel experiences.

The Government will continue to maintain communication with the relevant Mainland authorities and strive for policy initiatives that are conducive to Hong Kong's tourism development, including raising tax free threshold for shopping and increasing IVS cities.

- End -

<u>LEGCO QUESTION NO. 3</u>
(Written Reply)

Asked by <u>Ir Dr Hon LO Wai-kwok</u>

Date of meeting : <u>8 May 2024</u>

Replied by : <u>Secretary for Innovation, Technology and Industry</u>

<u>Reply:</u>

President,

Having consulted the Culture, Sports and Tourism Bureau (CSTB), my reply to the three parts of the question is as follows:

(1) The government information technology (IT) projects mainly serve to meet the service needs of individual departments. Hence, these IT projects are spearheaded by responsible bureaus and departments (B/Ds) to ensure that the development and operation of the systems cater for respective B/Ds' policies and the needs of their public service recipients. To instil greater public confidence in the Government's implementation of digital services, the Office of the Government Chief Information Officer (OGCIO) has since end-2023 strengthened its support to B/Ds in respect of their governance of IT projects at different levels, by enhancing the departments' risk management mechanism concerning the initiation, development and rollout of the electronic service systems, in order to further improve the stability and security of e-government systems. The support measures include requiring B/Ds to raise the weighting of technical assessments in tender marking schemes to 70 per cent when procuring system development services for large-scale or high-risk IT projects, and to conduct third-party independent test before launching electronic services to assess system resilience to abnormal or extreme loading as well as cyberattacks.

The recent hiccups in the performance of IT systems upon rollout by individual public bodies show that besides government departments, public bodies must also plan carefully and conduct sufficient testing before launching public-facing electronic services to ensure the secure and stable operation of the system. OGCIO is actively examining appropriate guidelines and technical support to B/Ds to strengthen their governance of new IT systems launched by public bodies within their purview, including adequate testing before system rollout.

We are seeking the views and necessary approval of the Legislative Council on the establishment of the Digital Policy Office, which is expected to be in place in mid-2024. This office will continue to undertake the existing functions and work of OGCIO, including the above-mentioned support to B/Ds in the governance of their own IT systems projects as well as those of the public bodies under their policy oversight. It will also strengthen its function to steer and guide B/Ds in responding to the needs and expectations of society in an appropriate manner as we take forward implementation of electronic government services.

(2) According to information provided by the CSTB, there are at present different service systems in the local market, such as the Urban Ticketing System (URBTIX) operated by the Leisure and Cultural Services Department and some privately-run systems, for event organisers to select the suitable ticketing arrangement in light of their programmes, activities and sales strategies. URBTIX provides a wide range of ticketing channels (including box offices and self-service kiosks, booking hotlines and 24-hour online and mobile application ticketing services) and a variety of electronic payment methods (including credit card, debit card, UnionPay card, Octopus, Alipay, WeChat Pay and the Faster Payment System) to facilitate purchase of ticket by the public and tourists, including tourists from Mainland cities in the Greater Bay Area. Tourists from different places can opt for ticket delivery to the Mainland and overseas, or collect them at the URBTIX box offices / self-service kiosks before the performance, after purchasing the tickets online or through mobile application of URBTIX. E-tickets are also available for individual programmes. Some organisers of programmes held in Hong Kong also choose to sell tickets through Mainland sales channels, including online ticketing systems and travel websites.

In addition, to further enhance convenience to Mainland visitors who use our government services, the 2023 Policy Address has set the indicator to provide an option for making payment by Mainland e-wallets for government services commonly used by Mainland visitors (including booking of various leisure facilities) by the third quarter of 2024. This measure will facilitate Mainland residents' purchase of tickets for programmes or activities including different mega events through relevant government electronic systems.

(3) The Government attaches great importance to the preparatory work in Hong Kong for the 15th National Games, the 12th National Games for Persons

with Disabilities and the 9th National Special Olympic Games. On the part concerning the IT systems of the Games, the National Games Coordination Office (Hong Kong) of the CSTB has already started discussions about the work involved with the General Administration of Sport of China (GASC) and the concerned authorities of Guangdong Province and Macao in collaboration with OGCIO. We will formulate practical and feasible implementation plans with regard to the requirements set out in the overall IT plan of GASC and the actual situation in Hong Kong. We will also arrange system testing in due course, with a view to ensuring that the IT systems and electronic services of the Games, including the network and communication system, competition information system, event management system, etc., will operate smoothly.

- ENDS -

LEGCO QUESTION NO. 4
(Written Reply)

Asked by Hon LUK Chung-hung　　Date of meeting: 8 May 2024

Replied by:
Secretary for Environment and Ecology

Reply

President,

The Government launched the Hong Kong Roadmap on Popularisation of Electric Vehicles (EVs) in 2021, setting out the target to marketise the EV charging services by starting to impose a fee on the EV charging services provided in government carparks from around 2025, with a view to promoting the sustainable development of the services in the long run. To expedite the process of marketisation, the Government has advanced the completion of the tendering and progressively proceeded with the marketisation of EV charging services in government carparks starting from the end of 2023.

My reply to the question raised by Hon Luk is as follows:

(1) Currently, various government departments (including the Environmental Protection Department (EPD)) are responsible for the management and operation of a total of 2 550 public EV chargers. Starting from the end of 2023, EPD has progressively implemented fee-paying EV charging services for its over 1 600 medium chargers of 7 kilowatt (kW) (involving 74 government carparks). As at the end of March 2024, the fee-paying EV charging services have been implemented in 54 government carparks, covering over 1 000 EV chargers. It is anticipated that the plan to marketise EV charging services in the remaining 20 government carparks will be completed by mid-2024.

Other relevant government departments are responsible for the management and operation of over 900 public EV chargers, and are in the process of or considering marketising their EV charging services progressively.

(2) The utilisation rates of chargers in government carparks are affected by various factors, such as the location and occupancy of carparks, the number of EVs, and the fee levels, etc. According to the data from the charging service operators, as in March 2024, the average utilisation rate of EV chargers in those government carparks where fee-paying EV charging services have been implemented is about 7%. As the marketisation of the EV charging services has just commenced, some of the government carparks have yet to implement fee-charging for their EV charging services. Together with the fact that the EV drivers are still adapting to the changes brought about by the marketisation of the EV charging services, the data collected at this stage merely reflects the short-term utilisation rates of the relevant charging facilities. The actual usage can only be reflected numerically after the implementation of the fee-paying EV charging services for a period of time.

(3)

(i) Currently, various government departments (including the EPD) are responsible for the management and operation of a total of 2 550 public EV chargers, including 560 standard chargers, 1 986 medium chargers and 4 quick chargers.

(ii) The major operating expenditure incurred by the public EV chargers provided by the Government is electricity tariff. In 2023, over 1 600 EV public chargers were operated by the EPD, and their total electricity tariff of the year was around $21.7 million. The average monthly electricity tariff per each EV charger was around $1,100.

(4) Currently, commercially operated EV charging stations in the markets have adopted different modes of charging based on their own business considerations, including time-based charging and energy-based charging. The fee-charging level also varies depending on factors such as the location and the time period of using the charging services, etc.

The marketisation of EV charging services in the government carparks has commenced since the end of 2023. Currently, a time-based charging is being adopted with the hourly rates ranging from $19 to $21, which were determined by the operators taking into account the prevailing market rates of EV medium charging services in the same district. If the operators propose other charging modes in the future taking into account their business considerations and actual operations, the EPD will remain open to discuss with them the feasible modes of charging.

<u>LEGCO QUESTION NO. 5</u>
(Written Reply)

Asked by: <u>Hon Kingsley WONG</u>　　Date of meeting: <u>8 May 2024</u>

Replied by: <u>Secretary for Labour and Welfare</u>

<u>Reply</u>

President,

All along, the Government has been reviewing the labour legislation from time to time to progressively improve employees' rights and benefits, taking into account the interests of employees and the affordability of employers. In consultation with the Civil Service Bureau (CSB), our consolidated reply to the Member's question is as follows:

(1) to (2) The Employment Ordinance (EO) stipulates that an employer must, before an employment begins, inform the employee of the conditions of employment including wages, wage period and length of notice required to terminate the contract, etc. Pursuant to the Minimum Wage Ordinance (MWO), the hours worked for computing the minimum wage include the time when the employee is in attendance at a place of employment in accordance with the contract of employment or with the agreement or at the direction of the employer, and a place of employment means any place at which the employee is in attendance for the purpose of doing work or receiving training in accordance with the contract of employment or with the agreement or at the direction of the employer.

On the premise of not contravening EO and MWO, employers and employees may draw up the terms and conditions of employment including working hours and compensation arrangements for overtime work.

The modes of operation of various industries and enterprises, the job nature and responsibilities of employees as well as the terms set out in employment contracts and the like may bring about different requirements or agreements on employees' online work outside normal working hours. The Labour Department (LD) encourages employers to adopt good human resource management practices through different channels including the human resources managers' clubs and the industry-based tripartite committees. The good practices include advising employers to draw up reasonable and fair terms in employment contracts, and reminding them to fully consult and agree with their employees on working hours, compensation arrangements for overtime work, etc. when working remotely using telecommunications equipment like internet and telephone.

LD will continue to discuss relevant subjects at the human resources managers' clubs and the industry-based tripartite committees, and keep in view of the development and experience of other places in the handling of online work of employees outside normal working hours, and promote good employment practices to safeguard the rights and benefits of employees.

(3) CSB expresses that according to the Civil Service Regulations, overtime work is work undertaken over and beyond a civil servant's conditioned hours. Under the prevailing policy, overtime work may be undertaken only when it is unavoidable and should be kept to the minimum. Overtime should normally be compensated by time off in lieu. Where this is, or is likely to be, impracticable within one month of the date on which overtime is worked, overtime allowance may be paid to eligible officers. Bureaux and departments will, within the confines of the prevailing policy, make appropriate arrangement and compensation for civil servants' overtime work.

LEGCO QUESTION NO. 6
(Written Reply)

Asked by : Dr Hon CHOW Man-kong   Date of meeting : 8 May 2024

Replied by : Secretary for Commerce and Economic Development

Reply

President,

In consultation with the Financial Services and the Treasury Bureau, the Innovation, Technology and Industry Bureau (ITIB) and the Constitutional and Mainland Affairs Bureau, the consolidated reply to the different parts of the question is as follows.

(1)

Statistical reports regularly published by the Census and Statistics Department (C&SD) in the past were in traditional desktop publishing format (PDF format). In order to enhance users' reading experience, starting from April 2023, these statistical reports are published in the new "web report" format, which provides more interactive features and is more convenient for users to read directly using computers or mobile devices. The detailed results of the 2022 Annual Survey of Economic Activities in respect of the industrial sector were already published in "web report" format on 29 December 2023 in the report "Key Statistics on Business Performance and Operating Characteristics of the Industrial Sector in 2022" (https://www.censtatd.gov.hk/en/wbr.html?ecode=B10800122022AN22&scode=310). Key statistics relating to manufacturing firms as well as import and export firms engaged in sub-contract processing arrangement and providing manufacturing-related technical support services are presented in Table 610-72013 of the report (under Section 7).

(2) and (4)

Government bureaux and departments maintain liaison with various trade and industrial organisations and, through different consultation channels, understand the development situations and needs of the relevant sectors, with a view to formulating appropriate policies and support measures. Apart from liaising and exchanging views with various major chambers of commerce in Hong Kong from time to time, the Commerce and Economic Development Bureau (CEDB) has also established the Trade and Industry Advisory Board and the Small and Medium Enterprises Committee comprising, among other members, representatives from a number of business and professional services sectors and small and medium enterprises (SMEs), for tapping the trades' views. Other Government bureaux and departments also keep abreast of the operation and actual needs of the relevant sectors through different channels, including the advisory bodies under their purviews. C&SD also regularly conducts the Survey of Economic Activities to collect statistical data on the business performance and operation of Hong Kong enterprises (including those with business operations on the Mainland) of various sectors (including the manufacturing industry). ITIB will continue to maintain close liaison with C&SD and duly consider if there is any need to conduct a more comprehensive study.

(3) and (5)

In line with the trend of Mainland manufacturing enterprises extending their production supply chains abroad, the Financial Secretary has proposed in the 2024-25 Budget to develop Hong Kong into a multinational supply chain management centre. In that regard, as a premier financial and commercial centre in the region, Hong Kong has the capacity to offer full-fledged and comprehensive professional support services (e.g. consulting services, trade financing and corporate training) to meet the overseas business needs of those Mainland enterprises wishing to "go abroad".

CEDB is coordinating and working together with "Team Hong Kong" organisations to study the relevant details, including the provision of one-stop services for enterprises. Invest Hong Kong will also support the work and step up efforts in attracting Mainland manufacturing enterprises to set up offices in Hong Kong to serve as headquarters for managing their offshore trading, and continue to organise and sponsor a series of investment promotion activities to provide them with the latest information on Hong Kong's business environment and proactively promote Hong Kong's distinctive advantages of enjoying strong support of the Motherland and our close connections to the world under "One Country, Two Systems".

As regards understanding the latest development situation of the relevant sectors for promoting upgrading and transformation and providing targeted support, the measures being implemented include:

- CEDB assists enterprises (including the manufacturing industry) in developing brands, upgrading and transforming, enhancing competitiveness, and exploring the Mainland and overseas markets. Among others, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for Hong Kong enterprises to develop business in a total of 39 economies (including the Mainland) with which Hong Kong has signed free trade agreements and/ or investment promotion and protection agreements. Enterprises can make use of the funding of the BUD Fund to set up production lines, procure or lease machinery and equipment, conduct publicity and promotional activities, as well as develop their own brands on the Mainland. Since the launch of the BUD Fund in 2012 to end March 2024, over $4.73 billion of funding has been approved, benefitting over 5 200 enterprises, about 40% of which engaged in the manufacturing industry. The Financial Secretary announced in the 2024-25 Budget the further injection of $500 million into the BUD Fund, thereby increasing its total commitment to $7 billion, to continue providing support for SMEs.

- The Mainland Offices of the Government have all along been striving to maintain close liaison with associations, chambers of commerce and enterprises of Hong Kong people on the Mainland, to understand their working and living situations, and provide appropriate assistance as required. They organise trade seminars and investment promotion meetings, etc. and offer support and sponsorship to the activities organised by associations of Hong Kong people as appropriate. Furthermore, the Mainland Offices have been proactively serving as an important bridge between Hong Kong and the Mainland. Aside from enhancing communication and liaison with their Mainland counterparts, the Mainland offices also disseminate information on new laws and regulations, policies and significant regional developments on the Mainland to the Hong Kong business sector through giving public speeches, media interviews and briefings, issuing information circulars, newsletters and press releases, etc. The Mainland Offices also convey the living and development needs of Hong Kong people to the Mainland authorities and strive for the full implementation of facilitation measures for Hong Kong people.

- Starting from 2022-23, the Government has been implementing the three-year-long Support Scheme for Pursuing Development in the Mainland through the Hong Kong Trade Development Council (HKTDC), organising different types of activities having regard to the situation and needs of Hong Kong enterprises on the Mainland, including assisting those engaging in the manufacturing industry on the Mainland in understanding the latest Mainland policies and measures, and grasping the market opportunities for further business development.

To understand the needs of Hong Kong enterprises on the Mainland, at the early implementation stage of the Support Scheme for Pursuing Development in the Mainland, HKTDC conducted studies through surveys and seminars, and received more than 1 700 replies from these enterprises. HKTDC, having regard to the findings and in partnership with relevant Mainland organisations, launched a series of activities and services that could cater for enterprises' needs. From the commencement of the Support Scheme for Pursuing Development in the Mainland in April 2022 to end March 2024, HKTDC had organised more than 290 events in around 50 Mainland cities with the participation of more than 22 000 representatives of Hong Kong enterprises and professionals. The events include introduction and briefing of policies, online and offline seminars, business forums, visits to work sites and enterprises, thematic salons, etc., covering different sectors such as finance, innovation and technology, professional services, biomedicine, catering, environmental protection and cultural and creative industries, etc. In organising these activities, HKTDC had collaborated with more than 270 relevant organisations including Mainland-based chambers of Hong Kong businesses, economic and trade associations, professionals' groups, young entrepreneur associations, industry associations as well as relevant Mainland governmental and economic and trade bodies.

The Support Scheme for Pursuing Development in the Mainland is well-received by Hong Kong enterprises and relevant organisations on the Mainland, and has helped deepen our trades' understanding of the Mainland's policies and market developments, as well as broaden their Mainland network so as to extend their business from major cities to neighbouring provinces or cities. The Government does not plan to change the current operation and mode of funding of the Support Scheme for Pursuing Development in the Mainland.

Government bureaux and departments will continue to closely monitor the latest developments of different sectors, and review the effectiveness of their work in due course for enhancing their policies and support measures.

LEGCO QUESTION NO. 7
(Written Reply)

Asked by: Hon LAM So-wai

Date of meeting: 8 May 2024

Replied by: Secretary for Environment and Ecology

Reply

President,

Given styrofoam being lightweight but bulky in volume, even when a large amount of styrofoam is recovered and processed, only a small amount of raw plastics will be produced. The costs on transportation and recycling are high. Coupled with the fact that most of the waste styrofoam is either contaminated or mixed with impurities, the recycling efficiency of styrofoam is comparatively low. Hence, the Government has put forward various strategies on handling styrofoam waste: (i) reducing use at source, such as banning the sale or supply of styrofoam tableware, and encouraging electrical appliances suppliers to reduce the use of styrofoam packaging materials; (ii) encouraging reuse, such as styrofoam boxes used for storage of vegetables and fruits; and (iii) providing outlets for recycling, such as recycling of styrofoam products at the GREEN@COMMUNITY facilities. As regards styrofoam that cannot be reused or recycled, to reduce the amount of such waste to be transferred to landfills for handling, the Government is constructing the Integrated Waste Management Facilities Phase 1 (I•PARK1), with a view to transforming waste into energy with advanced technology.

The consolidated reply to various parts of the question raised by the Hon Connie LAM is as follows:

The Environmental Protection Department (EPD) has not compiled the breakdown of statistics on the quantity of waste styrofoam generated and disposed of.

As mentioned in the Government's overall strategies in the preamble, in respect of styrofoam tableware, the Government has implemented the new regulation on disposable plastic tableware and other plastic products on 22 April this year. Restaurants and retail stores are not allowed to sell or supply all styrofoam tableware (including plates, food containers and cups), thereby directly and significantly reducing the use of styrofoam at source.

In respect of packaging materials for household electrical appliances, the EPD conducted a survey on packaging materials for the trade of electrical and electronic appliances suppliers in 2022 and encouraged them to reduce the amount of styrofoam packaging materials as much as possible. Among the replies from electrical appliances suppliers, more than 50 respondents (about 60%) stated that they had actively reduced the use of styrofoam in the packaging of electrical and electronic products, and, when practicable, even ceased using styrofoam altogether. According to the responses of these electrical appliances suppliers, the use of styrofoam for packaging in most of their small household appliances have been reduced or ceased. To commend companies with outstanding performance, the EPD presented awards to several electrical and electronic appliances suppliers who have reduced the use of styrofoam packaging in at least 60% of their products, including Gilman Group Limited, Arçelik Hitachi Home Appliances Sales Hong Kong Limited, Shun Hing Electric Works and Engineering Company Limited, Midea Electric (Hong Kong) Limited and German Pool (Hong Kong) Limited, at the opening ceremony of the "GREEN@COMMUNITY Recycling Month" in November 2022. Through this event, we had also appealed to more suppliers of different products to reduce the use of packaging material (including styrofoam). In addition, the EPD published the "Practical Guides on Packaging Reduction and Management" (Guides) for the electrical and electronic appliances sector on 2 May this year and issued letters to electrical appliances suppliers to encourage them to make reference to the Guides and use recyclable packaging materials in place of styrofoam.

To facilitate different sectors in kick-starting their journey on packaging reduction and management, apart from the electrical and electronic appliances sector, the EPD is also developing a set of Guides for specific sectors to provide practical tips and experience sharing on how to avoid and reduce packaging consumption (including styrofoam containers, etc.) so as to achieve sustainable packaging management in their daily operations. For details about the Guides, please visit the following website:
https://www.wastereduction.gov.hk/en-hk/resources-centre/packaging-reduction-tips-different-sectors

In respect of styrofoam boxes used for vegetables and fruits, those used for transporting vegetables and fruits supplied to Hong Kong from the Mainland are mainly returned to the Mainland for reuse. With the resumption of normal travel between the Mainland and Hong Kong since January 2023, the arrangement has been running smoothly. In addition, the Food and Environmental Hygiene Department, the Agriculture, Fisheries and Conservation Department, and the Fish Marketing Organisation have installed cold-press machines in the overhauled markets and wholesale markets respectively and arranged local recyclers to recover and recycle styrofoam boxes that cannot be reused due to damage or other reasons on the spot.

From the perspective of environmental benefits, reusing styrofoam boxes is better than recycling. However, styrofoam also has unfavourable characteristics, such as poor strength, brittleness and low degradability. Balancing the cost-effectiveness and the long-term development of the industries, we will continue to maintain dialogue with the food and recycling industries, encourage the food industry to switch to stackable, durable and easy-to-clean plastic boxes for transportation of goods in the long-run as far as practicable.

In terms of recycling styrofoam, all GREEN@COMMUNITY facilities accept styrofoam items generated from households for passing on to downstream recyclers approved by the EPD for proper treatment and turning them into resources. Each Recycling Stations and Recycling Stores under GREEN@COMMUNTIY has a workshop for temporary storage of recyclables. If members of the public need to hand over styrofoam that is relatively bulky in size to GREEN@COMMUNITY, they are advised to contact the relevant facility to make prior arrangements.

Meanwhile, the EPD is working at full steam on constructing I•PARK1 near Shek Kwu Chau, which is the first modern waste-to-energy incineration project in Hong Kong, with an expected handling capacity of 3 000 tonnes of municipal solid waste (MSW) per day. I•PARK1 will mainly receive MSW, including styrofoam waste, transported by sea from the West Kowloon Transfer Station and turn the waste into energy.

- End -

<u>LEGCO QUESTION NO. 8</u>
(Written Reply)

Asked by <u>Dr Hon Johnny NG</u> Date of meeting : <u>8 May 2024</u>

Replied by : <u>Secretary for Security</u>

<u>Reply</u>

President,

Having consulted the Hong Kong Police Force ("the Police") and the Immigration Department ("ImmD"), the consolidated reply to Dr Hon Johnny Ng's question is as follows:

(1) According to the Police's record, the number of non-ethnic Chinese ("NEC") persons on recognizance and issued with Form No. 8 (mainly non-refoulement claimants) who were arrested for criminal offences in 2023 and 2024 (as at end-March) is tabulated below with breakdown by month:

Month		**Number of persons**
2023	**January**	56
	February	53
	March	49
	April	60
	May	48
	June	75
	July	58
	August	76
	September	77
	October	47
	November	81
	December	54
2024	**January**	65
	February	47
	March	37

The monthly numbers of persons arrested in the above table represent the real-time figures of the corresponding month-end. The numbers of persons arrested may have been updated due to reclassification and readjustment upon the compilation of quarterly or yearly statistics. The figures with breakdown by police region/police district tabulated below are based on the statistics of the numbers of persons arrested after compilation:

Police region/police district	2023	2024 (January to March)
Hong Kong Island Region	**150**	**31**
Central District	36	10
Wan Chai District	69	8
Western District	19	3
Eastern District	26	10
Kowloon East Region	**41**	**9**
Wong Tai Sin District	12	3
Sau Mau Ping District	10	4
Kwun Tong District	10	1
Tseung Kwan O District	9	1
Kowloon West Region	**386**	**80**
Yau Tsim District	192	36
Mong Kok District	61	10
Sham Shui Po District	94	24
Kowloon City District	39	10
New Territories North Region	**117**	**24**
Border District	0	0
Yuen Long District	83	21
Tuen Mun District	28	2
Tai Po District	6	1
New Territories South Region	**42**	**6**
Tsuen Wan District	11	1
Shatin District	7	2
Kwai Tsing District	14	2
Lantau District	8	1
Airport District	2	0
Marine Region	**9**	**1**
Hong Kong overall	**745**	**151**

The number of NEC persons on recognizance and issued with Form No. 8 (mainly non-refoulement claimants) who were arrested for criminal offences, after compilation, is tabulated below with breakdown by crime category:

Offence	2023	2024 (January to March)
Shop theft	193	47
Miscellaneous thefts	71	22
Serious drug offences (Note 1)	99	11
Wounding and serious assault	75	10
Criminal damage	33	10
Serious immigration offences (Note 2)	38	5
Burglary	18	4
Others (Note 3)	218	42
Total	**745**	**151**
Triad-related	27	5

Note 1: "Serious drug offences" include possession of dangerous drugs exceeding a specified amount (i.e. possession of drugs, such as 5 grams of cocaine/heroin/marijuana, etc.), manufacturing dangerous drugs, trafficking of dangerous drugs, etc.

Note 2: "Serious immigration offences" include aiding and abetting illegal immigrants ("IIs"), arranging passage of unauthorised entrants to Hong Kong, using an identity card relating to another person, etc.

Note 3: "Others" include forgery and coinage, offences against public order, pickpocketing, disorder/fighting in public places and possession of offensive weapon etc.

In addition, according to ImmD's record, the number of NEC persons on recognizance and issued with Form No. 8 (mainly non-refoulement claimants) who were arrested for taking unlawful employment contrary to section 38AA of the Immigration Ordinance (Cap. 115) are tabulated below.

Year	Number of persons arrested
2023	484
2024 (January to March)	73

(2) In the first quarter of 2024, a total of 151 NEC persons who were issued with Form No. 8 were arrested for criminal offences, representing a drop of 4% compared to that in last year. The criminal offences involved were

mainly shop theft, miscellaneous thefts and serious drug offences. Among them, 5 persons were involved in triad-related cases, accounting for 3% only. The number of NEC persons who were issued with Form No. 8 and were arrested reduced by 147 and 61 compared to that in 2018 and 2019 respectively, representing a corresponding drop of around a half and 30%, which shows that the situation has improved.

Regarding those triad-related or violent cases and serious offences such as robbery that are of concern, it is imperative for the Police to solve these cases as soon as possible. In May last year, the Police upgraded its "Crime Wing Working Group on NEC Involvement in Organized Crime and Triad Activities" to a steering committee. The steering committee, chaired by a Senior Assistant Commissioner of Police, strengthens the review of the relevant crime situation and intelligence collection; enhances coordination; and formulates more strategic enforcement actions. After the conviction of individual NEC person on recognizance and issued with Form No. 8 of an offence in Hong Kong, the prosecution will also provide to the Court the crime statistics or case laws of the relevant group and invite the Court to consider enhancing the sentence as a result of the accused's status. The Police will conduct risk assessment based on the crime situation, including strengthening patrol, stop and search and carrying out anti-crime operations in high risk hours and regions.

To further enhance crime prevention and detection, and achieve a greater deterrent effect on violent and serious crimes on the streets, the Police have started to install closed-circuit televisions ("CCTVs") in public places with higher crime rate and pedestrian flow, among which 15 installations have been completed for technical tests in Mong Kok in early April. In the same month, the Police successfully used CCTV cameras to detect a robbery case involving NEC persons issued with Form No. 8 and a triad-related possession of imitation firearm case respectively, and arrested four suspects within 24 hours after the time of the incident. After optimisation of the operation, the Police will continue to install the remaining 600 sets of CCTV cameras in regions with higher crime rate from mid-2024.

(3) The Government attaches great importance to issues relating to non-

refoulement claims and has all along adopted a multi-pronged strategy. The Security Bureau amended the legislation in 2023 to include the Nei Kwu Correctional Institution as a place of detention of ImmD, thereby increasing the total number of detention capacity by 33% to 900. ImmD is committed to making gainful use of the existing facilities to detain claimants who pose higher security risks to the community in accordance with the law. On the other hand, since the introduction of the updated removal policy with effect from 7 December 2022, ImmD will proceed with the removal of unsubstantiated claimants from Hong Kong upon dismissal of their judicial reviews or relevant leave applications pertaining to their non-refoulement claims by the Court of First Instance, irrespective of whether there are outstanding court proceedings. Since the implementation of the updated policy until March 2024, ImmD has removed a total of 2 401 claimants from Hong Kong, including 249 under the updated policy. The number in 2023 has significantly increased by 63% compared to 2022.

The Government has all along been maintaining close communication with Consulates-General of the major source countries. The relevant Consulates-General agreed to step up efforts in providing correct information about the non-refoulement claim mechanism to their nationals. In addition, the Government has all along been maintaining close liaison with relevant stakeholders including the relevant Consulates-General and airlines in such aspects as requesting the Consulates-General for expediting the issuance of re-entry travel documents, arranging special flights for large-scale removal operations as and when necessary, so as to expedite the removal of unsubstantiated claimants from Hong Kong. For instance, ImmD has deployed officers to conduct a total of 24 removal operations from November 2022 to March 2024 with in-flight escort of unsubstantiated claimants who were uncooperative and refused to be removed with a view to implementing forced repatriation and combating the delaying tactics of unsubstantiated claimants. During the same period, ImmD also carried out 10 large-scale removal operations, removing a total of 252 unsubstantiated claimants from Hong Kong. At end-August 2023, the Secretary for Security also paid a visit to Vietnam to witness the signing of the Memorandum of Understanding by ImmD of Hong Kong and the Immigration Department of Vietnam, which covers, among others, enhanced co-operation of both parties in respect of verification and repatriation of non-refoulement claimants.

The Government will continue to adopt measures to enhance the handling of non-refoulement claims, including:

(a) On interception at source, apart from cooperating with relevant Mainland authorities to strengthen intercepting IIs at source, the Government will, through profile analysis of obvious abusers of the non-refoulement claim mechanism and via the Advance Passenger Information System to be rolled out in phases starting from the third quarter of 2024, enhance identification of potential abusers and prevent their entry into Hong Kong;

(b) ImmD continues to maintain high efficiency in screening non-refoulement claims;

(c) through streamlined process, the Torture Claims Appeal Board will enhance its efficiency in handling appeal cases, with the target of reducing the average processing time from over seven months in the past to around four months;

(d) on the management of detention facilities, various legislative amendments to enhance treatments of immigration detainees have been implemented starting from November 2023, so as to further uphold discipline and order at detention facilities;

(e) strengthening enforcement actions against immigration offences, including illegal employments, with a target to carry out not less than 12 000 operations on the targeted establishments every year, in order to lower the economic incentives of the claimants; and

(f) on removal operations, the Government will continue to fully implement the updated removal policy so as to enhance the efficiency and efforts in removing unsubstantiated claimants, with the target of removing not less than 1 200 unsubstantiated claimants per year.

The Government will continue to spare no efforts and adopt a multi-pronged strategy in handling issues relating to non-refoulement claims.

- End –

<u>LEGCO QUESTION NO. 9</u>
(Written Reply)

Asked by <u>Hon Tony TSE</u>

Date of meeting : <u>8 May 2024</u>

Replied by : <u>Secretary for Education</u>

<u>Reply</u>

President,

The Education Bureau (EDB) has been providing resources for schools to organise a wide range of learning activities and schools may deploy such resources flexibly to support student learning and offer after-school student activities to foster students' whole-person development. Starting from the 2019/20 school year, EDB has been providing a recurrent Life-wide Learning Grant (LWL Grant) with an annual provision of about $900 million to support public sector and Direct Subsidy Scheme (DSS) schools in taking forward life-wide learning based on the present foundation. The LWL Grant aims to help students develop lifelong learning capabilities and foster their whole-person development through the knowledge, skills and positive values and attitudes acquired in experiential learning. At the same time, the Government set up the Student Activities Support Fund (SAS Fund) in 2018-19 with an allocation of $2.5 billion, and the investment return of the SAS Fund has been used to provide the Student Activities Support Grant (SAS Grant) for public sector and DSS schools to support students with financial needs to participate in out-of-classroom life-wide learning activities organised or recognised by schools. While the SAS Grant is supplementary in nature, schools should make good use of the LWL Grant and the SAS Grant, having regard to their own development contexts and students' needs.

Our consolidated reply to the question raised by the Hon Tony TSE Wai-chuen is as follows:

(1) and (2)

The SAS Grant has been available for schools' application since the 2019/20 school year. The amount to be disbursed to a school is calculated based on the number of students of the school in receipt of the Comprehensive Social Security Assistance (CSSA) or the full-grant under the School Textbook Assistance Scheme (STAS full-grant) in that school year (based on the number in December of the school year). The rate for each primary student is $350 and that for each secondary student is $650. Noting that some families may be in need of support but are not in receipt of the CSSA or STAS full-grant for various reasons, so besides providing support for students receiving the CSSA or STAS full-grant, schools are given the flexibility to, at their discretion, deploy up to 25% of the total provision of the SAS Grant for the school year to support students who are identified as needy according to the school-based criteria (e.g. students receiving the STAS half-grant) to participate in out-of-classroom experiential learning activities. Since the 2019/20 school year, nearly 95% of schools have applied for the SAS Grant. For the schools which have not submitted any application, the main reason is that their numbers of students with financial needs are relatively small and they have flexibly deployed the LWL Grant and other resources to support student learning.

From the 2019/20 to 2023/24 school years, the incomes and expenditures of the SAS Fund, the numbers of beneficiary schools and the numbers of students are set out in the table below:

School year	Income ($ million)	Expenditure ($ million)	Number of beneficiary schools	Number of students*
2019/20	86	37#	942	160 930
2020/21	111	32#	935#	165 090
2021/22	136	45#	928#	161 540
2022/23 (Provisional figures)	116	46#	929#	151 720
2023/24 (Estimate)	102	72	932	140 570

* The numbers of students are rounded to the nearest ten. The figures show the numbers of students in receipt of either the CSSA or STAS full-grant in the beneficiary primary and secondary schools, which are used for calculating the provision of the SAS Grant.

\# Due to the epidemic, life-wide learning activities were generally reduced during the suspension of face-to-face classes. Consequently, the usage rates of the SAS Grant were lower than expected and the numbers of school applications were also slightly affected.

(3) to (5)

Schools are required to formulate school-based criteria according to the learning needs of their students. They have to ensure that the SAS Grant is deployed in a fair and impartial manner to support students with financial needs to participate in out-of-classroom learning activities, including visits, training, competitions, exploration and exchange activities, and procurement of necessary materials, uniforms or equipment for participation in life-wide learning activities, with a view to enriching intellectual development, values education, community service, physical and aesthetic development, and career-related experiences for students. EDB has uploaded relevant guidelines, together with examples of life-wide learning activities of different areas and themes, to its website[1] for the reference of schools.

Under the principle of school-based management, schools should evaluate the utilisation of the SAS Grant (including the number, area and expenditure of the activities) on a regular basis, and include the report on the use of the SAS Grant in the School Report of the respective school year for endorsement by the School Management Committee/ Incorporated Management Committee before uploading such report to the school website. EDB does not keep statistics on the total number, type or nature of activities related to the SAS Grant.

EDB learns about schools' utilisation of the SAS Grant through daily contacts (including school visits) and provides professional advice in a timely manner. EDB will continue to seek the views of the school sector and review schools' utilisation of grants in supporting students with financial needs to participate in life-wide learning activities, so as to ensure that schools have sufficient resources and that resources are used properly to enable all students to gain life-wide learning experiences. The SAS Fund has been operating smoothly since its launch in 2019, and is able to meet the expenditure of the SAS Grant with its investment return. So far, EDB has not received any complaints. On the whole, schools have flexibly deployed the SAS Grant, the LWL Grant and other resources to support all students, regardless of their socio-economic status, to participate in diversified life-wide learning activities, including those in group and face-to-face mode.

---

1 For details, please refer to: https://www.edb.gov.hk/en/curriculum-development/curriculum-area/life-wide-learning/index.html

Legislative Council Question No. 10
(Written Reply)

Asked by: Prof Hon LAU Chi-pang Date of Sitting: 8 May 2024

Replied by: Secretary for Transport and Logistics

Reply:

President,

In consultation with the Environment and Ecology Bureau, the Highways Department and the Electrical and Mechanical Services Department, my reply to the various parts of the question raised by Professor the Hon Lau is as follows:

(1) The Highways Department (HyD) employs contractors on a term contract basis to cleanse the lifts attached to public footbridges[1]. The contractors cleanse the lift structures (e.g. the external glass walls of lift towers and lift cars) once every three months. Facilities such as the internal walls of lift cars, lift doors and control panels will be cleansed once a day.

HyD has stipulated in the contracts a stringent mechanism to monitor the performance of contractors. Upon completion of the relevant work, the contractors are required to submit work records, including on-site photographs, etc. in accordance with the contract requirements. HyD will examine the relevant work records or reports to ensure that the work complies with the contract requirements and is completed within the required timeframe. HyD will also send its staff to conduct weekly random checks on the work of the contractors. If the level of the relevant work fails to meet the specified standards, HyD will take appropriate follow-up actions in accordance with the contract requirements and the established mechanism, such as issuing warning letters, reflecting the findings in the quarterly performance reports of the contractors, and deducting the relevant payment in accordance with the contract terms, etc.

In addition, the Food and Environmental Hygiene Department (FEHD) is responsible for the daily floor sweeping of the lifts concerned. FEHD conducts inspections based on the principle of "risk management" to ensure that the street sweeping services meet

[1] They refer to public footbridges across public roads which are repaired and maintained by HyD.

the required performance standards. Besides, FEHD maintains effective communication with the outsourced contractors, advises and reminds them of the areas requiring attention, follow-up and improvement. If the contractor is found to be in breach of the contract terms, verbal warning, written warning or various types of "Default Notices" will be issued to the contractor and the monthly service fee will be deducted accordingly.

(2) HyD engages the Electrical and Mechanical Services Department (EMSD) to carry out maintenance of the electrical and mechanical equipment of the lifts concerned and EMSD engages registered lift contractors to carry out the work. The contractors will carry out weekly routine maintenance and inspection of the lifts and arrange for appropriate repairs when necessary. According to the performance pledge, the contractor is required to arrive at the scene within one hour upon receipt of a report of lift malfunctions. For malfunctions involving trapped passengers, the contractor is required to arrive at the scene within 30 minutes. In both cases, the compliance rate should be at least 95%.

EMSD will monitor the progress of the contractors' maintenance and repair work, including reviewing the logbooks and maintenance reports of the contractors, and dispatching staff from time to time to carry out surprise inspections of the contractors' work. If a contractor is found not to have taken timely follow-up actions or its performance is not up to the required standard, EMSD will follow up with the contractor in accordance with the requirements of the contract, including the issuance of warning letters, reflecting the findings in the quarterly performance reports of the contractors, etc.

(3) HyD has been striving to optimise the design of lifts to meet the needs of users. For new lifts retrofitted under the "Universal Accessibility" Programme (UA Programme) since August 2022, HyD has introduced touchless buttons, and added reflective panels inside the lifts and control panels on the side walls of the lifts for the convenience of wheelchair users. HyD and EMSD will tie in with the maintenance cycle and refurbishment arrangement of footbridges and pedestrian subways, and consider adding relevant installations to existing lifts as necessary, taking into account the actual situation and relevant factors, such as the site environment and the existing equipment of the lifts, etc.

(4) HyD has been exploring the introduction of new designs and materials to enhance the cleanliness of lifts and lift towers. In March 2024, HyD completed a number of material and installation tests for new

lifts retrofitted under the UA Programme, including the testing of nano-self-cleaning coatings and nanofiber filters. The results showed that the nano-self-cleaning coatings could effectively reduce the accumulation of dust and dirt on the glasses of lift towers and lift cars, while the nano-fiber filters could prevent dust and dirt from entering the lift towers through the louvers. In view of this, HyD will adopt these technologies in its new lifts in future.

(5) HyD is committed to exploring the technical feasibility of using cleansing robots to carry out cleansing work for lifts attached to public footbridges, including the internal and external glass surfaces of lift towers and lift cars. However, due to the complex structure and narrow space of lift shafts, it is technically challenging to use robots for cleansing. HyD has commissioned EMSD to encourage the industry to come up with innovative technological solutions through the E&M InnoPortal[2]. In addition, EMSD and HyD will continue to liaise with the industry to keep in view the development of new technologies and introduce other innovative solutions for field trials as appropriate, with a view to further alleviating the workload of cleansing workers and minimising the service interruptions caused by regular cleansing.

-- END --

[2] EMSD launched the E&M InnoPortal which lists the service wishes of various government departments, public organisations and the electrical and mechanical trades, and invites the innovation and technology (I&T) sector, including start-ups and universities to propose relevant I&T solutions for matching. For successfully matched I&T wishes and solutions, EMSD will carry out field trials in a bid to promote and drive the research and development and application of innovative technologies.

<u>LEGCO QUESTION NO. 11</u>
(Written Reply)

Asked by: <u>Hon Martin LIAO</u> Date of meeting: <u>8 May 2024</u>

Replied by: <u>Secretary for Labour and Welfare</u>

<u>Reply</u>

President,

The Government launched the pilot Greater Bay Area Youth Employment Scheme (the pilot scheme) in 2021 and has regularised the scheme (the regularised scheme) since March 2023, encouraging enterprises with business in both Hong Kong and the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to employ Hong Kong young people in accordance with Hong Kong laws with a monthly salary of not less than HK$18,000 and station them in the Mainland cities of GBA to work and receive on-the-job training. Based on the number of young people employed, the Government disbursed a monthly allowance of HK$10,000 to enterprises for each person for up to 18 months.

In consultation with the Constitutional and Mainland Affairs Bureau (CMAB) and the Home and Youth Affairs Bureau (HYAB), our consolidated reply is as follows:

(1) The regularised scheme for 2023 received a total of 718 notifications of employment. A breakdown of the number of employed young people by industry is set out at <u>Annex</u>. The regularised scheme is open to all eligible young people for participation with no pre-set quota.

(2) The pilot scheme received a total of 1 091 notifications of employment. Among the 632 young people who had completed the 18-month on-the-job training, 464 continued to be employed by the relevant enterprises. The Labour Department (LD) does not maintain information on the reasons for leaving employment or not being further employed in respect

of young people participating in the pilot scheme. To evaluate the effectiveness of the regularised scheme, LD has commissioned a contractor to conduct a 3-year "longitudinal study". The study involves following up with the participating enterprises and young people with a view to understanding the employment situation of the young people, and collecting opinions from enterprises and young people on the Scheme. The first phase of the study commenced in March 2024.

(3) The Government provides various supporting measures to young people participating in the regularised scheme, including setting up a dedicated website to provide the scheme details and a practical guide on working and living in GBA. LD has also commissioned service providers to provide support services for the participating young people in the Mainland, including a telephone hotline manned by a dedicated staff to answer enquiries on daily life, laws, taxation in the Mainland, etc., setting up platforms and groups in social media, organising seminars, and assisting young people who have participated in the Scheme to establish alumni associations to strengthen their social networks and promote the sustainable development of their careers. Besides, the Interactive Employment Service website of LD hosts a dedicated webpage of Information on Employment in the Mainland. It links to employment websites of the Mainland and publishes practical information on working in the Mainland for the reference of enterprises and job seekers.

Besides, the Guangdong-Hong Kong-Macao Greater Bay Area Development Office (the Office) under CMAB has strived to make use of diversified and multi-media means and channels to promote GBA development to various sectors of the community (including Hong Kong young people). For example, in collaboration with the Hong Kong Trade Development Council (HKTDC), the Office has launched and continuously optimised the "GoGBA" digital platform, which provides support to Hong Kong residents and enterprises interested in pursuing development in the Mainland cities of GBA. The Office has also co-organised with HKTDC a number of "GoGBA Development Day" events in Hong Kong and the Mainland cities of GBA every year and invited representatives of governments to introduce the respective local policies and support measures for entrepreneurship and employment, as well as entrepreneurs and experts to share their experiences in starting businesses or working in GBA, etc. The Office also actively participates in the "Education and Careers Expo", "Entrepreneur Day" exhibitions etc. so as to provide young people and members of the public with more information about entrepreneurship and employment in GBA, including information about the GBA Youth Employment Scheme.

The HKSAR Government also established the Guangdong-Hong Kong-Macao Greater Bay Area Development Promotion Centre in April 2023 (Promotion Centre). Through further strengthening strategic co-operation with HKTDC, Invest Hong Kong and relevant Mainland organisations and institutions, the Promotion Centre organises different types of activities in the Mainland cities of GBA for Hong Kong residents (including participants of the GBA Youth Employment Scheme) and enterprises pursuing development there, so as to promote the opportunities brought about by GBA development and to better understand their needs for providing them with practical assistance.

(4) HYAB and the Youth Development Commission (YDC) rolled out the Funding Scheme for Experiential Programmes at Innovation and Entrepreneurial Bases in the Guangdong-Hong Kong-Macao Greater Bay Area (the Experiential Scheme) and the Funding Scheme for Youth Entrepreneurship in the Guangdong-Hong Kong-Macao Greater Bay Area (the Entrepreneurship Scheme), which assist young people to understand the entrepreneurial opportunities in the huge Mainland market, as well as to provide start-up capital, entrepreneurial support and incubation services to Hong Kong young people who are interested in starting their businesses, help them cope with the difficulties they encounter at the early stages of starting a business, and support them in establishing and developing their businesses. The new round of Entrepreneurship Scheme and Experiential Scheme just started in early April 2024, with a number of optimised arrangements to provide more comprehensive support services for more Hong Kong young people who are interested in starting their businesses locally and in the Mainland cities of GBA. Besides, HYAB provides funding through the Funding Scheme for Youth Exchange in the Mainland (FSYEM) for non-governmental organisations (NGOs) to organise youth exchange projects in the Mainland. The objectives are to promote Hong Kong youth's awareness and understanding of their home country, strengthen their sense of national identity, and enhance exchanges

between youths of Hong Kong and the Mainland. Under the first round of FSYEM in 2024-25, over 140 projects were approved to provide around 12 000 exchange places in the Mainland cities of GBA.

The Government established the Alliance of Hong Kong Youth Innovation and Entrepreneurial Bases in the Greater Bay Area (the Alliance) in December 2023 to further support Hong Kong young people to start their businesses in GBA. HYAB, the Hong Kong and Macao Affairs Office of the People's Government of Guangdong Province, and the Human Resources and Social Security Department of Guangdong Province are the leading parties of the Alliance. Nearly 60 organisations from various sectors in GBA have joined the Alliance as members, including government and public organisations, innovation and entrepreneurial bases, NGOs and social organisations, post-secondary institutions and scientific research institutes, professional organisations and venture funds. The Alliance leverages the resources and networks of member organisations to provide a one-stop information, publicity and exchange platform, thereby providing young entrepreneurs with comprehensive support. HYAB also provides funding through the Funding Scheme for Youth Internship in the Mainland (FSYIM) for NGOs to organise youth internship projects in the Mainland. Participants may deepen their understanding of the employment market, workplace culture and development opportunities in the Mainland, which will help them set their future career goals, accumulate work experience, build interpersonal network and boost their employment advantage. Under FSYIM in 2024-25, 75 projects were approved to provide around 2 600 internship places in the Mainland cities of GBA.

(5) LD maintains close contact with the governments of the Guangdong Province and the GBA Mainland cities to step up promotion of the GBA Youth Employment Scheme and the support for young people, and visits universities in the Guangdong Province from time to time to conduct promotional briefings. The Guangdong Provincial Government has introduced supporting measures, including online and offline support. Individual municipal governments also offer housing, taxation and other preferential treatment to young people participating in the Scheme. To further support the participating young people to adapt to working and living in the Mainland, the Guangdong Provincial Government doubled

the living allowance to a maximum of RMB 2,000 per month in August 2023. The Government will continue to strengthen the collaboration with the Guangdong Provincial Government to support Hong Kong young people to pursue careers in the Mainland cities of GBA and to actively integrate into overall national development.

LD will continue to listen to the views of enterprises, tertiary institutions and other stakeholders, and actively explore appropriate measures to further enhance the GBA Youth Employment Scheme.

Annex

Breakdown of the number of employed young people under the Greater Bay Area Youth Employment Scheme for 2023 by industry

Industry	Number of employed young people	Percentage
Business services	275	38.3%
Finance	184	25.6%
Education services	39	5.4%
Import and export trades	28	3.9%
Real estates	19	2.7%
Communication	19	2.7%
Other manufacturing industry	18	2.5%
Manufacture of electronic parts	13	1.8%
Others	123	17.1%
Total	**718**	**100%**

LEGCO QUESTION NO. 12
(Written Reply)

Asked by: Hon Vincent CHENG 　　Date of meeting: 8 May 2024

Replied by: Secretary for Housing

Reply

President,

In response to the questions raised by the Hon Vincent CHENG, our reply is as follows:

(1) As at 31 March 2024, the following information on the shopping centres in Public Housing Estates (PHEs) under the Hong Kong Housing Authority (HA) in the past year: (i) the number of shops, (ii) the number of vacant shops, and (iii) the vacancy rate, are set out in Table 1 by District Council ("DC") district:

Table 1 Situation of Commercial Premises in PHEs under HA

	2024			
	District	(i) No. of Premises	(ii) No. of Vacant Premises	(iii) Vacancy Rate#
1	Central and Western District	0	0	Not Applicable
2	Wan Chai District	0	0	Not Applicable
3	Eastern District	95	1	0.41%
4	Southern District	151	2	0.67%
5	Yau Tsim Mong District	0	0	Not Applicable
6	Sham Shui Po District	506	42	5.32%
7	Kowloon City District	141	3	2.31%
8	Wong Tai Sin District	200	4	0.99%
9	Kwun Tong District	573	33	3.36%
10	Tsuen Wan District	186	8	2.79%

11	Tuen Mun District	114	7	4.08%
12	Yuen Long District	111	6	1.6%
13	North District	102	2	0.73%
14	Tai Po District	13	1	1.19%
15	Sai Kung District	13	0	0%
16	Sha Tin District	330	30	3.66%
17	Kwai Tsing District	230	16	2.9%
18	Islands District	64	0	0%
Total no./overall vacancy rate	---	2,829	155	2.93%

Vacancy rate is calculated by : total vacant internal floor area / total internal floor area x 100%.

Nevertheless, at the same time, there were new shopping centres completed in various districts. During the past five years, 15 new shopping centres were completed with a total of 296 new shop premises.

(2) As at 31 March each year, (i) the number of vacant shops and (ii) the vacancy rate of the seven shopping centres in PHEs in the Sham Shui Po District under HA (i.e. (a) Shek Kip Mei Shopping Centre, (b) Ching Lai Commercial Centre, (c) Nam Shan Shopping Centre, (d) So Uk Shopping Centre, (e) Lai Tsui Shopping Centre, (f) Hoi Lai Shopping Centre, Sham Shui Po and (g) Pak Tin Commercial Centre) in the past five years, are set out in Table 2 by name of shopping centre:

Table 2 Situation of Commercial Premises in PHEs of Sham Shui Po District under HA

	2024		2023		2022		2021		2020	
Shopping Centre	(i) No. of Vacant Premises	(ii) Vacancy Rate#	(i) No. of Vacant Premises	(ii) Vacancy Rate#	(i) No. of Vacant Premises	(ii) Vacancy Rate#	(i) No. of Vacant Premises	(ii) Vacancy Rate#	(i) No. of Vacant Premises	(ii) Vacancy Rate#
(a) Shek Kip Mei Shopping Centre	6	5.27%	0	0%	3	1.22%	1	0.38%	1	0.39%

(b) Ching Lai Shopping Centre	1	9.09%	0	0%	0	0%	0	0%	0	0%
(c) Nam Shan Shopping Centre	0	0%	6	1.32%	2	2.01%	0	0%	0	0%
(d) So Uk Shopping Centre	4	11.40%	2	5.15%	3	9.89%	3	7.44%	4	10.96%
(e) Lai Tsui Shopping Centre	8	15%	1	1.36%	4	5.90%	4	10.82%	0	0%
(f) Hoi Lai Shopping Centre	8	11.28%	0	0%	0	0%	4	5.13%	3	4.74%
(g) Pak Tin Shopping Centre (Completed in July 2021)	6	4.50%	2	2.26%	3	4%	-	-	-	-
Total no./overall vacancy rate	33	6.88%	11	1.51%	15	3.34%	12	3.45%	8	3.09%

\# Vacancy rate is calculated by : total vacant internal floor area / total internal floor area x 100%.

(3) It is the established policy of the HA to let its commercial premises on commercial principles. The rent for both new lettings by way of open tender and tenancy renewal is assessed based on the prevailing market value. In assessing the market rent of the premises, latest market condition, rental information of comparable lettings in HA and private property market and relevant factors that would affect rental value, such as location, trade designation, size, pedestrian flow of the premises as well as property market condition, etc., will be taken into consideration. If commercial tenants have any views on the assessed rent upon tenancy renewal, they may approach the estate office for discussion. Housing Department (HD) will keep in view the economic situation and relevant measures of the Government and provide appropriate assistance to HA's commercial tenants where necessary.

(4) In the letting of commercial premises, HD will determine the trade mix of shopping centres and the trades of individual shops by taking into account the daily needs of local residents, the surrounding environment of the estates, retail facilities in the vicinity, scale of the shopping centres, retail market condition, technical feasibility, etc. HD will also keep in view the business situation and trade mix of its shopping centres and adopt flexible letting strategies to refine the trade mix and consider change of trades of individual shops with due regards to market condition, views of local stakeholders and technical viability, with a view to improving the letting rate and providing residents with appropriate and well diversified shopping and service choices.

(5) To enhance patronage and attract visitors, HD launches various kinds of promotional activities and free parking offers for shopping centres in PHEs from time to time. Promotional activities such as gift redemption, large-scale games, magic shows, clown performances, snacks and game booths, etc., will be arranged during major festivals and special occasions such as Mid-Autumn Festival, Christmas and Lunar New Year. Festive decorations will also be set up to enhance the shopping ambience and boost footfalls. In addition, HD will set up suitable promotional spots, such as prominent places at entrances and shop fronts of shopping centres to assist shop tenants in distributing or placing promotional leaflets to enhance publicity and disseminate promotional information, with a view to attracting customers. We always welcome good suggestions from local community in order to enhance the attractiveness of our shopping centres in PHEs.

- END -

LEGCO QUESTION NO. 13
(Written Reply)

Asked by Hon Maggie CHAN

Date of meeting : 8 May 2024

Replied by : Secretary for Constitutional and Mainland Affairs

Reply

President,

To facilitate Hong Kong and Macao residents working, studying and living in the Mainland, since 1 September 2018, relevant mainland authorities have further facilitated Hong Kong and Macao residents to use the Mainland Travel Permits for Hong Kong and Macao Residents (commonly known as the Home Return Permits) in the application of the Home Return Permits in the areas of transport, finance, communications, education, healthcare, social security, industry and commerce, taxation, accommodation, etc.

Regarding the Hon Maggie Chan's question, after consultation with the Innovation, Technology and Industry Bureau (ITIB) and the Security Bureau, our consolidated reply is as follows:

(1) On 21 November 2023, the People's Government of Guangdong Province issued the "Three-Year Action Plan of Digital Greater Bay Area Construction" (Action Plan), which contains 60 initiatives involving multiple departments in Guangdong, Hong Kong and Macao. Promoting the arrangement of full digitalisation of the process of frequently handled businesses using Home Return Permits has also been included in the Action Plan. The Chief Executive also mentioned in the 2023 Policy Address that the Hong Kong Special Administrative Region (HKSAR) Government would fully support the Action Plan and collaborate with the People's Government of Guangdong Province to develop the "Digital Bay Area", promoting deeper integration of economic development, public services and social governance of Guangdong, Hong Kong and Macao through digitalisation, thereby facilitating the development of the Greater Bay Area (GBA) into the world's most digitally advanced bay area, and allowing

Hong Kong to better integrate into the development of the GBA and the country.

The ITIB and the Office of the Government Chief Information Officer are now in close liaison with the People's Government of Guangdong Province to jointly promote the "Digital Bay Area" initiative. Paying heed to the principle of launching initiatives once they are ready, both sides have also reached consensus on setting up a task force to jointly explore the implementation direction and details of various initiatives under the Action Plan, alongside relevant departments of the HKSAR Government and Guangdong, in order to progressively promote the work relating to Hong Kong in the "Digital Bay Area".

(2) The Immigration Department (ImmD) and relevant departments of the HKSAR have been maintaining close liaison with Mainland authorities to formulate appropriate measures to enhance clearance capacity of boundary control points (BCPs), depending on the situation of each BCP. Moreover, the ImmD will also review the use of immigration facilities and system operation from time to time, and adopt innovative technologies with a view to providing services with enhanced convenience and quality, including actively study the implementation of the more tourist-friendly clearance mode of "collaborative inspection and joint clearance". Under the relevant clearance mode, automatic channels or counters of both sides will be set up side by side within their respective jurisdiction at the boundary inside the port, such that outbound and inbound visitors only need to queue up to have their documents inspected and their identities verified once to pass through the facilities of both sides in order to complete the respective immigration procedures.

(3) Apart from the discussion on enhancing the level of convenience of using Home Return Permits in the Mainland with Mainland authorities mentioned above, the Mainland Offices and the Liaison Units of the HKSAR Government have been maintaining close liaison with the relevant authorities, and conveying the views and requests of Hong Kong residents living, working and studying in the Mainland, including the requests for wider and more convenient use of the Home Return Permits in the Mainland, etc. The HKSAR Government will continue to maintain close liaison and co-operation with the Mainland authorities with a view to enhancing the level of convenience for Hong Kong people living in the Mainland.

LEGCO QUESTION NO. 14
(Written Reply)

Asked by: Hon Stanley LI

Date of meeting: 8 May 2024
Replied by: Secretary for Health

Reply

President,

In consultation with the Hospital Authority (HA), the consolidated reply to the question raised by Hon Stanley LI is as follows:

(1)

The HA will determine the priority of patients' attendance at Specialist Out-patient Clinics (SOPCs) according to their clinical conditions and arrange correspondingly the necessary investigation services. The average waiting time for various diagnostic radiological investigation services of public hospitals in the past five years is set out in the **Annex**.

(2) – (5)

Under the principle of complementarity and mutual benefits, the Government promotes healthcare collaboration in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) with a view to fully leveraging the composite advantages of the three places, and jointly improving the standards and development of different aspects of healthcare in the GBA.

One area of the Government's work in the area of healthcare co-operation in the GBA is to explore how the healthcare needs of Hong Kong residents who have close ties with the Mainland cities in the GBA maybe supported through co-operation with suitable GBA healthcare institutions. Amongst such work, the Government has allowed the elderly to use the Elderly Health Care Voucher (EHCV) to pay for the fees of designated out-patient healthcare services at the University of Hong Kong-Shenzhen Hospital (HKU-SZH) since 2015. Such arrangement has been regularised in 2019 and extended to HKU-SZH's Huawei Li Zhi Yuan Community Health Service Centre in April last year. To offer eligible Hong Kong elderly persons additional options of service points for using the EHCV in the GBA, the Government also announced in February this year the inclusion of five integrated medical institutions in the GBA into the Elderly Health Care Voucher Greater Bay Area Pilot Scheme. The pilot medical institutions are expected to gradually launch the relevant arrangements starting from the third quarter of this year. Together with the two service points of HKU-SZH, there will be a total of seven integrated medical institutions in the core cities of the GBA with full coverage along the river, taking care of the retired elderly persons living in the Guangdong province.

In addition, making reference to the experience from a special support scheme during the COVID-19 epidemic, the Government also launched the Pilot Scheme for Supporting Patients of the Hospital Authority in the Guangdong-Hong Kong-Macao Greater Bay Area (Pilot Scheme) on 10 May last year, so that patients with scheduled follow-up appointments at designated SOPCs or General Out-patient Clinic (GOPCs) of the HA may receive subsidised consultations at the HKU-SZH. At present, the Pilot Scheme covers major SOPC and GOPC services provided by the HA, including anaesthesiology (pain clinic only); cardiothoracic surgery; clinical oncology; ear, nose and throat; eye; gynaecology; internal medicine; neurosurgery; obstetrics; orthopaedics and traumatology (orthopaedics); paediatrics; and surgery. The Government has earlier announced that the Pilot Scheme will be extended to 31 March next year, and will consider the continuation of the Pilot Scheme and future arrangements subject to the actual effectiveness of the scheme.

To further optimise the use of healthcare services in the GBA, the Chief Executive's Policy Address 2023 also put forward strategic purchasing of healthcare services from suitable GBA healthcare institutions for Hong Kong citizens, with a view to alleviating the service pressure of public hospitals in Hong Kong and shortening the waiting time of citizens. The Government is currently exploring with suitable GBA healthcare institutions the arrangements for purchasing healthcare services. The initial idea is to start with healthcare services with immense demand and of lower risks, such as investigation and imaging services, and devise the service model for the purchase and specific arrangements under the premise of compliance with relevant laws and regulations of both sides. As the healthcare needs, relevant laws and regulations as well as regulatory regimes for the healthcare professions of Hong Kong and the Mainland are different, the Government needs to carefully consider the service arrangements and modes of professional collaboration with the relevant Mainland organisations in the course of procurement of healthcare services, and gradually expand room for co-operation, with a view to ensuring that the procurement arrangements are practicable and will be beneficial to both sides.

In respect of health records, to dovetail with cross-boundary healthcare collaborations and to support cross-boundary healthcare needs of Hong Kong citizens, the Government has all along been facilitating citizens to carry their electronic health records (eHRs) for cross-boundary uses through various means to allow more accurate diagnosis and treatment, in accordance with the overarching principles of ensuring due compliance of laws and regulations in both places and that data security and patient privacy are fully safeguarded. Health records of patients are personal data. In the process of enhancing data portability, we will duly consider the compatibility of the systems, safeguards on privacy, data security and compatibility of laws and regulations between both places, with a view to unleashing the potential of cross-boundary data use in a step-by-step manner.

At present, citizens may view important health records including medications, allergies and adverse drug reactions, appointments and investigations on the mobile application of the Electronic Health Record Sharing System (eHealth App). Citizens may also apply for copies of their eHRs stored in the eHealth in paper or electronic format for sharing with non-local healthcare service providers. The Government has also launched special measure such that citizens joining the Pilot Scheme may authorise the HKU-SZH to obtain and use copies of their eHRs in eHealth (including laboratory test results and radiology reports), thereby facilitating healthcare personnel in both places to provide healthcare services to them. The Government will extend the relevant arrangements to other cross-boundary collaboration projects launched or recognised by the Government.

Under the eHealth+ Five-Year Plan, the Government will introduce a new function to allow citizens to retrieve their own eHRs directly through the eHealth App and to store their health records obtained outside the local medical system in their personalised eHealth accounts, so as to allow members of the public to keep and use their personal medical records from within and outside Hong Kong.

The Government will continue to monitor the progress of various healthcare collaboration initiatives and explore various feasible measures under the principle of complementarity and mutual benefits with a view to supporting the medical needs of Hong Kong citizens more effectively. These include exploring further extension of the relevant initiatives to other Mainland healthcare institutions in the GBA. In the process, the Government will consider factors including whether the healthcare institutions have similar healthcare service standards and clinical governance structures as the HKU-SZH, including if a "Hong Kong management model" is adopted, as well as accreditation under China's International Hospital Accreditation Standards[1]. The Government's policy objective is to facilitate Hong Kong people who travel or reside between the two places and some of those who intend to settle in the GBA to reside and integrate into local life, instead of solely to rely on healthcare resources in the Mainland to meet the needs of Hong Kong people. At the same time, the Government will continue to take forward measures that are conducive to the building up and improvement of standards of the overall healthcare manpower pool in the GBA. For example, through talent exchange programmes, good opportunities are provided for healthcare professionals in the GBA to learn from each other and raise clinical standards, so that healthcare manpower resources of the three places can be jointly developed for the benefit of the people, and to a certain extent, alleviate the pressure of manpower shortage in local public hospitals.

- End -

[1] The China's International Hospital Accreditation Standards (2021 Version) (the Standards) were jointly developed by hospital accreditation experts from Hong Kong and the Mainland. Incorporating features of the national "Tier III Class A" hospital accreditation standards, in compliance with the requirements of the International Society for Quality in Health Care, and developed drawing on international experience, the Standards are the first internationally recognised hospital accreditation standards of our country.

Annex

Waiting Time of Diagnostic Radiological Investigations

The table below sets out the median (50th percentile) waiting time of cases triaged as Priority 1, Priority 2 and Routine categories for Computed Tomography (CT) and Magnetic Resonance Imaging (MRI) in the HA from 2019/20 to 2023/24 [provisional figures].

CT

Year	Median Waiting Time (Week)		
	Priority 1	Priority 2	Routine
2019-20	5	26	79
2020-21	4	26	78
2021-22	5	35	94
2022-23	3	36	78
2023-24 [provisional figures]	3	29	69

MRI

Year	Median Waiting Time (Week)		
	Priority 1	Priority 2	Routine
2019-20	5	26	61
2020-21	4	25	63
2021-22	4	29	75
2022-23	3	34	83
2023-24 [provisional figures]	3	33	92

Note:
In view of the COVID-19 epidemic outbreak in Hong Kong in early 2020, the HA has adjusted its services to cope with the outbreak. This should be taken into consideration when comparing the service capacity of the HA in previous years. With the subsiding of local COVID-19 epidemic situation and cessation of anti-epidemic measures in early 2023, the HA has been gradually resuming provision of all of its public healthcare services to tie in with the Government's normalcy measures.

The HA currently implements various clinical Public-Private Partnership Programmes including diagnostic radiological imaging, etc. The HA invites patients who meet specific clinical and programme critieria for voluntary participation. Patients intending to join the programmes have to register for eHealth.

LEGCO QUESTION NO. 15
(Written Reply)

Asked by: Hon Frankie YICK

Date of meeting: 8 May 2024

Replied by: Secretary for Labour and Welfare

Reply

President,

The Traffic Accident Victims Assistance (TAVA) Scheme is administered by the Social Welfare Department (SWD). The objective of the TAVA Scheme is to provide speedy financial assistance to road traffic accident victims or the surviving dependents of deceased traffic accident victims on a non-means-tested basis, regardless of the element of fault leading to the occurrence of the accident.

In response to the question raised, my reply is as follows:

(1) To achieve the objective of the TAVA Scheme to support traffic accident victims, financial assistance is provided on a non-means-tested basis, regardless of the element of fault leading to the occurrence of the accident. However, an applicant must meet the following conditions to be eligible for assistance payment, including (a) the accident must have been reported to the Police and determined by the Police as a road traffic accident; and (b) the victim is injured or killed in the accident. In case of injury, the injured victim must be certified by a registered doctor that such injury requires hospitalisation of no less than three days or issued with proof for medical leave of no less than three days.

(i) and (ii) In 2022-23, the number of cases by the recipient's level of injury and role in the accident is tabulated below:

Level of Injury	Number of cases [Note 1]			Total
	Role of recipient in the accident			
	Driver	Passenger	Pedestrian	
Slight Injury	5 061	1 706	692	7 459
Serious Injury	664	161	173	998
Fatal	16	7	28	51
Total	**5 741**	**1 874**	**893**	**8 508** [Note 2]

(iii) In 2022-23, the number of cases involving sick leave certificates issued by the public hospitals and/or private hospitals/clinics are tabulated below:

Medical institutions issuing the sick leave certificates	Number of cases [Note 1]
Public Hospitals	3 900
Private Hospitals/Clinics	585
Involving both Public and Private Hospitals/Clinics	3 977
Total	**8 462** [Note 2]

(iv) The SWD does not maintain statistics on re-assessment of injuries by doctors of private hospitals/clinics and the information on private doctors.

(v) In 2022-23, the number of cases receiving Injury Grant and Interim Maintenance Grant by number of sick leave days granted are tabulated below:

Number of sick leave days granted	Number of cases [Note 1] receiving Injury Grant	Number of cases [Note 1] receiving Interim Maintenance Grant
30 days or below	2 745	513
31 – 90 days	1 696	539
91 – 180 days	4 021	1 577
Total	**8 462**	**2 629**

Note 1: The figures are based on the Date of Application of the cases.
Note 2: As some recipients passed away or passed away after applying for sick leave, the number of cases involving sick leave certificates and the total number of cases under the TAVA Scheme could vary.

(2) When processing applications, the SWD will clearly explain to the applicant that obtaining assistance payment by deception is a criminal offence. Apart from losing the eligibility for assistance, the applicant may be prosecuted under the Theft Ordinance (Cap. 210) and be liable on conviction to imprisonment of a maximum of 14 years. The number of the suspected fraud cases reported by the public in the past three years are tabulated below:

Year	**Number of suspected fraud cases reported**
2021-22	28
2022-23	74
2023-24	16
Total	**118**

(3) The SWD has been strictly verifying every TAVA application, including seeking written confirmation from the Police on whether a traffic accident is involved, maintaining close liaison with the Hospital Authority and the Department of Health to ensure the injuries sustained by the applicants are related to the traffic accidents concerned, strengthening the procedures of vetting income proof, and verifying whether the applicants have made any claim for damages or compensation through other means for the same traffic accident as well as informing insurance companies in writing on the disbursement of payment in a timely manner to avoid double compensation.

The SWD will continue to monitor the implementation of TAVA Scheme, review all aspects of work to enhance workflow of processing applications and step up inspections to strictly combat any abuses or frauds of TAVA. If any case is suspected to involve criminal elements, the SWD will handle it seriously and refer the case to law enforcements agencies for investigation.

LEGCO QUESTION NO. 16
(Written Reply)

Asked by Hon Judy CHAN

Date of meeting : 8 May 2024

Replied by : Secretary for Transport and Logistics

Reply

President,

To promote "Walk in HK" and encourage the public to walk more, the Transport Department (TD) fosters a pedestrian-friendly environment and promotes walking as a form of sustainable urban mobility along four pillars, namely "make it connected", "make it safe", "make it enjoyable" and "make it smart". My reply to the various parts of the question raised by the Hon Judy CHAN is as follows:

(1) The TD has commenced the work to declutter non-essential traffic signs at suitable locations in various districts across the city since August 2021. As at the end of 2023, the numbers of non-essential traffic signs decluttered in various districts are as follows:

District	**2021 (August to December)**	**2022**	**2023**
Central and Western	2	17	62
Wan Chai	4	26	27
Eastern	20	16	24
Southern	0	40	30
Yau Tsim Mong	14	17	247
Sham Shui Po	2	17	94
Kowloon City	1	0	48
Wong Tai Sin	9	6	91

Kwun Tong	0	32	93
Tsuen Wan	17	27	206
Tuen Mun	11	41	51
Yuen Long	18	17	26
North	3	30	111
Tai Po	0	12	54
Sai Kung	0	46	4
Sha Tin	2	35	78
Kwai Tsing	0	0	85
Islands	0	0	1
Total	**103**	**379**	**1 332**

The TD has also commenced the work to declutter non-essential pedestrian railings at suitable locations in various districts across the city since October 2020. As at the end of 2023, the lengths (in metres) of non-essential pedestrian railings decluttered in various districts are as follows:

District	**2020 (October to December)**	**2021**	**2022**	**2023**
Central and Western	0	14	35	52
Wan Chai	149	581	72	138
Eastern	0	393	243	120
Southern	0	23	21	219
Yau Tsim Mong	488	0	60	73
Sham Shui Po	93	60	74	192
Kowloon City	9	21	26	88
Wong Tai Sin	0	27	53	0
Kwun Tong	0	77	29	226
Tsuen Wan	65	140	216	186
Tuen Mun	116	945	670	110
Yuen Long	100	107	378	172
North	0	0	0	77
Tai Po	0	540	180	67

Sai Kung	590	2410	0	0
Sha Tin	200	23	175	0
Kwai Tsing	0	36	35	209
Islands	0	0	21	0
Total length (in meters)	**1 810**	**5 397**	**2 288**	**1 929**

(2) The TD has all along been committed to fostering a pedestrian-friendly environment. Regarding traffic signs, on the premise of not compromising road safety and traffic management, the TD declutters non-essential traffic signs in various districts across the city according to the Road Traffic (Traffic Control) Regulations (Cap. 374G), whilst taking into account factors such as public opinions and planning for traffic improvement works. For instance, when a traffic sign contains the same message as that of a road marking, the TD will consider decluttering it, such as removing a "24-hour No-stopping Restriction" traffic sign when "double yellow lines" have already been painted on the road.

The provision of pedestrian railings is meant to guide pedestrians to cross the roads and prevent them from inadvertently moving away from footpaths onto carriageways, thereby ensuring road safety and achieving traffic management. Pedestrian railings are mainly erected at road junctions, pedestrian crossings, transport interchanges, school entrances/exits, central reserves and pedestrian refuge islands, etc. Currently, the TD adopts a "minimal approach" in the provision of pedestrian railings, which aims at stripping away excessive railings that are not bringing value to the implementation of the policy of enhancing walkability of the pedestrian environment and reducing street cluttering, with a view to releasing more road space for pedestrians on footpaths.

The TD will continue to conduct regular reviews of traffic signs and pedestrian railings under its purview to determine whether they should be maintained, removed or replaced, taking into account the functions of the traffic signs and railings, prevailing guidelines, accident records of the locations concerned, public views, etc. On matters relating to the decluttering of traffic signs and pedestrian railings, the TD consults local stakeholders through District Offices as and when necessary and also welcomes views from the general public.

(3) Under the overall strategy of "Walk in HK", apart from its continued efforts to declutter non-essential traffic signs and pedestrian railings in various districts, the TD also proceeds with various walkability enhancement measures, which include footpath widening, provision of more pedestrian crossings, expanding pedestrian crossing build-outs, setting up of wayfinding signage, provision of raised crossings and setting up of low speed limit zones, etc. Moreover, the Government has commenced projects of providing covers for walkways across the 18 districts, of which 11 projects have been completed while the works of the remaining seven projects are in progress. The Government is also taking forward projects of providing covers for walkways connecting public hospitals. The TD will continue to keep in view the results and effectiveness of the various measures to enhance the pedestrian environment and extend them to cover suitable locations, taking into account technical conditions and public views. The TD will also strive to take forward walkability enhancement measures in other suitable locations across the city, with new development areas and suitable urban redevelopment areas selected for adopting the pedestrian planning framework to formulate and implement appropriate pedestrian facility measures.

- End -

LEGCO QUESTION NO. 17
(Written Reply)

Asked by Hon CHAN Hoi-yan

Date of meeting: 8 May 2024

Replied by: Secretary for Environment and Ecology

Reply

President,

Currently, about 11 100 tonnes of municipal solid waste are generated in Hong Kong per day, of which around 30 per cent is food waste. The Environmental Protection Department (EPD) is actively implementing various food waste collection initiatives, including support to the collection of food waste from commercial and industrial (C&I) sectors and households, so as to encourage the whole community and the general public to participate in food waste recycling. The reply to the question raised by the Hon CHAN Hoi-yan is as follows:

(1) to (3)

The EPD extended the Pilot Scheme on Food Waste Collection in 2021 to progressively provide point-to-point food waste collection services for public and private premises which generate larger quantities of food waste. Currently, there are approximately 900 collection points across the territory, such as food processing factories, public markets, cooked food centres, wholesale markets, hospitals, government facilities, tertiary institutions, school lunchbox suppliers, hotels and shopping malls, etc. From the current term of the Government on, the EPD is expanding the food waste recycling services to all public rental housing (PRH) estates at full steam with an aim to completing the installation of more than 700 food waste smart recycling bins (FWSRBs) in all of the 213 PRH estates (a total of approximately 1 500 blocks) across the territory by August this year, covering about one-third of the population in Hong Kong. Meanwhile, we have subsidised the installation of FWSRBs in private residential buildings and rural villages through the Recycling Fund and the Environment and Conservation Fund (ECF), and in collaboration with the Environmental Campaign Committee. At present, the amount of food waste recovered from various local sources is gradually increasing, with an average daily collection of around 230 tonnes in March this year.

To promote the participation of restaurants in food waste recycling, the EPD has set up food waste collection points at 71 refuse collection points (RCPs) under the Food and Environmental Hygiene Department, and the number will increase to nearly 100 in July this year. Nearby restaurants and residents can also use these food waste collection points. The EPD has also proactively approached restaurants in the vicinity of the food waste collection points and provided relevant information and appropriate assistance to them. At present, a total of around 500 restaurants have registered in this scheme, and the average daily food waste collected at the aforementioned 71 food waste collection points is around 3.2 tonnes. In addition, the EPD has progressively set up Food Waste Recycling Spots, using mobile booths or trucks, at "food and beverage (F&B) clusters" concentrated with restaurants in Tai Po, Yuen Long, Tuen Mun and Sha Tin to collect food waste since April 2023 and has extended the services to Hong Kong Island and Kowloon during March and April this year. We have also set up 76 Food Waste Recycling Spots in 15 districts for collecting food waste from restaurants, with an average daily collection of around 2.1 tonnes.

The daily average quantity of food waste recovered in various districts, the number of venues participating in food waste recycling, and the locations of food waste collection points at RCPs and Food Waste Recycling Spots, along with their respective daily average quantity of food waste recovered, are tabulated in Table 1 to Table 4 of the Annex respectively.

(4) and (5)

From 2021 to 2022, the total treatment capacity of food waste treatment facilities was 250 tonnes per day, including 200 tonnes per day of Organic Resources Recovery Centre Phase 1 (O·PARK1) and 50 tonnes per day of the Food Waste, Sewage Sludge Anaerobic Co-digestion Trial Scheme at Tai Po Sewage Treatment Works. With the commencement of operation of the Food Waste, Sewage Sludge Anaerobic Co-digestion Trial Scheme at Sha Tin Sewage Treatment Works in November 2023, the total treatment capacity of food waste treatment facilities increased from 250 tonnes per day to 300 tonnes per day. With the commencement of food waste reception at Organic Resources Recovery Centre Phase 2 (O·PARK2) in March this year, the total treatment capacity has further increased to 600 tonnes per day at present. The quantities of food waste recovered from public and C&I premises over the past three years and their respective percentages of the highest treatment capacity of that year are tabulated below:-

Year	Quantity of food waste recovered from public and C&I premises	
	Annual total volume (tonnes per year)	Percentage of the highest treatment capacity of the year
2021	48 986	54%
2022	48 648	53%
2023	58 260	53%

With the launch of various facilitation measures, promotional and educational campaigns, as well as GREEN$ Electronic Participation Incentive Scheme to proactively encourage public participation in food waste recycling, we expect that the quantity of food waste recovered will increase progressively. The existing food waste treatment facilities in operation have a total daily food waste treatment capacity of 600 tonnes, which is sufficient to meet the food waste treatment needs. We will closely monitor changes in the quantity of food waste recovered and level of public participation in food waste recycling, and review the planning and development of food waste treatment facilities in a timely manner.

(6)

To encourage restaurants to participate in food waste recycling, the EPD will visit restaurants in the vicinity of the collection points to distribute promotional leaflets and invite them to register for the abovementioned food waste collection points which are set up at RCPs and F&B clusters. We will explain the arrangements for food waste recycling to the restaurants and provide them with transparent plastic bags and small containers free of charge to facilitate their temporary storage of recyclable food waste.

To promote food waste reduction at source, the Food Wise Hong Kong Campaign has been promoting a "Food Wise and Waste Less" culture and encouraging behavioural change to reduce food waste at source in the community through various schemes and activities since its launch in 2013. The Government has also been supporting non-governmental organisations through the ECF to collect surplus food from the commercial sector and donate them to the needy in the society in order to achieve the goals of caring for society and reducing food waste.

(7)

To promote the sustainable development of the recycling industry, the Recycling Fund set up by the Government has assisted the local recycling industry in enhancing its overall operational capabilities and productivity, and helped enterprises to upgrade and expand their recycling operation through various funding programmes. On food waste recycling, the Recycling Fund launched a scheme on Supporting Residential Buildings in Adopting Smart Bins Technology in Food Waste under the Industry Support Programme in 2020, specifically supporting and subsidising private residential buildings to collect food waste using smart recycling bins so as to encourage members of the public and housing estates to participate in domestic food waste recycling. The Enterprise Support Programme (ESP) under the Recycling Fund also provides project-based matching funds for individual food waste recycling enterprises to enhance and expand their recycling operations. Enterprises can also implement standard projects through simplified application procedures in the Standard Project under the ESP, including purchase and installation of relevant equipment for handling food waste.

- End -

Table 1 Daily average quantity of food waste recovered in various districts (March 2024)

District	**Daily average quantity of food waste recovered (tonnes)** Note 1
Central and Western	8.9
Eastern	4.9
Wan Chai	2.9
Southern	3.7
Kowloon City	5.5
Kwun Tong	8.1
Yau Tsim Mong	7.8
Sham Shui Po	5.8
Wong Tai Sin	4.7
Kwai Tsing	9.0
North	20.9
Sai Kung	6.4
Sha Tin	21.7
Tai Po	33.1
Tsuen Wan	7.9
Tuen Mun	20.8
Yuen Long	52.3
Islands	8.7
Total	**~ 230**

Note 1: Including organisations / premises delivering food waste to the facilities through government funding and at their own cost.

Table 2 Number of venues participating in food waste recycling in various districts by category as raised in the question

Number of venues participating in food waste recycling Note 2												
District	Food Processing Factories	Public Markets and Cooked Food Centres	Wholesale Markets	Hospitals	Government Facilities	Tertiary Institutions	Hotels	Club Houses	Shopping Malls	Restaurants	Public Rental Housing Estates	Private Housing Estates
Central and Western	0	4	1	1	3	2	5	1	5	11	1	1
Eastern	3	8	0	1	3	0	5	0	12	1	6	4
Wan Chai	0	5	0	3	2	0	5	3	6	5	0	1
Southern	1	4	1	7	3	1	2	1	6	2	1	4
Kowloon City	0	6	0	1	9	2	4	0	3	2	4	3
Kwun Tong	5	3	0	1	1	0	1	0	15	2	20	6
Yau Tsim Mong	1	5	0	2	12	1	25	0	15	0	1	0
Sham Shui Po	0	5	4	1	11	1	0	0	1	0	10	0
Wong Tai Sin	0	3	0	1	0	0	0	0	6	0	14	2
Kwai Tsing	3	9	0	2	2	0	1	0	3	5	12	2

Annex

Number of venues participating in food waste recycling Note 2												
District	Food Processing Factories	Public Markets and Cooked Food Centres	Wholesale Markets	Hospitals	Government Facilities	Tertiary Institutions	Hotels	Club Houses	Shopping Malls	Restaurants	Public Rental Housing Estates	Private Housing Estates
North	8	2	0	1	2	0	0	1	5	0	8	3
Sai Kung	0	0	0	1	5	1	0	0	11	2	6	11
Sha Tin	12	2	0	3	2	2	5	3	23	18	17	9
Tai Po	21	2	0	2	3	1	0	0	6	68	2	2
Tsuen Wan	2	5	0	1	2	0	1	0	7	2	7	8
Tuen Mun	15	4	0	2	7	0	1	0	9	58	12	4
Yuen Long	15	7	0	2	7	0	1	0	8	62	16	5
Islands	3	2	0	1	0	0	4	0	3	4	1	2
Total	**89**	**76**	**6**	**33**	**74**	**11**	**60**	**9**	**144**	**242**	**138**	**67**

Note 2: Venues participating in source separation and collection of food waste through government funding and at their own cost have been covered.

Table 3 Locations of food waste collection points at refuse collection points (RCPs) and daily average quantity of food waste recovered

District	Locations of food waste collection points at RCPs	Daily average quantity of food waste recovered (kg)
Central and Western	Lok Ku Road RCP	5
	Smithfield Municipal Services Building RCP	425
Eastern	Hing Man Street RCP	6
	Tanner Road RCP	< 1
Wan Chai	Lockhart Road RCP Note 3	41
	Luard Road RCP Note 3	12
	Sam Pan Street RCP	10
	Star Street RCP Note 3	31
	Wing Hing Street RCP	23
	Brown Street Temporary RCP Note 3	12
	Paterson Street RCP Note 3	< 1
	Sing Woo Road RCP Note 3	26
Southern	Apleichau Municipal Services Building RCP	15
	Tsung Man Street RCP	< 1
Kowloon City	Baker Street RCP	5
	Hok Yuen Street RCP	23
	Kowloon City Complex RCP	3
	Kowloon City Road RCP	< 1
	Kwei Chow Street RCP	53
	Lung Kong Road RCP	1
	Peace Avenue RCP	57
	Sung On Street RCP	200

District	Locations of food waste collection points at RCPs	Daily average quantity of food waste recovered (kg)
Kwun Tong	Hip Wo Street RCP	105
	Hong Ning Road RCP	28
	Shung Yan Street RCP	63
	Wan Hon Street RCP	21
Yau Tsim Mong	Anchor Street RCP	89
	Cheung Wong Road RCP	159
	Dundas Street RCP	86
	Kimberley Street RCP	< 1
	Kwun Chung Street RCP	30
	Man Cheong Street RCP	1
	Mong Kok Road RCP	< 1
	Nelson Street RCP	90
	Nullah Road RCP	< 1
	Portland Street RCP	13
	Sai Yee Street (Flower Market Road) RCP	< 1
	Yu Chau Street RCP	49
Sham Shui Po	Camp Street RCP	39
	Cheung Wah Street RCP	186
	Pei Ho Street RCP	36
	Tai Nan Street RCP	25
	Un Chau Street RCP	40
	Wing Hong Street RCP	116
	Yee Kuk Street RCP	50
Wong Tai Sin	Sheung Fung Street Market RCP	79
	Yi Lun Street RCP	92

District	Locations of food waste collection points at RCPs	Daily average quantity of food waste recovered (kg)
Wong Tai Sin	Yuk Wah Crescent RCP	32
Kwai Tsing	Hing Shing Road RCP	< 1
North	Fu Hing Street RCP	167
	Luen Fat Street RCP	25
Sai Kung	Fuk Man Road RCP	12
	Yi Chun Street RCP	16
Sha Tin	Chik Fai Street Tai Wai RCP	18
	Shing Ho Road RCP	1
Tai Po	Evergreen Court RCP	21
	Plover Cove Road RCP	6
	Yan Hing Street RCP	49
Tsuen Wan	Heung Che Street RCP	< 1
	Luen Yan Street RCP	26
Tuen Mun	Tseng Choi Street RCP (Area 4B)	19
	Tseng Choi Street RCP (Area 4C)	32
	Tsing Hoi Circuit RCP (Area 37B)	9
	Yan Ching Street RCP	< 1
Yuen Long	Fung Kwan Street RCP	173
	Kam Cheung Square RCP	11
	Ping Shun Street RCP	43
	Tai Kiu RCP	< 1
	Tai Tong Road RCP	96
	Tung Tai Street RCP	41
	Yan Lok Square RCP	25
	Total	**~3 200**

Note 3: Food waste collection points were set up in April 2024.

Table 4 Locations of Food Waste Recycling Spots in various districts and daily average of food waste recovered

District	Locations of Food Waste Recycling Spots	Daily average quantity of food waste recovered (kg)
From April 2023		
Tai Po	Chui Wo Lane, Tai Po	99
	Kwong Fuk Road, Tai Po	86
	Tung Sau Square, Tai Po	155
	On Pong Road, Tai Po	79
	Yan Hing Street, Tai Po	162
Yuen Long	Fung Kwan Path, Yuen Long	73
	Fung Yau Street North, Yuen Long	24
	Ping Cheong Path, Yuen Long	47
	Ping Wui Path, Yuen Long	98
	Junction of Kam Fai Path and Sai Yu Street, Yuen Long	90
Sha Tin Note 4	Tsuen Nam Road, Tai Wai	18
	Hin Keng Street, Tai Wai	58
	Tin Sam Street, Tai Wai	69
	Sha Tin Wai, Sha Tin	73
	Kwong Sin Street, Siu Lek Yuen	< 1
	On Kwun Street, Shek Mun	57
Tuen Mun	Lam Tei Main Street, Tuen Mun	9
	Tsing Min Path, Tuen Mun	39
	Tsing Wui Path, Tuen Mun	25
	Tuen Mun Heung Sze Wui Road	123
	Yan Oi Tong Street, Tuen Mun	338
From March 2024		
Central and Western Note 4	Junction of Forbes Street and Davis Street, Kennedy Town	1
	Near Children's Playground on Whitty Street, Shek Tong Tsui	7
	Junction of Third Street and Centre Street, Sai Ying Pun	< 1

Annex

District	Locations of Food Waste Recycling Spots	Daily average quantity of food waste recovered (kg)
Central and Western [Note 4]	Junction of Graham Street and Hollywood Road, Central	< 1
	Junction of Queen's Road Central and Cochrane Street, Central	< 1
Wan Chai [Note 4]	Junction of Johnston Road and Fenwick Street, Wan Chai	< 1
	Junction of Burrows Street and Cross Lane, Wan Chai	< 1
	Junction of Canal Road East and Leighton Road, Causeway Bay	2
	King Kwong Street, Happy Valley	1
	Junction of Tung Lo Wan Road and Wun Sha Street, Tai Hang	2
Eastern [Note 4]	Junction of Wang On Road and Fook Yum Road, North Point	2
	Junction of Java Road and North Point Road, North Point	2
	Junction of Finnie Street and Hoi Hong Street, Quarry Bay	1
	Junction of Shau Kei Wan Road and Tai On Street, Sai Wan Ho	< 1
	Near Mong Lung Street Sitting-out Area, Shau Kei Wan	< 1
Southern [Note 4]	Junction of Ap Lei Chau Main Street and Wai Fung Street, Ap Lei Chau	1
	Junction of Wah Ting Street and Yuet Hoi Street, Ap Lei Chau	2
	Shek Pai Wan Road, Tin Wan	1
	Nam Ning Street, Aberdeen	1
	Yue Fai Road, Aberdeen	< 1
Yau Tsim Mong [Note 4]	Pok Man Street, Mong Kok	1
	Portland Street, Prince Edward	5
	Junction of Hak Po Street and Pak Po Street, Mong Kok	4

District	Locations of Food Waste Recycling Spots	Daily average quantity of food waste recovered (kg)
Yau Tsim Mong Note 4	Pitt Street, Yau Ma Tei	< 1
	Junction of Temple Street and Nanking Street, Jordon	10
Sham Shui Po Note 4	Underneath the Kwai Chung Road Flyover, Sham Shui Po	11
	Hing Wah Street, Sham Shui Po	7
	Fuk Wa Street, Sham Shui Po	< 1
	Yen Chow Street, Sham Shui Po	1
	Junction of Hai Tan Street and Yee Kuk Street, Sham Shui Po	31
Kowloon City Note 4	Whampoa Garden Site 5, Hung Hom	60
	Wuhu Street, Hung Hom	10
	Gillies Avenue North, Hung Hom	4
	Junction of Pak Tai Street and San Shan Road, To Kwa Wan	17
	Fuk Lo Tsun Road, Kowloon City	12
Wong Tai Sin Note 4	Public pavement outside Manning Theatre Building, Yuk Wah Crescent, Tsz Wan Shan	1
	Public pavement outside Shung Ling Street Sitting-out Area, San Po Kong	1
	Public pavement outside 18 Wan Fung Street, Tsz Wan Shan	6
	Junction of Lung Cheung Road and Ngan Chi Path, Ngau Chi Wan	1
	Public pavement at Junction of Tak Ku Ling Road and Lok Sin Road, Kowloon City	4
Kwun Tong Note 4	Public pavement outside Ting Yue Square Sitting-out Area, Ngau Tau Kok	4
	Public pavement outside Yau Lee Building, Yee On Street, Ngau Tau Kok	2
	Public pavement outside Nam Tai Mansion, Shui Wo Street, Kwun Tong	3
	Public pavement outside Hoi Chu Mansion,	4

District	Locations of Food Waste Recycling Spots	Daily average quantity of food waste recovered (kg)
Kwun Tong [Note 4]	Cha Kwo Ling Road, Cha Kwo Ling	
	69 Lei Yue Mun Praya Road	3
Kwai Tsing [Note 4]	Junction of Lai Fong Street and Shun Fong Street, Kwai Chung	45
	Kwong Fai Circuit, Kwai Chung	31
	Shek Yam Road, Kwai Chung	5
	Tai Loong Street, Kwai Chung	19
	Tak Tai Path, Kwai Chung	12
Tsuen Wan [Note 4]	Junction of Tsuen Wan Market Street and Chung On Street, Tsuen Wan	2
	Chuen Lung Street, Tsuen Wan	8
	On Wing Street, Tsuen Wan	2
	Heung Wo Street, Tsuen Wan	4
	Sham Tseng, Tsuen Wan	3
	Total	**~2 100**

Note 4: Food waste recycling spots are opened to both restaurants and the public, so the quantity of food waste recovered includes the food waste collected from both restaurants and the public.

LEGCO QUESTION NO. 18

(Written Reply)

Asked by: Hon YIU Pak-leung

Date of meeting: 8 May 2024

Replied by: Secretary for Labour and Welfare

Reply

President,

To cope with the challenges brought by manpower shortage, the Government has enhanced the mechanism for importation of workers on the premise of safeguarding the employment priority for local workers. On 17 July 2023, the Transport and Logistics Bureau (TLB) launched the Labour Importation Scheme for the Transport Sector – Aviation Industry (Aviation Scheme). The Labour Department (LD) has also implemented the Enhanced Supplementary Labour Scheme (ESLS) since 4 September 2023 to enhance the coverage and operation of the Supplementary Labour Scheme, including suspending the general exclusion of the 26 job categories as well as unskilled/low-skilled posts from labour importation for two years.

In consultation with TLB, my reply to the Member's question is as follows:

(1) The Aviation Scheme allows aviation-related companies with direct contractual relationships with the Airport Authority Hong Kong to suitably import workers on the prerequisite of safeguarding the employment priority of local workers, with a quota ceiling of 6 300.

In the first round of application from July to August 2023, TLB approved the applications from 28 eligible companies with a total of 2 841 quotas covering all 10 job types under the Aviation Scheme. As at April 2024, 1 450 imported workers had arrived to work in Hong Kong and their distribution with a breakdown by job type is at Annex 1.

The second round of application under the Aviation Scheme was conducted from March to April 2024. TLB approved the applications from 27 eligible companies with a total of 2 982 quotas also covering all job types. The employers concerned have already started recruiting imported workers and those approved in the second round are expected to arrive to work in Hong Kong starting from June to July 2024.

(2) & (3) From 4 September 2023 to 30 April 2024, 4 239 applications seeking to import 41 470 workers were received under ESLS. Of these applications, 31 574 imported workers intended to take up posts which were generally excluded from labour importation before (21 662 and 9 912 respectively for the 26 job categories and the unskilled/ low-skilled posts). During the same period, 1 277 applications seeking to import 8 586 imported workers were approved under ESLS, including 4 929 workers approved to take up posts which were generally excluded from labour importation in the past (3 910 and 1 019 respectively for the 26 job categories and the unskilled/low-skilled posts). A breakdown of the numbers of imported workers applied for and approved by the 26 job categories is at Annex 2.

In addition, apart from the approved applications, as at 30 April 2024, 1 028 applications in respect of those received after the launch of the ESLS had started or completed the local recruitment exercise, seeking to import 11 313 workers. LD expects that the vetting of most of these applications will be completed in the second quarter of this year. The exact number approved will depend on the results of local recruitment and the application details of the cases.

As at 30 April 2024, the major posts related to the accommodation services industry (including the hotel and boarding house sectors) received under ESLS included room attendant, waiter/waitress and receptionist, etc. A breakdown of the numbers of applications received, under processing, approved and refused relating to the accommodation services industry is at Annex 3. LD does not maintain a breakdown on the travel agency sector.

Employers approved to import workers under ESLS are required to sign a standard employment contract with each of its prospective imported worker. They shall arrange their prospective imported workers to submit visa/entry permit applications to the Immigration Department within the period specified in the approval-in-principle letter (generally within six months from the issue date of the said letter). The arrival time of the imported workers depends on the progress of the employers' handling of the relevant procedures. LD does not maintain the number of imported workers arriving and working in Hong Kong under ESLS.

(4) The time required for LD to process each application under ESLS is affected by a number of factors, including whether the applicant employer has provided sufficient information or has requested changes to the application details during processing. If the job vacancies involves novel job titles or special skills, LD will need more time to seek advice from relevant bureaux and/or departments, training bodies, professional bodies, etc., to set the reasonable wages, entry requirements, scope of duties, etc.

LD has uploaded to the ESLS dedicated website the "List of Common Posts" covering the median monthly wage, working hours, entry requirements and duties of 156 common posts in different industries for employers' reference. To further enhance the workflow of processing applications, LD on 2 May 2024 introduced a series of new measures, striving to complete the processing of newly-received applications for common posts within around three months. The new measures include:

(i) introducing an application form for common posts and assigning designated teams to process these applications to expedite the preliminary screening process for commencement of the four-week local open recruitment;

(ii) deploying staff designated to vet applications submitted by employers. LD will remind the employers as soon as possible in case the information on the application forms is incomplete or the required supporting documents are missing;

(iii) exercising flexibility in the handling of recruitment advertisements placed by employers during local recruitment, and avoiding to extend the four-week local recruitment period as far as possible; and expediting the process of following up on interview results;

(iv) organising briefings for employment agencies involved in labour importation matters to explain the application arrangements of ESLS to facilitate employment agencies to assist employers on the handling of applications; and

(v) increasing the frequency of circulating the recommendations on the applications of ESLS to the Labour Advisory Board.

LD will continue to closely monitor the implementation of ESLS, safeguard the employment priority for local workers and improve the processing of applications.

Annex 1

Labour Importation Scheme for the Transport Sector – Aviation Industry
Numbers of imported workers who had arrived to work in Hong Kong breakdown by job type (as at April 2024)

Job Type	No. of imported workers who had arrived to work in Hong Kong
1. Passenger Services Officer	243
2. Ramp Services Agent	367
3. Cabin Worker	271
4. Aircraft Maintenance Mechanic/Technician	15
5. Tractor Driver	231
6. Warehouse Operator/Cargo Handler	84
7. Equipment/Loader Operator	145
8. Customer Services Agent	40
9. Aircraft Tug Driver	22
10. Maintenance Technician	32
Total	**1 450**

Annex 2

4 September 2023 to 30 April 2024
Numbers of imported workers applied for and approved under ESLS: breakdown by the 26 job categories

Job title@	No. of imported workers applied for*	No. of imported workers approved*
1. Waiter/Waitress	7 326	1 278
2. Junior Cook	4 001	779
3. Sales Assistant	3 192	961
4. Warehouse Keeper	1 449	272
5. Food Processing Worker	1 054	195
6. Receptionist	970	149
7. Clerical Worker	779	105
8. Delivery Worker	587	50
9. Driver	582	1
10. Sales Representative	400	12
11. Cashier	299	48
12. Washer	269	10
13. Hair Stylist	187	14
14. Spray Paint Worker	165	0
15. Presser	134	30
16. Demolition Worker	54	2
17. Telephone Operator	45	2
18. Inspection Operative	41	0
19. Linen Attendant	30	0
20. Leakage Worker	25	2
21. Teller	24	0
22. Drain Layer	19	0
23. Computer/Key Punch Operator	14	0
24. Mason	13	0
25. Cutter	3	0
26. Cutting Room Operative	0	0
Total	**21 662**	**3 910#**

@ The classification of job categories may be subject to revisions upon verification of information from employers.

\# Apart from 3 910 imported workers approved to take up posts which fell within the aforesaid 26 job categories, 1 019 imported workers were also approved to take up unskilled/low-skilled posts (e.g. room attendant, security guard, cleaner).

* LD has implemented ESLS since 4 September 2023. The vetting of applications received during the above period may be completed after 30 April 2024, and hence the number of imported workers approved only reflects the results of some of applications received during the same period.

Annex 3

4 September 2023 to 30 April 2024
Numbers of applications and imported workers processed under ESLS: Accommodation services industry#

Applications received	No. of applications	No. of imported workers applied for
(i) Hotel	89	1 471
(ii) Boarding house	7	30

Applications under processing	No. of applications	No. of imported workers applied for
(i) Hotel	57	811
(ii) Boarding house	4	19

Applications approved	No. of applications	No. of imported workers approved
(i) Hotel	30	565
(ii) Boarding house	2	3

Applications refused	No. of applications	No. of imported workers
(i) Hotel	0	0
(ii) Boarding house	0	0

The classification of industries may be subject to revisions upon verification of information from employers; some cases belong to other categories, such as the employer withdrawing the application and the concerned case information is not reflected in the above statistical table.

LEGCO QUESTION NO. 19
(Written Reply)

Asked by Hon Tang Ka-piu

Date of meeting : 8 May 2024

Replied by : Secretary for Development

Reply

President,

The Government promulgated the Energizing Kowloon East initiatives in 2011, with the objectives to transform Kowloon East comprising the Kai Tak Development Area, the Kwun Tong Business Area and the Kowloon Bay Business Area into Hong Kong's second core business district (CBD2) and to ensure a steady supply of quality office space in support of the economic growth of Hong Kong and strengthening Hong Kong's global competitiveness. In 2017, relevant initiatives including enhancing connectivity and improving the environment ,etc, have been extended to the San Po Kong Business Area. Since 2011, the commercial gross floor area (GFA) in Kowloon East has increased by a double to currently about 3.4 million square metre.

After consultation with the relevant policy bureaux and departments, the replies to the various parts of the question raised by the Member are as follows:

(1) The statistics on the commercial, industrial and industrial/office developments in Kowloon East (i.e. the Kai Tak Development Area, Kwun Tong Business Area and Kowloon Bay Business Area) by building age are as follows:

Uses	Building age	Numbers*	GFA
Commercial#	0-10 years	56	About 1,500,000 sq m
	11-20 years	35	About 1,300,000 sq m
	21-30 years	8	About 400,000 sq m
	31-40 years	6	About 200,000 sq m
Industrial	0-10 years	7	About 60,000 sq m

	11-20 years	2	About 20,000 sq m
	21-30 years	17	About 300,000 sq m
	31-40 years	68	About 1,700,000 sq m
	41-50 years	67	About 1,000,000 sq m
	51 years or above	77	About 700,000 sq m
Industrial/Office	11-20 years	1	About 10,000 sq m
	21-30 years	10	About 200,000 sq m

* as at December 2023.
\# including new developments, redevelopments and converted commercial buildings in Kowloon East (i.e. Kai Tak Development Area, Kwun Tong Business Area and Kowloon Bay Business Area), but excluding the commercial portions of residential/commercial developments in the Kai Tak Development. We do not have relevant information by grading of commercial developments.

(2) Another round of revitalisation scheme for industrial buildings was promulgated in 2018. It includes to allow relaxation of the maximum permissible plot ratio by up to 20 per cent for industrial redevelopment sites located outside "Residential" zones in main urban areas and new towns, for which the modified lease should be executed after the town planning approval to put the relaxed plot ratio into effect (redevelopment of industrial buildings); and to exempt the waiver fees incurred for wholesale conversion of industrial buildings aged 15 years or above in "Commercial", "Other Specified Uses" annotated "Business" and "Industrial" zones into permissible planning uses on the condition that the applicants should designate 10 per cent of the floor area for specific uses prescribed by the Government upon completion of such conversion works (wholesale conversion of industrial buildings).

As at the end of March 2024, the Town Planning Board has received and approved 23 applications for redevelopment of industrial buildings within the CBD2 with relaxation of the maximum permissible plot ratio (excluding applications withdrawn by the applicant and applications involving the same site). For those industrial redevelopment projects requiring lease modification, the Lands Department has received eight applications for lease modification (excluding applications withdrawn by the applicant), of which seven cases have been approved with the lease modifications completed while the remaining one case is still under processing. Regarding wholesale conversion of industrial buildings, as at the end of March 2024, the Lands Department has received one application (excluding applications withdrawn by the applicant) for special waiver for industrial buildings within CBD2 and the application has been approved.

(3) Relevant details of government sites which have been formed and pending the implementation of planned commercial uses in Kowloon East are as follows:

Location	Number of sites	Site area
Kai Tak Development Area	3	About 7.8 ha
Kowloon Bay Action Area	To be determined	About 3.4 ha

All the above mentioned sites are being put to temporary use at present. We do not have information on the construction timetable of the private lands.

(4) According to the information provided by the Government Property Agency (Agency), the number and the floor area of government-owned properties located within private developments under the management of the Agency and private properties leased via the Agency in Kowloon East (Kai Tak Development Area, Kwun Tong Business Area and Kowloon Bay Business Area) are as follows.

Type of property	Number	Internal floor area
Government-owned properties	Involving individual premises in one building	About 6,600 sq m
Leased properties	Involving 141 leases	About 104,000 sq m

(Note: The Agency has no statistics on the usage of the properties for district service centre or headquarters by government departments.)

Apart from the above properties within private developments, the Government possesses various kinds of facilities and specialised buildings, some of which are used as Government offices, such as Electrical and Mechanical Services Department Headquarters Building, Inland Revenue Centre and Trade and Industry Tower in Kai Tak; Water Supplies Department Kowloon East Regional Building and Central Mail Centre in Kowloon Bay; and Kowloon East Government Offices and Energizing Kowloon East Office in Kwun Tong etc.

(5) According to the Survey on Business Establishments in Kowloon East 2018, the distribution of the establishments by industry within the scope of survey (i.e. the Kwun Tong Business Area and the Kowloon Bay Business Area) is shown in the following table:

Industry	No. of establishments		Percentage of total establishments in Kowloon East (%)
	Head office	Non-head office	

Manufacturing	3 481	314	14.0
Construction	1 933	98	7.5
Import/export, wholesale and retail trades	9 342	1 282	39.2
Restaurants and hotels	177	29	0.8
Transportation, storage and logistics	890	206	4.0
Telecommunications services and information technology services	1 234	128	5.0
Banking and financial services and insurance	1 950	267	8.2
Real estate and professional and business services	2 682	182	10.6
Publishing, media and multi-media and creative and performing arts activities and specialised design activities	1 363	85	5.3
Healthcare services, and research and development on natural sciences	204	42	0.9
Social and personal services	1 063	117	4.3
Waste management	67	1	0.3

(Note: The above categorisation of industries is in accordance with the Hong Kong Standard Industrial Classification promulgated by the Census and Statistics Department. The survey does not cover the number of jobs created by the respective companies and their gross output. The Energizing Kowloon East Office is conducting another round of survey on business establishments in Kowloon East.)

(6) The Government has been introducing related policies in Kowloon East in a timely manner to meet the need of Hong Kong in the time of economic transition. Kowloon East used to be an important industrial base in the heyday of manufacturing industry in Hong Kong. In view of the relocation of Hong Kong's manufacturing industry to the mainland, industrial land in Kowloon Bay and Kwun Tong have been rezoned to "Business" use which allowed conversion of industrial buildings to office use and redevelopment into commercial/office

buildings under the planning regime. Subsequently, the Government introduced two rounds of revitalisation scheme for industrial buildings to facilitate the redevelopment and wholesale conversion of industrial buildings, followed by the introduction of the scheme to charge land premium at standard rates for lease modifications of redevelopment of industrial buildings to encourage revitalisation of industrial building. A number of industrial buildings in Kowloon East have been or will be redeveloped or converted into office, shop and services and hotel uses. Besides, to ensure a steady and adequate supply of quality office space in Kowloon East, the Government has disposed eight pieces of government land in Kowloon East for commercial development since the promulgation of the Energizing Kowloon East initiatives. Flexibility has been allowed in the planning of these commercial sites for the establishment of innovation and technology uses.

Against this context and driven by a series of policy measures, Kowloon East has been transformed into CBD2 with a diversity of industries. In terms of the supply of commercial properties, apart from Grade A office, there are different types of affordable properties of good quality which provide space for developing business by different types of companies. Notwithstanding that the Government has no plan to designate particular site in Kowloon East for innovation and technology use, or to deploy specific measures to promote innovation and technology in Kowloon East, with the unique history of the area, diversified supply of properties especially that manufacturing activities are still active in the area, innovation and technology companies would be convenient in pairing up with the research, academic and industry sectors or other businesses supporting services, while the converted industrial buildings in the area with relatively lower rent would be attractive to startups. These would attract innovation and technology companies to move into Kowloon East. In fact, a number of innovation and technology startups have gradually been stationed in Kowloon East in recent years.

Besides, the Energizing Kowloon East Office (the Office) has been collaborating with private and public sectors to utilise Kowloon East as a Smart City Lab. For example, an indoor-outdoor navigation with voice guidance for the visually impaired/people in needs at MTR stations and some large shopping malls in Kowloon East has recently been introduced under the facilitation of the Office. Others include a proof of-concept trial at the Kwun Tong Typhoon Shelter on Real-time Water Quality Monitoring System completed earlier on and an ongoing trial of Smart Recycling Systems. At the same time, the Office would assist and facilitate different groups in organising promotional activities on smart city development and STEM as means to facilitate the development of innovation and technology.

Regarding culture, sports and tourism development aspects, the Culture, Sports and Tourism Bureau will fully utilise the opportunities brought by the Kai Tak Sports Park (KTSP), East Kowloon Cultural Centre and Kai Tak Cruise Terminal, and their collaboration with other facilities in the district, to develop culture, sports and tourism as well as bring new experiences to visiting tourists. As an incubator for the development of arts and technology, the East Kowloon Cultural Centre which is adjacent to Kowloon East CBD2 will bring new cultural experience to the community. Whereas for KTSP, it will provide venues for hosting mega sports and entertainment events, thereby giving impetus to the development of relevant sectors.

LEGCO QUESTION NO. 20
(Written Reply)

Asked by Hon CHAN Yuet-ming

Date of meeting : 8 May 2024

Replied by : Secretary for Innovation, Technology and Industry

Reply:

President,

Under the Multi-functional Smart Lampposts Pilot Scheme (Pilot Scheme) launched in 2019, over 400 multi-functional smart lampposts have been installed in locations with higher pedestrian and vehicular flow in the territory (including Central and Admiralty, Wan Chai, Yau Tsim Mong, Kwun Tong / Kai Tak Development Area, Kowloon City district and Sai Kung district) to provide intelligent public lighting services and facilitate concerned bureaux/departments (B/Ds) to collect different kinds of city data through smart devices as well as to support the development of 5G mobile communications services. The Pilot Scheme was completed in December 2023.

Having consulted the Commerce and Economic Development Bureau and the Highways Department, a consolidated reply in response to the questions raised by the Hon CHAN Yuet-ming is as follows:

(1) and (2) Smart lampposts are the infrastructure for building smart city, allowing B/Ds to install relevant smart devices and applications at suitable locations in accordance with their operational needs to assist in their work on city management. The distance between lampposts is mainly determined by relevant technical standards, including pedestrian flow. The smart devices to be installed on smart lampposts depend on the real-time city data required to be collected or published by respective B/Ds. Due to the differences in functionality and coverage of different smart devices, the relevant departments would, based on the actual circumstances, install different smart devices at different locations on the same street where the smart lampposts are installed, in order to achieve the best effect and collect the required data for analysis and reference by the relevant B/Ds. On average, the cost of each smart

lamppost with smart devices is about $140,000.

(3) and (5) The Pilot Scheme was completed in December 2023. We have reported the initial achievements and the way forward in the meeting of the Legislative Council Subcommittee on Matters Relating to the Development of Smart City on 25 April 2023, and in the paper for the Panel on Information Technology and Broadcasting on 8 April 2024 respectively. The experience gained from the Pilot Scheme shows that smart lampposts are suitable for installing with smart devices and can help collect real-time city data of the area. Mobile network operators have also expressed their wish for installing more radio base stations (RBSs) on smart lampposts to promote the development of 5G network services. In addition, various sectors across the community and the general public hold positive views on going ahead with installation of smart lampposts and smart devices, and suggest that the Government install more smart devices on smart lampposts so as to meet the needs of smart city.

To further promote smart city development in Hong Kong, smart lampposts will be a standard infrastructure to be installed in new development areas under planning or construction in future, so as to facilitate B/Ds to install suitable smart devices and applications in accordance with their operational needs for enhancing city management and developing innovative services. As for developed areas, in the light of the experience gained from the Pilot Scheme, we consider that large-scale replacement of existing conventional lampposts is not cost-effective and may not be feasible from the technical and engineering perspectives. It is more preferable to replace the existing lampposts with smart lampposts in suitable urban locations where feasible, and duly taking into account the operational and services requirements of individual departments.

(4) To enhance mobile network coverage in rural and remote areas, the Chief Executive announced in the 2023 Policy Address that the Government will proactively co-ordinate with the mobile network operators (MNOs) and explore the feasibility of providing subsidies to expedite the expansion of mobile network infrastructure in rural and remote areas, with a view to enhancing the mobile network coverage and capacity in these areas so as to improve the quality of life of the residents and safeguard the safety of visitors. The Office of Communications Authority (OFCA) is now conducting the preparatory work for the implementation of the programme, including drawing up MNO's eligibility, proposed coverage scope and areas, number of

mobile network facilities to be constructed, implementation timetable, funding mechanism and amount, etc. OFCA will conduct an industry consultation in the second half of 2024 to finalise the detailed implementation arrangement.

As for the use of smart lampposts as 5G wireless RBSs, the Government has established mechanism to reserve space and carrying capacity in multi-functional smart lampposts set up in various areas for MNOs to install RBSs in order to further expand 5G network coverage.

- ENDS -

LEGCO QUESTION NO. 21
(Written Reply)

Asked by Hon Dennis LEUNG

Date of meeting : 8 May 2024

Replied by : Secretary for Transport and Logistics

Reply

President,

Hong Kong Police Force (HKPF) have been monitoring the manpower situation of Traffic Wardens ("TWs") and recruiting TWs as and when necessary. Having consulted the HKPF in respect of the Hon Dennis Leung's questions on the establishment, recruitment and the turnover situation of TWs, my reply is as follows:

(1) The establishment and strength of Senior Traffic Wardens (STWs) and TWs from 2019 to end of March 2024

Rank	Manpower	Year (based on the figures as at 31 December each year)					
		2019	2020	2021	2022	2023	2024 (as at 31 March)
STWs	Establish-ment	44	44	45	45	45	45
	Strength	43	44	44	45	44	44
TWs	Establish-ment	311	318	319	322	316	316
	Strength	287	287	279	299	262	254

(2) TW recruitment exercises conducted in 2021 and 2023

Year of recruitment exercise	Target number of recruits	Number of applicants	Number of TW recruited
2021	55	7 741	88*

Year of recruitment exercise	Target number of recruits	Number of applicants	Number of TW recruited
2023	43	3 426	Internal vetting in progress; new hire onboarding process will commence as soon as possible afterwards

*Note: Including the number of vacancy to be filled and waiting list.

(3) The 2023 TW recruitment exercise will be completed soon. The HKPF has no plan for another TW recruitment exercise at this moment. If there are vacancies to be filled in the near future, HKPF will recruit suitable candidates from the waiting list of previous recruitment exercise. Besides, STW is a promotional rank for TW and vacancies will be filled by promotion.

(4) Number of STWs and TWs who left the service from 2019 to end of March 2024

Year (based on the figures as at 31 December each year)	Number of departures	
	STWs	TWs
2019	1 (retired)	5 (retired) + 9 (change of job#)
2020	3 (retired)	9 (retired) + 12 (change of job#)
2021	4 (retired)	10 (retired) + 10 (change of job#)
2022	2 (retired)	11 (retired) + 10 (change of job#)
2023	5 (retired)	12 (retired) + 18 (change of job#)
2024 (as at 31 March)	0	6 (change of job #)

#Note: Including those who were transferred to other government departments or resigned.

(5) Number of STWs and TWs who will reach their retirement age in each year from 2024 to 2026

Rank	Year		
	2024	2025	2026
STWs	5	3	2
TWs	6	7	6

(6) Length of service of STWs and TWs in each year from 2019 to 2024

Year (based on the figures as at 31 December each year)	Length of service					
	Lower quartile		Median		Upper quartile	
	STWs	TWs	STWs	TWs	STWs	TWs
2019	24	1	25	4	28	24
2020	24	1	26	4	29	24
2021	25	2	27	4	29	25
2022	26	2	27	5	29	13
2023	25	3	28	5	29	12
2024 (as at 31 March)	25	3	28	5.5	30	12.5

-End-

LEGCO QUESTION NO. 22
(Written Reply)

Asked by: Ir Hon CHAN Siu-hung Date of Meeting: 8 May 2024

Replied by: Secretary for Environment and Ecology

Reply

President,

To minimise micro-plastic pollution brought about by the difficulty of decomposing plastics in the natural environment, as well as its threat and harm posed to ecological environment and human health, "plastic reduction" and "plastic-free" have become an international consensus in recent years. Different places around the world have implemented measures to regulate disposable plastic products one after another. In Hong Kong, the regulation of disposable plastic tableware and other plastic products has been implemented since April 22 this year (Earth Day) to regulate disposable plastic tableware and other plastic products at source and from their supply.

The reply to the question raised by the Hon CHAN Siu-hung is as follows:

(1) Establishing the "Green Tableware Platform" (the Platform) (www.greentableware.hk) aims to provide the trade with information on alternatives that meet the requirements of the new legislation on the regulation of disposable plastic products, with a view to assisting the trade in the early adoption of more environmental-friendly non-plastic tableware. At present, the secretariat of the Platform (Hong Kong Quality Assurance Agency) has not required suppliers to submit information on per- and polyfluoro alkyl substances (PFAS). We notice that there are many public concerns about the quality and safety of non-plastic tableware in the market. To provide better services to the public and the trade, the Government will consider inviting suppliers to voluntarily submit relevant certificates or documents, and listing out non-plastic tableware with these certificates or documents for reference.

As regards the health risks of PFAS, PFAS is a general term for a large group of chemically synthetic substances that are widely found in a wide range of artificial products, especially those with surface coatings, such as clothes, food packaging materials, cooking utensils and various plastic products, etc. According to information from international scientific research and regulatory organisations, although some products contain a small amount of PFAS, the risk to human health associated with exposure from these products is very low. It has been recently reported that a research team from the Universiteit Antwerpen in Belgium conducted a study on the PFAS content in straws made of different materials, and its findings showed that PFAS was detected in paper, bamboo, plastic and glass straws available in the Belgian market, and yet there was no statistically significant difference in the total PFAS content in these paper, bamboo, plastic and glass straws. Based on the data in the report, it is projected that the public would need to consume a significant amount of all PFAS contents in straws for a continuous period (about 300 straws per person per week) to exceed the tolerable intake level of PFAS set by the European Food Safety Authority. Under normal circumstances, hence, there is no need to be worried.

(2) To motivate the public to reduce waste at source and go "plastic-free", the Environmental Protection Department (EPD) has been encouraging the trade and the public to use reusable tableware through various means, including promoting rental schemes for reusable containers or cutlery, encouraging eateries to accept customers to use their own containers when ordering takeaways, cultivating the habit of bringing their own containers and cutlery, and encouraging the public to make use of the "Plastic-Free Rewards" mobile application to collect stamps and redeem reusable tableware.

In collaboration with the Environmental Campaign Committee (ECC), the EPD has launched the "Reusable Tableware Lending Programme for Large-scale Events" since December 2018 to provide free-of-charge reusable tableware lending services for organisers of large-scale events, including delivery, collection and cleaning services of reusable tableware. The EPD and the ECC also launched a free meal container lending programme in two phases in 2021 and 2022 respectively, with the pilot scheme of the second phase covering seven local universities. By lending meal containers to the public in a convenient way, the objective of the pilot scheme is to encourage the public to build a good habit of bringing their own reusable meal containers when ordering takeaways. Meanwhile, it also serves as a demonstration for organisations such as private companies and schools.

Furthermore, the Government is supporting community waste reduction projects on the reusable tableware rentals through the Environment and Conservation Fund (ECF). Starting from October 2022, the ECF has provided funding support for a green group to collaborate with a takeaway platform to launch a two-phased 22-month reusable food container rental scheme with restaurant partners in various districts on Hong Kong Island, thereby promoting the culture of reusable tableware rental in a more extensive manner. Since the commissioning of the scheme, positive responses have been received with a total reduction of more than 25 000 disposable food containers.

To further encourage the public to bring their own containers when ordering takeaways, the EPD launched the Bring Your Own Containers (BYOC) Eateries Scheme in September 2023. Eateries participating in the scheme are required to accept customers to use their own containers (i.e. food containers or beverage cups) when ordering takeaways, or provide customers with reusable container lending services. The relevant eateries will be given the BYOC Eateries stickers for easy identification by customers. Currently, over 470 eateries have joined the scheme.

The EPD also collaborated with the catering industry to organise the third "Plastic-free Takeaway, Use Reusable Tableware" large-scale publicity and public education campaign. The campaign started from November 2023 and will be extended until October this year. Members of the public can collect stamps and redeem rewards through the "Plastic-Free Rewards" mobile application by opting out disposable tableware or containers when ordering takeaways from more than 750 participating eateries. During 5 May to 5 June this year, a time-limited promotion has been launched on the "Plastic-Free Rewards" mobile application under which users who have collected three stamps will be able to redeem a set of reusable tableware.

Establishment of a centralised food container lending programme would require consideration of various factors including market demand and supply, habits of the public, operational feasibility, and cost-effectiveness, etc. The Government has no plan to develop a centralised food container lending services programme at present. We will continue to promote "plastic-free" practices and environmental awareness on reuse in the community through the various channels mentioned above.

(3) The regulation of disposable plastic tableware for takeaway is closely related to people's daily lives, and the actual situation in Hong Kong is of utmost importance. Taking into account the supply, availability and affordability of alternatives to plastic cups and food containers commonly

used by the public for takeaways, the first phase of the regulation only prohibits the use of expanded polystyrene cups and food containers but not other disposable plastic cups and food containers, so as to avoid causing excessive impact on their daily lives. As we are adopting a progressive regulatory approach, there are no specific requirements to reduce the use of biodegradable disposable plastic tableware at this stage. At the same time, we have been proactively encouraging the reduction of the use of disposable tableware at source through "plastic-free" measures. At present, many citizens begin to opt out disposable cutlery when ordering takeaways. By doing so, a healthy "plastic-free" culture will soon be developed.

The second phase of the regulation covers plastic cups and food containers commonly used for takeaways. We will introduce the second phase only after giving due consideration to the availability and affordability of the relevant non-plastic alternatives, as well as both the trade and the public's adaptation to the first phase regulation. There is no implementation timetable at present.

- End -

Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China and Hong Kong Court of Final Appeal Ordinance

Resolution

(Under Article 73(7) of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China and section 7A of the Hong Kong Court of Final Appeal Ordinance (Cap. 484))

Resolved that the appointment of the Honourable James Leslie Bain Allsop as a judge of the Hong Kong Court of Final Appeal from another common law jurisdiction pursuant to section 9 of the Hong Kong Court of Final Appeal Ordinance (Cap. 484) be endorsed.

Loans Ordinance

Resolution

(Under section 3(1) of the Loans Ordinance (Cap. 61))

Resolved that—

(a) the Government be approved to borrow from any person from time to time for the purposes of the Capital Works Reserve Fund established by the Resolution passed on 20 January 1982 (Cap. 2 sub. leg. A) sums not exceeding in total $500 billion or equivalent, being the maximum amount of all sums borrowed under this paragraph that may be outstanding by way of principal at any time;

(b) sums borrowed under paragraph (a) are to be credited to the Capital Works Reserve Fund; and

(c) this Resolution is to replace the Resolution passed on 21 July 2021 (Cap. 61 sub. leg. H).