

Appointment of member to Fight Crime Committee

The Government announced today (July 15) the appointment of Ms Melody Kwok Sze-wai as a member to the Fight Crime Committee. Her appointment is from July 15, 2020, to March 31, 2022.

The Fight Crime Committee, chaired by the Chief Secretary for Administration, is responsible for drawing up plans to reduce crime, co-ordinating efforts in fighting crime and monitoring the results, and determining ways in which the public can be encouraged to contribute to the fight against crime.

LCQ10: Common Spatial Data Infrastructure

Following is a question by the Hon Starry Lee and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (July 15):

Question:

To promote the development of Hong Kong into a smart city, the Government is developing the Common Spatial Data Infrastructure (CSDI), a digital infrastructure facility, to facilitate the consolidation, exchange, sharing and innovative application of geospatial data among government departments and public and private organisations. The Government has set up, for coordination of the related work, a working group which is jointly led by the Development Bureau and the Innovation and Technology Bureau, and has a membership comprising representatives from those policy bureaux/government departments which are major holders of relatively larger amount of spatial data. The Government expects that the CSDI portal can be rolled out by the end of 2022 for public use. In this connection, will the Government inform this Council:

(1) of the details of the work carried out by various policy bureaux/government departments in respect of developing CSDI, and the situation on the usage of the funding of \$300 million earmarked in the last financial year by the Government for this initiative; and

(2) of the specific measures and additional resources to ensure that policy bureaux/government departments will actively provide CSDI with the geospatial

data in their possession?

Reply:

President,

The Common Spatial Data Infrastructure (CSDI) portal is one of the key digital infrastructures underpinning the smart city development in Hong Kong. It aims to enhance the use, management, discovery and sharing of spatial data for robust policy-making, driving innovation and value creation of society. With Legislative Council's approval of \$300 million (to be shared equally between the development of the CSDI portal and production of 3D maps) and another \$60 million (for setting up a Geospatial Lab) in May 2020, the Development Bureau (DEVB), with the support of the Innovation and Technology Bureau (ITB), the Survey and Mapping Office (SMO) of the Lands Department and other bureaux/departments (B/Ds), have been working in full swing to expedite the development of the CSDI portal.

My reply to the different parts of the question is as follows:

(1) Through the Common Spatial Data Steering Committee (CSDSC) co-chaired by the DEVB and the ITB, we have been working closely with the SMO and other B/Ds to ready the CSDI portal for full operation by end 2022, with a minimum of 240 datasets covering the DEVB's family of departments and some other B/Ds including the Agriculture, Fisheries and Conservation Department, the Census and Statistics Department, the Education Bureau, the Leisure and Cultural Services Department, etc. for free download and use by the public. These datasets to be released through the CSDI portal are required to meet the CSDI standards, which include geotagging of non-spatial data, documentation of data specifications and metadata, conversion of spatial data to an open and machine-readable format, as well as establishment of Application Programming Interface (API). The DEVB is continuing discussion with B/Ds with a view to releasing more datasets through the CSDI portal by end 2022.

Between 2020 and 2021, the DEVB together with the SMO will also launch four quick win projects, including Map API, Geotagging Tool, District-based Spatial Information Dashboard and Address Data Infrastructure to facilitate users from the public and private sectors realising early the benefits of using spatial data for various innovative applications and secure their buy-in and participation in the future CSDI portal. We are encouraged by the positive response since the launch of the pilot version of the Map API in October 2019 – over 2.9 million requests for the tool have been received in the past eight months.

Moreover, the DEVB is making preparation to set up the first Geospatial Lab tentatively in early 2021. The Geospatial Lab provides a platform for the Government to reach out to the wider community in particular the younger generation and start-ups including application developers for promoting use of spatial data in developing useful mobile applications.

The DEVB and the LandsD will set up the Common Spatial Data Advisory

Committee to engage the non-government sector including professional institutes, academia and other stakeholder groups and tap their expertise and advice on how best to develop the CSDI portal that can suit the needs of society and economy.

In addition, we will conduct a number of activities to promote wider use of spatial data, including the launching of a CSDI website, in 2020-21.

The \$300 million earmarked for the CSDI portal and 3D maps is expected to be spent over four years between 2020-21 and 2023-24.

(2) The policy direction is that, unless there are valid legal or operational concerns, B/Ds should make their best endeavours to release their spatial datasets through the CSDI portal for free download and use by the public. In this connection, one of the key functions of the CSDSC is to identify and resolve systemic issues that may hinder B/Ds from releasing their spatial datasets. Specific measures formulated and overseen by the CSDSC and its three working groups to encourage data release by B/Ds include the following:

(a) apart from building the architecture for the CSDI portal, studies have been and will be engaged by the SMO to establish common data standards for compliance by B/Ds releasing data onto the CSDI portal. Relevant B/Ds have been participating actively in the course of these studies so that technical solutions to be eventually adopted for the CSDI portal can take into account their operational concerns amongst other things;

(b) of the \$150 million for the development of the CSDI portal, a dedicated \$30 million has been set aside for B/Ds to ready their spatial datasets to meet the CSDI standards formulated through studies in (a) above. We are aiming to invite B/Ds to apply for this funding in the next few months for data conversion and other related projects;

(c) since July 2020, the DEVB and the SMO have provided in phases spatial data tools to facilitate B/Ds to improve their data readiness. To this end, training will also be organised to familiarise B/Ds with the use of such tools. For example, some B/Ds have started attending training programmes on the location geo-referencing tool in June to learn how to geotag non-spatial datasets with a web-based geotagging tool; and

(d) the DEVB is finalising internal circulars to promulgate the policy and operational arrangements for the CSDI portal so as to provide an overall strategic framework to guide B/Ds' contribution to the CSDI portal.

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday,

July 15, 2020 is 107 (down 0.2 against yesterday's index).

LCQ22: Aviation industry

Following is a question by the Hon Luk Chung-hung and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (July 15):

Question:

The Coronavirus Disease 2019 pandemic has dealt a heavy blow to Hong Kong's aviation industry. To maintain Hong Kong's status as an international aviation hub, the Government has, earlier on, announced its decision to invest in Cathay Pacific Airways Limited (CX) to help CX come out of financial distress. On the other hand, some employees in the aviation industry and the aviation support services sector have relayed that the Government's current relief measures have mainly benefited enterprises, with little direct assistance for employees. In this connection, will the Government inform this Council:

(1) as the Government has indicated that it has no intention of keeping its shareholding in CX for a prolonged period of time, of the expected time when the Government can cease to hold any shares in CX;

(2) whether it knows the number of CX's Hong Kong staff members and the percentage of such number in the total number of employees in the local aviation industry, with a tabulated breakdown of the former by (i) type of business, (ii) job type and (iii) position;

(3) given that when it accepted the Government's investment and loan, CX did not publicly undertake that it would not lay off its staff, and that CX has currently asked quite a number of its employees to take no pay leave, whether the Government has put in place specific measures to ensure that CX's staff have adequate protection for their employment and wages; if so, of the details; if not, the reasons for that;

(4) of the (i) unemployment rate, (ii) number of unemployed persons, (iii) underemployment rate and (iv) number of underemployed persons, in respect of Hong Kong's aviation industry and aviation support services sector in each month from January to June this year, with a tabulated breakdown by job type and position;

(5) whether the Government will provide cash assistance, anti-epidemic allowances and travel allowances for employees in the aviation industry and the aviation support services sector (including ancillary engineering personnel, ground crews, catering service personnel, shop attendants and freight logistics personnel who work in the airport); if so, of the details;

if not, the reasons for that;

(6) whether it has assessed when Hong Kong's aviation industry will recover; of the measures in place to assist the aviation industry in coming out of the trough as soon as possible, and to reinforce Hong Kong's status as an international aviation hub; and

(7) whether it has any measures to prevent the slump in the aviation industry from causing talent wastage, and to step up the training for employees in the industry; if so, of the details; if not, the reasons for that?

Reply:

President,

Hong Kong is an international aviation hub with a comprehensive international air network that underpins the development of a wide spectrum of economic activities, including trading and logistics, tourism and financial services. Strategically located in the region and having one of the best airport infrastructure in the world, the aviation industry has brought tremendous economic benefits to Hong Kong over the years. In 2012, the economic contribution of Hong Kong International Airport (HKIA) (including direct, indirect and induced contributions) amounted to some \$94 billion, representing 4.6 per cent of Hong Kong's gross domestic product. Prior to the outbreak of COVID-19, about 78 000 people worked at HKIA.

The sustainability and competitiveness of our local airlines are now under severe stress in the face of the outbreak of COVID-19. In April 2020, the International Air Transport Association projected that the annual airline passenger revenues around the world would suffer a year-on-year drop of 55 per cent due to the economic shock caused by the outbreak of COVID-19 and the imposition of travel restrictions worldwide. In Hong Kong, comparing their pre-COVID-19 (the second half of January 2020) operation level and that in the second half of April 2020, the number of scheduled passenger services operated by local airlines reduced by around 90 per cent and the passenger traffic plunged by over 99 per cent from the previous daily average of around 130 000 passengers to a daily average of around 500 passengers.

Parts (1) to (3) of Hon Luk Chung-hung's question are related to the Government's investment in Cathay Pacific Airways Limited (Cathay Group). As the bureau responsible for aviation policy, the Transport and Housing Bureau (THB) provided policy inputs to the Financial Secretary in respect of the Government's consideration on whether it should uphold Hong Kong's status as an international aviation hub by supporting the Cathay Group. The subsequent commercial assessments of the Government's investment in the Cathay Group were handled by the external financial consultant engaged by the Hong Kong Monetary Authority (HKMA) under the authorisation of the Financial Secretary. The THB did not participate in the commercial assessments and designs of the investment, as well as the commercial negotiations with the Cathay Group and its major shareholders. The THB will also not participate in any subsequent investment decisions related to the Government's investment concerned.

Having consulted the Financial Secretary's Office, the Financial Services and the Treasury Bureau and the HKMA, our reply is as follows:

(1) The Government's investment involves subscription of preference shares (with detachable warrants) issued by the Cathay Group, and provision of a bridge loan to the company. The step-up coupon mechanism will incentivise the Cathay Group to redeem the preference shares as soon as practicable. As for the detachable warrants, the Government could exercise the warrants within five years of the warrants issuance having regard to market conditions. For the bridge loan, the Cathay Group can arrange respective drawdowns within 12 months of the loan establishment based on need and is required to make repayment within 18 months of the respective drawdowns.

(2) Based on the information provided by the Cathay Group, as at the end of June 2020, the four local airlines under its portfolio (namely Cathay Pacific, Cathay Dragon, HK Express and Air Hong Kong) employed over 20 000 staff in total in Hong Kong, and other subsidiaries of the Cathay Group employed over 5 000 staff in total in Hong Kong. Before the outbreak of COVID-19, there were around 78 000 persons working at HKIA. Understandably, the number of employees locally employed by the Cathay Group accounts for a considerable proportion of the total number of staff working at HKIA.

(3) The Hong Kong Special Administrative Region (HKSAR) Government received applications for the first tranche of the Employment Support Scheme (ESS) from the end of May to the middle of June 2020. The objective of the ESS is to provide time-limited financial support to employers to retain their employees who would otherwise be made redundant and to pay wages to staff who have been put on no-pay leave. When submitting their applications, all employers participating in the first tranche of the ESS provided an undertaking not to make redundancies during the subsidy period (viz from June to August 2020) and to spend all the wage subsidies on paying wages to the employees. The four local airlines in the Cathay Group have all applied for the ESS and have been approved to receive the wage subsidies. Based on the information provided by the ESS Secretariat, the total number of committed headcount (viz total number of paid and unpaid staff (as of March 2020)) of the four airlines is over 20 000 persons.

Having consulted relevant bureaux/departments, our reply to parts (4) to (7) of Hon Luk Chung-hung's question is as follows:

(4) and (5) Over the past few months, the Government together with the Airport Authority Hong Kong (AAHK) have jointly launched several rounds of relief measures totalling over \$5 billion for the aviation industry in response to the challenges the industry has to face arising from the outbreak of COVID-19. The Government and the AAHK have been closely monitoring the situation, liaising with the business partners and meeting different stakeholders so as to understand their situation and gauge their views. To help the aviation sector in mitigating the impact of the COVID-19, the Government has launched two subsidies for the aviation industry under the second round of Anti-epidemic Fund (AEF), targeting airlines and aviation support services and cargo facilities operators (e.g. aircraft maintenance, ground services, aviation catering, aviation fuel supply, logistics services

and inter-modal transport services) at HKIA respectively. The one-off subsidies amount to \$367 million. The subsidies provided timely support to the industry in overcoming the challenges, maintaining operations and safeguarding employment, in order to avoid hindering the recovery of the aviation sector and the economy of Hong Kong.

Meanwhile, to assist the airport industry affected by the epidemic, the AAHK has launched four rounds of relief measures supporting the airport community, targeting different groups including airlines, aviation support services operators, airport retail tenants and restaurants, and airport staff. To care for the airport staff, training incentive is provided to front-line airport staff who take on training while they are on unpaid leave. The AAHK has earmarked a total of \$50 million for providing training incentive in March 2020. In view of the positive response, the AAHK has earmarked another \$50 million in June 2020, i.e. a total of \$100 million as training incentive, to encourage staff to enhance competencies and skills.

We hope that the support under the AEF and multiple rounds of relief measures would help alleviate the short-term turmoil caused by the current epidemic to the aviation industry and avoid making detrimental impact on our international aviation hub.

According to the latest statistics released by the Census and Statistics Department (C&SD), the overall seasonally adjusted unemployment rate and underemployment rate during March to May 2020 were 5.9 per cent and 3.5 per cent respectively. Before the outbreak of COVID-19 in Hong Kong, the overall seasonally adjusted unemployment rate and underemployment rate during November 2019 to January 2020 were 3.4 per cent and 1.2 per cent respectively. Comparing the two sets of statistics, it is noted that the overall employment situation in Hong Kong had largely been affected by the outbreak of COVID-19. Apparently, the aviation industry, which was hard hit by the outbreak of COVID-19, would not have been spared from the impact.

According to the industry classification of C&SD, the aviation industry belongs to the air transport sector under the transport industry. As the unemployment and underemployment statistics for the air transport sector are compiled based on a small number of observations and subject to very large sampling errors, the statistics for this specific sector is not released.

(6) and (7) Having considered public health protection, economic impact and social acceptance, transit services at HKIA has been resumed in a gradual and coordinated manner starting from June 1, 2020. Depending on the travel and border control restrictions and quarantine measures imposed by different countries and regions, airlines will adjust their flight services (including considering the resumption of air services to/from certain ports, and the addition of flight frequencies) based on market demand. Meanwhile, the Government is now exploring with places which have relatively stabilised their epidemic situation on how to resume cross-border travel in a gradual manner and establish the mutual arrangement as soon as possible. The HKSAR Government has already had some initial discussion with the relevant governments, among them, the government of Thailand has announced that it is going to commence discussion with Hong Kong on the ways of relaxing border

control. The Government will follow up with the government of Thailand.

The Government and the AAHK will continue to closely monitor the on-going economic and market situation, and will engage the industry when considering appropriate measures, with a view to helping the industry overcome the hardship and retain talents. We look forward to the launching of market recovery campaigns by the AAHK, together with the business partners, when the epidemic is over, in order to drive the air traffic and related businesses.

LCQ4: District football teams

Following is a question by the Hon Cheung Kwok-kwan and a reply by the Secretary for Home Affairs, Mr Caspar Tsui, in the Legislative Council today (July 15):

Question:

It has been reported that two district football teams respectively from Yuen Long and Tai Po announced earlier their withdrawal from the current football season of the Hong Kong Premier League (HKPL), thus leaving only one district football team competing for the HKPL champion. This situation has aroused concerns about the development and prospect of district football teams. In this connection, will the Government inform this Council:

(1) whether it has taken the initiative to gain an understanding of the reasons for the withdrawal of the aforesaid two district football teams from the HKPL;

(2) whether it knows the minimum annual funding needed for the continued operation of a district football team which participates in the HKPL; whether it has assessed if the existing financial and other support for district football teams are adequate, and whether it has formulated plans to create new sources of income for such teams; and

(3) whether it has plans to comprehensively review the role and functions of district football teams in promoting local football development?

Reply:

Acting President,

To promote district football development, the Hong Kong Football Association (HKFA) invited all 18 districts in 2002 to establish district football teams (district teams) to participate in the then newly-formed Third Division League. In the 2002/03 football season, there were 12 participating

district teams; in the 2003/04 football season, the remaining six district teams also joined the Third Division League. Many of the district teams were subsequently qualified for promotion to higher divisions of the league and have achieved very good results.

Since the 2011/12 football season, the Home Affairs Bureau (HAB) has implemented the District Football Funding Scheme (DFFS) to provide funding support to the 18 district teams participating in the HKFA league with the aim of improving their performance and governance, strengthening the cohesion of the community and fostering greater enthusiasm for football at the district level. The funding can be used to cover key expenses in areas including hiring coaches, renting training venues, transportation, purchasing team strips, purchasing necessary equipment for competition or training, engaging administrative staff, purchasing public liability insurance and accident insurance in connection with local and overseas training and competitions, as well as hiring physiotherapy services. However funding under the DFFS cannot be used to cover players' salaries. The amount of funding for each team is determined by the division of the HKFA league in which it is participating. Currently, the levels of funding for teams playing in the HKPL, First Division, Second Division and Third Division are \$1.65 million, \$0.55 million, \$0.385 million and \$0.33 million respectively.

My reply to the three parts of the question is as follows:

(1) The HKFA has originally scheduled to hold the HKPL matches between August 2019 and May 2020 in the 2019/20 football season. Due to impact of the COVID-19 pandemic, the HKPL matches have been suspended and postponed since March 23, 2020, with resumption no earlier than August this year. In view of the special circumstances of the pandemic, the HKFA allows the HKPL teams to decide on their own whether to continue playing in the HKPL matches upon its resumption.

The HAB and the District Offices have been in close contact with district teams to understand their situation. It is noted that Best Union Yuen Long and Wofoo Tai Po have decided not to participate when the HKPL matches in the 2019/20 football season resume and would only compete in the First Division League in the 2020/21 football season, having considered relevant factors such as the impact of the pandemic, downward pressure on the economy, football clubs' financial status and issues relating to sponsors.

(2) Being the highest level of professional football in Hong Kong, the HKPL requires all participating teams to operate as professional teams and meet the licensing requirements of the HKFA. It is different from other divisions of the league in terms of competitiveness and nature. Just like any other professional team, district teams have to take into account various factors, such as their level of competitiveness, development plans and aims as well as financial arrangements, in deciding whether to compete in the HKPL. The annual operating costs of football teams playing in the HKPL have increased in recent years, ranging from several millions to tens of millions of dollars.

In the 2019/20 football season, there were 10 teams competing in the

HKPL, including three teams with district background, i.e. Kwoon Chung Southern, Best Union Yuen Long and Wofoo Tai Po. In addition to an annual funding of \$1.65 million per team under the DFFS, district teams playing in the HKPL are provided with 36 sessions (54 hours in total) of free venues for training in their respective districts by the Leisure and Cultural Services Department in each football season. District teams are independent legal entities which run their own affairs, including financial arrangements. Irrespective of whether it is a district team or not, the costs of competing in the HKPL vary from one team to another. Depending on the team's planning and targets, the various cost items such as players' salaries, local and overseas training and competitions, as well as promotion and marketing costs can vary significantly. In general, football clubs need to develop their income sources and seek sponsorship to maintain their commercial operation and competitiveness.

(3) District teams are established to compete in local leagues with the aim of enhancing enthusiasm for football at the districts and strengthening cohesion of the community. District football teams have indeed made contributions to the development of youth training and the nurturing of young football players. In the 2002/03 and 2003/04 football seasons, all 18 district teams started from the lowest level, i.e. the Third Division League. The district teams have become stronger, with many of them qualifying for promotion to higher divisions of the league and winning numerous championships. In the 2019/20 football season, there are three district teams playing in the HKPL, six in the First Division, six in the Second Division and three in the Third Division Leagues.

In the past decade, all 18 district teams have taken root in local districts and made positive contribution to football development in Hong Kong. Regardless of the division of league they are participating in, district teams have, apart from contributing significantly in enhancing the interest and enthusiasm in football in their respective districts, provided training and competition opportunities for many young players, some of whom have even been selected as members of the Hong Kong Team and Hong Kong Youth Team. In general, district teams help improve the standard of play of and participation in football in Hong Kong.

The HAB regularly reviews the funding levels of the DFFS. Since the 2018/19 football season, the funding levels have been increased by 10 per cent. Upon completion of the 2019/20 football season, the HAB will review the reports submitted by district teams and determine the funding levels for the 2020/21 football season. The HAB will continue to support district teams and promote district football development through the DFFS.