

LCQ12: “New normal” of co-existence with virus

Following is a question by the Hon Martin Liao and a written reply by the Secretary for Innovation and Technology, Mr Alfred Sit, in the Legislative Council today (July 15):

Question:

At present, the coronavirus disease 2019 (COVID-19) epidemic in various places across the globe is still fluctuating, causing significant impacts on public health and the economy. The epidemic has put additional pressure on Hong Kong's economy, which has been dealt a double blow by the riots and the Sino-US trade conflicts. The World Health Organization has advised recently that the world still has a long way to go in tackling the COVID-19 epidemic, and this novel coronavirus may co-exist with mankind for a long time. The governments of various places across the globe have adopted various anti-epidemic measures for tackling the epidemic, including immigration control, lockdown and isolation measures, social distancing, and restricting the conduct of business in high-risk premises. Worldwide communities may need to maintain the operation of their societies and economies through a wider use of models such as working-from-home and e-commerce. All of these are regarded as the 'new normal' whereby the mankind co-exists with the virus for a long time. In this connection, will the Government inform this Council:

(1) whether it has assessed the impacts of the new normal on (i) Hong Kong's economy, (ii) various trades, and (iii) the effectiveness of the Government's policies for economic revival;

(2) with regard to those trades severely hit by the new normal and are subject to great hardship, of the Government's new thinking and new measures (i) to help alleviate the adverse impacts of the epidemic and the anti-epidemic measures on them, such as by setting up a 'travel bubble' with specific overseas places, and (ii) to turn risks into opportunities, in respect of supporting the digital transformation of small and medium enterprises for instance, apart from increasing the funding allocation for the Distance Business Programme under the Anti-epidemic Fund from \$500 million to \$1.5 billion in the light of the number of applications received which is five times that of the original estimation, what other enhancement measures are in place to ensure that the policy objectives of helping various trades to blaze an escape route and to survive the epidemic can be achieved; and

(3) of the measures in place to help local enterprises tap business opportunities in those markets outside Hong Kong which are also experiencing the new normal, including the establishment of a mechanism for mutual recognition of health certification between Hong Kong and the Mainland, as well as the implementation of electronic payment connectivity within the

Guangdong-Hong Kong-Macao Greater Bay Area?

Reply:

President:

Regarding the various parts of the question, our reply which is prepared in consultation with relevant policy bureaux/offices is as follows:

(1) The coronavirus disease 2019 (COVID-19) caused a severe shock to the global economy. In June this year, the International Monetary Fund forecasted that the global economy would contract sharply by 4.9 per cent for 2020, far worse than the situation seen during the 2008-09 global financial crisis. Currently, the Government forecast the Hong Kong economy to contract by 4 to 7 per cent this year. The threat of the epidemic to the economy would linger before effective vaccines or treatments for the disease are developed. The economic outlook is subject to a high level of uncertainty, and it might take a longer time for the global and local economy to recover.

Nevertheless, under the influence of various uncertain factors, although the global and Hong Kong's financial markets have become more volatile, Hong Kong's financial system and regulatory regime are resilient, and can cope with market volatility. So far, different facets of the financial services sector continue to function in an orderly manner. The Linked Exchange Rate System (LERS) has been operating smoothly. There have been no notable outflows of funds. The strong-side Convertibility Undertaking under the LERS had been repeatedly triggered recently. Financial regulators have, through stress tests conducted from time to time, ascertained that the regulated bodies can withstand market risks amidst market volatilities. The Government and the various financial regulators will continue to closely monitor the development of market situation to ensure normal operation of the local financial market.

(2) The epidemic had caused serious disruptions to a wide range of economic activities, particularly those involving more frequent people contact. The Government has rolled out relief measures of unprecedented scale to support enterprises, safeguard jobs and relieve people's financial burden. The two rounds of measures under the Anti-epidemic Fund and the one-off relief measures in the 2020-21 Budget amounted to \$287.5 billion, equivalent to around 10 per cent of gross domestic product. These measures help preserve the vitality of the economy, and should facilitate a swift recovery once the epidemic is under control and the external economic environment improves.

Among them, in order to assist all walks of life survive the epidemic, the Employment Support Scheme launched by the Government provides wage subsidies for eligible employers to pay wages for employees so as to help alleviate the staff cost to be borne by the employers during this difficult time. As such, companies may be more likely to stay afloat and maintain their businesses during the epidemic and hence, reducing the chances of closures or winding-up. This could enable enterprises to recover their businesses soon after the epidemic subsides, and help the economy recover as quickly as

possible. It could also assist employers in retaining employees who may otherwise be made redundant, achieving the objective of maintaining employment.

We have also adopted targeted support measures for individual industries severely hit by the epidemic. Taking tourism industry as an example, in reviving Hong Kong's tourism sector, we will start with local tourism with the aim of energising the local community so as to send a positive message worldwide and enhance visitors' confidence in visiting Hong Kong.

First, the Government has recently enhanced the Green Lifestyle Local Tour Incentive Scheme, which was announced late last year, by increasing the total commitment to \$100 million, doubling the number of visitors to be subsidised for each travel agent as well as the subsidy per visitor, with a view to encouraging travel agents to organise green tours, which will also benefit related sectors such as food and beverage as well as transport. The trade has responded positively. The two theme parks have also reopened in June this year and provided a range of concessionary packages which received positive response from the community.

Besides, the Hong Kong Tourism Board (HKTB) has also launched the ''Holiday at Home'' campaign to encourage Hong Kong people to be tourists in our own city. With the staunch support of the tourism, retail and catering industries, the campaign provides different offers to boost consumption. Moreover, once individual source markets have the conditions for resuming travelling to Hong Kong, the HKTB will team up with the Government and trade partners to create a travel platform to welcome back visitors with enticing offers and exciting experiences.

For overseas, to generate a positive mood and ambience, the HKTB launched a community campaign called "#Miss You Too" in April this year. The HKTB, local trades, and celebrities shared their posts or messages at online platforms to rekindle passion of Hong Kong people and their friends overseas for the city. On the other hand, the Government is now exploring with places where the epidemic situation have stabilised how to gradually resume cross-border travel and establish the related arrangement as soon as possible. The Hong Kong Special Administrative Region (HKSAR) Government has already had some initial discussions with various governments, among them, the Government of Thailand is going to commence discussion with Hong Kong on relaxing border control.

In addition, the epidemic also highlights the importance of developing and promoting technology application. At the same time, it creates opportunities for the innovation and technology (I&T) sector. The promotion of I&T is a key area in the Government's long-term economic development strategy. First of all, home office and distance service models have become a new trend under the influence of the epidemic. To support digital transformation in small and medium-sized enterprises (SMEs), the Government has launched the Distance Business Programme under the Anti-epidemic Fund to provide funding support for enterprises to adopt information technology solutions so as to continue to operate during the epidemic, and at the same

time create business opportunities and manpower demand for the industry and promote employment. In view of the overwhelming response from SMEs, the Government has decided to allocate an additional \$1 billion for the Programme, increasing the total commitment to \$1.5 billion to benefit more enterprises.

At the same time, the Government has been proactively adopting local research and development (R&D) outcomes to help combat the epidemic. A special call for projects under the Public Sector Trial Scheme of the Innovation and Technology Fund (ITF) has been launched to support product development and application of technologies for the prevention and control of the epidemic, as well as to foster commercialisation of relevant R&D results.

Moreover, the Technology Voucher Programme under the ITF subsidises local enterprises to use technological services and solutions to improve productivity, or to upgrade and transform their business processes. A funding of up to HK\$600,000 for each eligible enterprise will be provided on a 3 (Government):1 (Enterprise) matching basis.

The Government also supports SMEs, public services and different industries face the impact brought by the 'new normal' and facilitates economic recovery through various measures to promote the development of I&T and smart city. We will release the 'Smart City Blueprint for Hong Kong 2.0' in the second half of 2020, proposing more new proposals to bring convenience to the public, including initiatives which will promote and assist the general public to conduct various economic activities through online platforms and meet their living needs while staying home, thereby effectively maintaining social distancing and avoiding crowd gathering.

The Government will also launch the 'iAM Smart' one-stop personalised digital government service platform in the fourth quarter of 2020, enabling access to commonly used online government services, including the application or use of the e-Services for Public Rental Housing, eTAX, renewal of full driving licence, registration of outbound travel information and registration by job seekers etc., and form-filling function etc. These functions allow safer and more convenient use of various e-services provided by the Government and commercial organisations by the public, and promote e-commerce and facilitate the development of more innovative services by public and private organisations. We will also actively promote the adoption of 'iAM Smart' platform and run simulated tests for public and private organisations' online services.

(3) Amid the continuous eastward shift of the global economic gravity, the Government will strive to strengthen Hong Kong's competitive edge, and actively seize the opportunities brought about by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development, with a view to ensuring a sustainable and steady development of the Hong Kong economy.

Hong Kong, Guangdong and Macao are closely connected and there are

frequent economic and trade activities among the three places. At present, the COVID-19 outbreak in Guangdong Province and Macao has relatively subsided. In view of this and in line with our ''suppress and lift'' strategy, relevant policy bureaux and departments are actively discussing with the relevant government departments of Guangdong and Macao, under the framework of joint prevention and control, on the resumption of the cross-boundary people flow between Hong Kong and Guangdong, and between Hong Kong and Macao in an orderly manner once the epidemic situation has stabilised. In respect of the mutual recognition of virus test result and exemption of designated cross-boundary travelers from compulsory quarantine, the three governments intend to mutually recognise the COVID-19 tests results carried out by designated testing facilities which meet the standards. The mutual recognition will be done through the ''Health Codes'' of the respective places. In relation to this, one of the preparatory tasks of the HKSAR Government is to develop a "Hong Kong Health Code" system. We shall announce the details of the arrangement for implementation after conclusion of discussions with the governments of Guangdong Province and Macao Special Administrative Region.

The Hong Kong Monetary Authority has been maintaining close liaison with e-wallet operators to promote service that can better address Hong Kong people's demand for making retail payments electronically in the Mainland. Currently, there are Hong Kong e-wallet operators providing services for their users to make retail payments in the Mainland. The relevant e-wallets have been widely accepted by merchants based not only in the GBA but also other cities in the Mainland, and the operators will continue to progressively extend their services to more Mainland merchants nationwide.

To facilitate SMEs to carry out sourcing activities while staying indoors during the epidemic, the Hong Kong Trade Development Council (HKTDC) launched the first Spring Virtual Expo in April this year, and will launch ''Summer Sourcing Weeks | Go ONLINE'' from July 27 to August 7. The HKTDC will continue to enable buyers and exhibitors from all around the world to forge business connections online and beyond physical exhibitions through virtual expos, which could in turn generate synergy with physical exhibitions.

Furthermore, since January this year, the Dedicated Fund on Branding, Upgrading and Domestic Sales and the SME Export Marketing Fund have both expanded the funding scope to include virtual exhibitions organised by Government-related organisations or reputable exhibition organisers with good track record to provide support for enterprises to conduct online promotion during the epidemic.

The Government will also collaborate with the HKTDC to share with overseas markets and the GBA Hong Kong's experience in applying technology to combat the epidemic, and explore more business opportunities for Hong Kong's I&T industry.

LCQ21: Measures to increase land supply

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

Question:

The Task Force on Land Supply submitted in December 2018 a report to the Government, in which it tendered a number of recommendations on land supply strategy and put forward eight land supply options worthy of priority studies and implementation. There are comments that it has been more than one year since the Government announced in February last year that it had fully accepted such recommendations, but the Government has achieved very little progress in its land development work. The tight supply of land over a prolonged period has aggravated the financial burden on housing for the public and hindered the development of various industries. In this connection, will the Government inform this Council:

- (1) of the projected area of developable land that can be provided in the coming five years through developing brownfield sites; the ways to accelerate the development of brownfield sites;
- (2) of the projected area of private agricultural land that can be released in the coming five years for housing development or other uses; whether it has set a target for the area of developable land to be supplied under the Land Sharing Pilot Scheme in the coming five years;
- (3) whether it will expeditiously invoke the Lands Resumption Ordinance (Cap. 124) to resume idle private land, so as to carry out various development projects;
- (4) of the latest progress of, and the timetable for, the implementation of the large-scale reclamation projects under the "Lantau Tomorrow Vision"; as the Government indicated in May this year that it aimed to submit, within the current legislative session, the funding application for the studies related to the artificial islands in the central waters to the Finance Committee of this Council for consideration, of the progress of the relevant work;
- (5) whether it has assessed the impacts on the long-term land supply and the overall development of Hong Kong in the event that the implementation of the various projects under the Lantau Tomorrow Vision experiences delays; and
- (6) as the following proposal has been put forward recently: that the Central Authorities, by making reference to the model in 2009 of authorising Macao to

exercise jurisdiction over parts of the land on Hengqin Island of Zhuhai, arrange for the Mainland authorities to construct artificial islands in the Mainland waters (e.g. the waters to the west of Lantau Island or in the vicinity of Guishan Island) through reclamation, and then authorises the Hong Kong Special Administrative Region to exercise jurisdiction over and use the reclaimed land in the form of an "enclave", whether the Government will expeditiously conduct detailed studies on the proposal and discuss with the Central Authorities; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government announced its full acceptance of the recommendations tendered by the Task Force on Land Supply (TFLS) on land supply strategy and eight land supply options worthy of priority studies and implementation in a detailed response made in February 2019. In the past year, we have been actively implementing various measures to create land and increase supply. My reply to the various parts of the question raised by Hon Alice Mak is as follows:

(1) According to the outcome of a consultancy study released by the Planning Department (PlanD) in November 2019, there are a total of 1 579 hectares (ha) of brownfield sites in the New Territories (NT), including 1 414 ha with active operations and some other 165 ha with no operation. Among these brownfield sites, more than half (803 ha or 51 per cent) will be developed progressively into housing or other uses. These include 653 ha covered by New Development Area (NDA) projects already/to be launched or being planned, and about 150 ha covered by known development projects pursued by the Government or the private sector. After excluding 76 ha in conservation-related zonings from the remaining 776 ha, there are about 700 ha of brownfield sites scattering across the NT. Out of these 700 ha of brownfield sites with no development plans, 450 ha may have relatively higher possible development potential in view of the proximity to existing new towns and major highways, as well as the larger size of land parcels.

To follow up on the consultancy study and to step up development of brownfield sites, the Government stated in "The Chief Executive's 2019 Policy Address" that we would assess by phases how many of these 450 ha of brownfield sites would be suitable for public housing development. In the first-phase review of 160 ha of brownfield sites closer to the existing infrastructure completed by the PlanD earlier, eight clusters were shortlisted as suitable for the commencement of engineering feasibility studies (EFS) on public housing development. Details and follow-up work by relevant departments are set out in an information note issued to the Panel on Development on March 18, 2020 (Note). The PlanD is continuing the examination of the remaining 290 ha of brownfield sites, with a view to completing the assessment by the end of this year.

The Development Bureau has already examined with relevant departments on how to further streamline and expedite the subsequent work processes, including compressing the time required for EFSs as far as possible, speeding

up statutory procedures such as rezoning, gazettal of works and land resumption immediately upon completion of EFSs, and pursuing certain procedures concurrently as circumstances permit. As for those eight brownfield clusters, at this stage, we expect to convert them to "spade-ready sites" and hand over the sites to the Housing Department for construction of public housing in about five to six years (versus at least eight years now in general). We aim to compress the construction time of some of these housing units to within ten years approximately from the commencement of EFSs to increase supply in the short to medium term.

(2) & (3) "The Chief Executive's 2019 Policy Address" has emphasised Government-led land resumption efforts as our core land creation strategy, with a view to making available more land through statutory resumption in the short to medium term for public housing development. Under this strategy, a steady stream of development projects involving resumption of private land by the Government under the Lands Resumption Ordinance (Cap. 124) and other relevant legislation is in the pipeline. Taking into account the Kwu Tung North/Fanling North (KTN/FLN) NDA now under construction, the Hung Shui Kiu/Ha Tsuen (HSK/HT) NDA with land resumption works about to commence, and Yuen Long South development now under statutory planning procedures, as well as a number of public housing projects and other public works, we note that about 700 ha of private land will be resumed, of which some 400 ha are expected to be resumed in the next five years starting from 2019-20. This figure is much higher than the total of 20 ha resumed over the immediate past five years. Among these projects, land resumption for KTN/FLN NDA has commenced in 2019-20, with 68 ha of private land under the first-phase development already reverted to the Government. Resumption procedures for HSK/HT NDA will start shortly, involving some 12 ha of private land for the first phase of works to be kick-started in the latter half of this year.

The above land resumption figures have not yet reflected those land creation initiatives announced in "The Chief Executive's 2019 Policy Address". Apart from the aforementioned efforts to step up the planning for brownfield development, we are reviewing around ten land parcels which have been zoned for high-density housing development in statutory outline zoning plans but without any concrete development plan due to various reasons (e.g. fragmented ownership and infrastructure constraints), with a view to assessing their suitability for public housing development. We have also commenced EFSs for the comprehensive planning of high-density public housing development at three urban squatter areas (viz. Cha Kwo Ling Village, Ngau Chi Wan Village and Chuk Yuen United Village).

While Government-led planning and land resumption works will continue to be the mainstream, the Land Sharing Pilot Scheme (LSPS) launched in early May this year aims to make use of market resources and efficiency to unleash the development potential of privately owned land falling outside Government planning and ecologically sensitive areas, so as to boost public and private housing supply in the short to medium term. The LSPS is open for three years, subject to a cap of 150 ha of the total area of private land to be approved, in order to focus our efforts on handling applications with potential to provide housing land in the short to medium term and encourage lot owners to

submit proposals as soon as possible. As the LSPS is voluntary in nature, we cannot estimate at this stage the number of lot owners joining the scheme and the land area involved in those applications.

(4) & (5) The construction of artificial islands in the Central Waters near Kau Yi Chau (KYC) is an important measure of land creation in the medium to long term. It is also one of the land supply options worthy of priority studies and implementation as recommended by TFLS. The KYC artificial islands can provide 150 000 to 260 000 housing units (70 per cent of which are public housing) to help meet the long-term housing needs and provide decanting space to facilitate urban redevelopment of a larger scale. In the context of traffic and transport planning, the new strategic roads and railway can enhance the overall capacity and resilience of Hong Kong's traffic and transport network, while relieving congestion of the West Rail and Tuen Mun Highway. The KYC artificial islands can also supply new land for developing the third Core Business District, providing approximately four million square metres of commercial/office floor area (equivalent to about 80 per cent of Central in scale) and bringing about around 200 000 diversified employment opportunities, with a view to creating economic capacity and boosting Hong Kong's long-term economic growth.

The Government endeavours to solicit support from the public and the Legislative Council (LegCo) to the studies related to the artificial islands in the Central Waters. Following the LegCo Public Works Subcommittee's support in May last year, the Government has included the funding application for the relevant studies in the meeting agenda of the Finance Committee. Subject to funding approval, the studies are expected to complete within 42 months after commencement. If the studies could not be taken forward or were delayed, the current land shortage problem will continue to deteriorate in the medium to long term, and the various social and economic benefits mentioned above could not be realised.

(6) There had been some discussions in the community on the idea of creating land by reclamation within the waters of the Mainland for use by the Hong Kong Special Administrative Region. In the absence of a more concrete proposal, the Government is not in a position to make specific response at the moment. This notwithstanding, the Government is open to any suggestions that could help relieve the land shortage situation.

Note: Please refer to Legislative Council Paper No. CB(1)463/19-20(01) (www.legco.gov.hk/yr19-20/english/panels/dev/papers/devcb1-463-1-e.pdf).

LCQ7: Reactivation of the scheme for

revitalisation of industrial buildings

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

Question:

On October 10, 2018, the Chief Executive announced in the 2018 Policy Address the reactivation of the scheme for revitalisation of industrial buildings (IBs). One of the policy measures under the scheme is to encourage redevelopment of IBs by relaxing the maximum permissible non-domestic plot ratio by up to 20 per cent for IBs constructed before 1987 on sites located outside the relevant Residential zones, subject to the planning approval by the Town Planning Board (TPB) for the relevant planning applications which must be made within three years from October 10, 2018 to October 9, 2021, and the execution of the modified lease with full land premium charged under the prevailing mechanism within three years after the planning approval. In this connection, will the Government inform this Council:

(1) of the number of IB redevelopment projects, since October 10, 2018, the planning application for which has been received by TPB, with a tabulated breakdown of such number by the stage (as set out in the table below) that the projects have reached;

Stage	Number of projects
(i) Planning application approved and the modified land lease executed	
(ii) Planning application approved but the modified land lease has not been executed	
(iii) Planning application being processed	
(iv) Planning application rejected	

(2) in respect of those projects for which the planning application has been approved but the modified land lease has not been executed, of the respective stages in the execution process that such projects have reached, and why the modified land leases have not yet been executed; the measures that the Lands Department will adopt for expediting the execution of the modified land leases; and

(3) in respect of those redevelopment projects for which the planning application has been approved and the modified land lease has been executed,

of the total additional gross floor area to be generated upon completion of the projects concerned?

Reply:

President,

The reply to the various parts of the question is as follows:

(1) Further to the announcement in the 2018 Policy Address, private owners may apply to the Town Planning Board (TPB), within three years starting from October 10, 2018, for relaxation of the maximum permissible non-domestic plot ratio by up to 20 per cent for redevelopment of pre-1987 industrial buildings. As at June 30, 2020, a total of 44 applications were received by the TPB (excluding two withdrawn), and the status of these applications is as follows:

Status of planning applications	Number of applications
– approved	28
– rejected	1
– being processed	15

(2) After obtaining planning permission for the increase in the non-domestic plot ratio, the respective lot owners have to apply to the Lands Department (LandsD) for lease modification to implement the redevelopment projects, unless the redevelopment can be taken forward within the terms of existing leases in respect of land uses, gross floor area to be redeveloped, etc. Out of the 28 planning applications approved so far, the realisation of 18 applications would involve such lease modifications. As at June 30, 2020, out of these 18 cases, the owners of 11 cases have so applied to the LandsD for lease modification. All these applications, received consecutively since March 2019, are being processed and shall be subject to full land premium payment. To expedite the redevelopment, as part of our original scheme design, the land document is required to be executed no later than three years from the date of the TPB's approval. The ongoing Pilot Scheme for Arbitration on Land Premium, with refinements being finalised for implementation very shortly, may help facilitate early execution of the modified lease within the prescribed timeframe.

(3) The 28 applications with planning permission obtained may potentially provide a total gross floor area of about 546 000 square metres upon completion of redevelopment works in future, including 257 000 sq m for commercial floor area, and 289 000 sq m for industrial floor area.

Hong Kong residents born in 1962 or 1963 should apply for new smart identity cards between July 28 and September 22

The Immigration Department (ImmD) announced today (July 15) that Hong Kong residents born in 1962 or 1963 should apply for a new smart identity card in person at a Smart Identity Card Replacement Centre (SIDCC) (see Annex I) from July 28 (Tuesday) to September 22, 2020 (Tuesday). The SIDCCs are open from Monday to Saturday, from 8am to 10pm (except public holidays).

The Territory-wide Identity Card Replacement Exercise covers all Hong Kong residents, who should apply for new smart identity cards in person at SIDCCs during their specified periods, whether they are permanent residents or non-permanent residents taking up employment, investment, residence or study in Hong Kong.

Eligible applicants may make appointment bookings via the Internet (www.gov.hk/newicbooking), the ImmD mobile application or the 24-hour telephone booking hotline 2121 1234. To make an appointment booking via the Internet or to download the mobile application, please scan the QR codes (see Annex II). The ImmD appeals to applicants to pre-fill the application form when making appointment bookings through the Internet or mobile application in order to enjoy faster service. Applicants need to bring along their old form of smart identity card when they proceed to the SIDCCs.

For this replacement exercise, the ImmD is implementing a caring arrangement under which each eligible applicant for identity card replacement may bring along up to two persons with disabilities, in addition to two family members or friends aged 65 or above, to replace identity cards together during the same visit to an SIDCC.

For Hong Kong residents born in 1957 to 1961, their specified period for identity card replacement will end on July 27, 2020 (Monday). Those who have not applied for a new identity card should do so as early as possible in order to avoid a last-minute rush. If eligible Hong Kong residents are absent from Hong Kong during their call-up period, they can apply within 30 days of their return to Hong Kong.

For details of the Territory-wide Identity Card Replacement Exercise, please visit the website www.smartid.gov.hk or call the enquiry hotline 2824 6111.

LCQ18: Illegal carriage of passengers for hire or reward by motor vehicles

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

Question:

It is learnt that the activities of using motor vehicles for illegal carriage of passengers for hire or reward (illegal carriage of passengers) have been quite rampant in recent years, resulting in unfair competition for the public transport trades which operate legally. In addition, the third party risks insurance for the vehicles concerned may be invalidated due to the vehicles having been used for illegal carriage of passengers, and this may result in a loss of protection for their passengers and other road users. In this connection, will the Government inform this Council:

(1) of the respective numbers of first and subsequent convictions for illegal carriage of passengers in each of the past three years, with a breakdown by the groups (as set out in Table 1) to which the amounts of fines involved in such cases belonged;

Table 1

	Amount of fine (\$)	2017	2018	2019
First conviction	1,000 or below			
	1,001 to 2,000			
	2,001 to 3,000			
	3,001 to 4,000			
	4,001 to 5,000			
	Total:			
Subsequent conviction	5,000 or below			
	5,001 to 6,000			
	6,001 to 7,000			
	7,001 to 8,000			
	8,001 to 9,000			
	9,001 to 10,000			
	Total:			

(2) of the respective numbers of first and subsequent convictions for illegal carriage of passengers in respect of which the court imposed the following penalties in each of the past three years: (i) imprisonment,

(ii) disqualification of driving licence, and (iii) suspension of vehicle licence and impoundment of vehicles, with a breakdown by the penalty periods set out in Table 2;

Table 2

	Penalty period (month)	2017			2018			2019		
		(i)	(ii)	(iii)	(i)	(ii)	(iii)	(i)	(ii)	(iii)
First conviction	Less than 1									
	1 to less than 2									
	2 to 3									
	Total:									
Subsequent conviction	Less than 1									
	1 to less than 2									
	2 to less than 3									
	3 to less than 4									
	4 to less than 5									
	5 to 6									
	Total:									

(3) given that the Government has planned to amend the legislation to increase the penalties for illegal carriage of passengers, of the progress of such work and the expected commencement date of the new penalties; the measures put in place by the Government to step up efforts in combating the activities of illegal carriage of passengers before the commencement of the new penalties; and

(4) given that online vehicle booking platforms provide intermediary services for the activities of illegal carriage of passengers, whether the Government will put such platforms under regulation; if so, of the details; if not, the reasons for that?

Reply:

President,

Pursuant to Section 52 of the Road Traffic Ordinance (Cap 374) (RTO), no person shall drive or use a motor vehicle, or suffer or permit a motor vehicle to be driven or used, for the carriage of passengers for hire or reward unless the vehicle complies with certain conditions stipulated in the RTO, for example, a hire car permit is in force in respect of the vehicle. Otherwise, it is an offence. The Government has been taking stern enforcement actions against illegal carriage of passengers for hire or reward and does not condone such activities.

My reply to the Hon Frankie Yick's question is as follows:

(1) According to the Hong Kong Police Force (HKPF), a breakdown by the number of fined cases on contravention of the related laws involving illegal carriage of passengers for hire or reward, and the amounts of fines involved in the past three years is as follows:

Amount of fines	Year / Number of cases		
	2017	2018	2019
HK\$1,000 or below	2	34	17
HK\$1,001 to \$2,000	14	47	63
HK\$2,001 to \$3,000	6	26	37
HK\$3,001 to \$4,000	0	29	8
HK\$4,001 to \$5,000	0	4	9
HK\$5,001 to \$6,000	0	7	5
HK\$6,001 to \$7,000	5	0	4
HK\$7,001 to \$8,000	0	1	0

The HKPF does not maintain any records on whether it was the offender's first conviction or subsequent conviction(s).

(2) According to the HKPF, a breakdown by the respective number of cases where (i) imprisonment, (ii) disqualification from driving, and (iii) suspension of vehicle licence and impoundment of vehicles were imposed on the offenders arising from their contraventions of related laws involving illegal carriage of passengers for hire or reward, and the penalty period in the past three years is as follows:

(i) Imprisonment

Penalty Period	Year/Number of cases		
	2017	2018	2019
Less than 1 month	1	2	2
1 month to less than 2 months	0	2	0
2 to 3 months	0	2	1
Total	1	6	3

(ii) Disqualification from driving

Penalty Period	Year/Number of cases		
	2017	2018	2019
6 months or below	0	1	0
More than 6 months but less than 12 months	0	3	2
12 months or above	14	54	60
Total	14	57	62

(iii) Suspension of vehicle licence and impoundment of vehicles

Penalty Period	Year/Number of cases		
	2017	2018	2019
3 months	9	39	78
Total	9	39	78

The HKPF and the Transport Department (TD) do not maintain any records on whether it was the offender's first conviction or subsequent conviction(s).

(3) Having obtained the general support during the respective consultation with the Legislative Council (LegCo) Panel on Transport and the Transport Advisory Committee in 2019, the Government will increase the penalties for illegal carriage of passengers for hire or reward under the RT0. The maximum fine will be increased from the current \$5,000 (for first conviction) and \$10,000 (for subsequent conviction(s)) to \$10,000 and \$25,000 respectively, while the period for suspension of vehicle licence and impoundment of vehicles will be lengthened from the current three months (for first conviction) and six months (for subsequent conviction(s)) to six months and 12 months respectively. The Government is currently undertaking the relevant legislative amendment work, and will introduce a bill into the LegCo for scrutiny as soon as possible.

The HKPF will in parallel continue to closely monitor and step up efforts to combat the offences of using vehicles not issued with a valid hire car permit for illegal carriage of passengers for hire or reward. The TD will also continue to collaborate with the HKPF for exchange of relevant information.

In respect of publicity and education, the TD has been making use of various channels, including launching online videos, broadcasting Announcements in the Public Interest (APIs) on radio, displaying samples of hire car permits on the TD's website and putting up posters in public places in order to urge the public not to ride those private cars carrying passengers for hire or reward without a valid hire car permit. Moreover, the TD encourages members of the public who intend to use hire car service to

enquire with the service operator or make use of the TD's online checking system to ensure the private car concerned has been issued with a valid hire car permit before the journey starts.

(4) The Government encourages the use of different technologies, including online or mobile applications for hailing hire cars (i.e. online hailing). Yet, the use of new technologies or new platforms must also be lawful having regard to the interests and safety of passengers, the efficient use of road networks as well as the need to maintain the highly efficient and reliable services of the public transport system, which is used by 90 per cent of commuters, and to ensure its long-term healthy development.

Any person who drives or uses a vehicle without a valid hire car permit for carriage of passengers for hire or reward will commit an offence, no matter how the hire service is arranged (such as through a mobile application or a hire car platform).

The HKPF has been gathering intelligence through different channels and monitoring different online car hailing platforms that offer hire car services. If there is sufficient evidence proving suspected vehicles without a valid hire car permit being used for illegal carriage of passengers for hire or reward, the HKPF will immediately take appropriate enforcement actions.