

# **Eighth meeting of Chief Executive's Council of Advisers on Innovation and Strategic Development held**

The Chief Executive's Council of Advisers on Innovation and Strategic Development (the Council) held its eighth meeting today (June 9). Members were briefed on developments in the past few months, including the Government's efforts in fighting against coronavirus disease 2019 (COVID-19) and its impact on Hong Kong's economy, and the recent Decision of the National People's Congress (NPC) on establishing and improving the legal system and enforcement mechanisms for the Hong Kong Special Administrative Region (HKSAR) to safeguard national security. Members also deliberated on the directions and strategies to re-launch Hong Kong's economy.

At the meeting, Members unanimously commended the HKSAR Government for successfully containing the pandemic as reflected in the low number of confirmed cases and deaths. They noted the "suppress and lift" strategy adopted by the Government and that unlike other places, Hong Kong had not gone through a stage of complete city lockdown. While appreciating that the various border control measures and social distancing restrictions were being adjusted based on public health concerns and taking into account the advice of experts, their impact on the economy was significant. They suggested that bigger efforts should be made towards gradual resumption of normal operations especially for travel in and out of the Mainland to meet genuine social and business needs. Several Members offered advice on how COVID-19 testing capacity could be ramped up to meet the demands for both disease surveillance and essential travel purposes.

Members noted and welcomed the relief measures, particularly the Employment Support Scheme, rolled out by the Government totaling \$290 billion (around 10 per cent of GDP). Members also provided advice on how the Government should engage the local and overseas businesses in re-launching Hong Kong's economy and proposed that opportunities available from the Guangdong-Hong Kong-Macao Greater Bay Area and member countries of the Association of Southeast Asian Nations should be seized.

Mrs Lam also briefed members on the NPC's Decision to enact legislation for the HKSAR to safeguard national security. She said that some overseas governments' criticisms of the proposed legislative exercise were totally misplaced and any threats of sanctions were absolutely unjustified. Members noted that safeguarding national sovereignty, security and development interests is the constitutional duty of the HKSAR. They supported the enactment of national security legislation to restore stability in Hong Kong and hoped that the new legislation to be promulgated for application in Hong Kong would provide clarity and certainty. Members also urged that more effective publicity should be done internationally to address misperceptions and concerns.

"Despite the severe setback that Hong Kong has experienced in the past year, I remain confident of our city's future because of our strategic positioning in accessing the Mainland economy, continued support from the Central Authorities and the resilience of Hong Kong people," Mrs Lam said.

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## **Protestors block roads in Central again**

Attention duty announcers, radio and TV stations:

Please broadcast the following message as soon as possible and repeat it at suitable intervals:

At around 10pm today (June 9), protestors occupied the carriageways on Des Voeux Road and Pottinger Street, Central. They built roadblocks with traffic cones. Police officers sped to the scene and directed them to leave the carriageways. As some protestors ignored Police warnings, officers deployed minimum necessary force to enforce the law.

Police warn all protestors to stop blocking the roads as such an act endangers road safety. Police will take resolute enforcement action to arrest lawbreakers.

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## **A large group of protestors blocking the carriageways in Central**

Attention duty announcers, radio and TV stations:

Please broadcast the following message as soon as possible and repeat it at suitable intervals:

At around 7pm today (June 9), a group of protestors blocked multiple lanes on Ice House Street and Queen's Road Central. Some protestors also shuttled between passing vehicles, posing a grave threat to road safety. The obstruction has paralysed the traffic.

Police warn all protestors to leave the carriageways immediately. Resolute enforcement action will be taken to restore road safety.

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## Government upholds Hong Kong's international aviation hub status through Land Fund investment

The Financial Secretary, Mr Paul Chan, announced today (June 9) an investment in Cathay Pacific Airways Limited ("Cathay Group") through the Land Fund. This would uphold Hong Kong's status as an international aviation hub, and at the same time generate a return for the Government.

Hong Kong is a world-class international aviation hub. Its comprehensive international air network not only facilitates the flow of passengers and cargoes through Hong Kong, but also underpins the development of a wide spectrum of economic activities, notably trading and logistics, financial services and tourism among others. 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. About 78 000 people were working in HKIA before the outbreak of the COVID-19 pandemic.

The operating environment of the aviation industry worldwide has been hard hit by the COVID-19 pandemic, leading to a near halt in passenger flights, and causing serious impact to air cargo business. As Hong Kong's most important local airline and the key driver of Hong Kong's aviation development, Cathay Group is also facing unprecedented operational and financial pressure. If this challenge is not properly addressed, it would harm Hong Kong's international aviation hub status and adversely impact other local economic activities to the detriment of the overall interest of Hong Kong. In the face of COVID-19, governments around the world have provided support in different forms (such as share capital, loans and government credit guarantees) to major airlines.

Mr Chan said, "Cathay Group plays a key role in Hong Kong's becoming a leading international aviation hub. I have decided to invest in Cathay Group to help it overcome its present challenge so that it may continue to contribute to Hong Kong's international aviation hub development as well as overall economic development, and at the same time generate a return for the Government."

Under the Resolution of the Provisional Legislative Council on Land Fund (Cap. 20), the Financial Secretary may, at his discretion, authorise and direct the investment of any assets of the Land Fund which are not immediately required to meet expenses in respect of the Land Fund at any time in such a manner as he may determine. When making the decision on the investment of the Land Fund in Cathay Group, the Financial Secretary took into account the policy advice of the Secretary for Transport and Housing and

the Secretary for Financial Services and the Treasury, as well as the advice of the Hong Kong Monetary Authority and its external financial consultant on the commercial aspects. Other relevant factors have also been considered, including the support rendered by different governments to their local airlines.

The total amount involved in the Government's investment is around \$27.3 billion, comprising preference shares with detachable warrants of around \$19.5 billion and a bridging loan of around \$7.8 billion. Cathay Group will also launch a \$11.7 billion rights issue of shares to existing shareholders. Cathay Group's two major shareholders, Swire Pacific and Air China, have undertaken to subscribe the rights issue according to their respective shareholding, providing funding support to the Group.

Mr Chan added, "The aviation industry is unique and plays a strategic role in the economic development of Hong Kong. The Government's investment signifies our determination in upholding our international aviation hub status, and in preserving the necessary conditions and providing impetus to the much-needed post-COVID-19 revival of the economy in Hong Kong."

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## **Police warn protestors taking part in unauthorised assemblies in Central to leave immediately**

Attention duty announcers, radio and TV stations:

Please broadcast the following message as soon as possible and repeat it at suitable intervals:

At around 6pm today (June 9), some protestors took part in unauthorised assemblies in the vicinity of Chater Garden, Central. Participating in such events may be found guilty of "taking part in an unauthorised assembly" in accordance with the Public Order Ordinance, and may commit certain offences under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation. Police warn protestors to leave immediately.

Police will step up anti-crime patrols to prevent crimes. Any group gatherings taking place during the ongoing pandemic may also increase the risk of spreading the virus. Police call upon members of the public to refrain from taking part in unauthorised assemblies and prohibited group gatherings.