

# Budget Speech by the Financial Secretary (9)

## Smart City

134. The Innovation and Technology Bureau (ITB) will announce the Smart City Blueprint for Hong Kong 2.0 this year to further promote smart city development.

## Digital Infrastructure

135. The world enters the 5G era, with major telecommunications operators launching 5G services in Hong Kong during the year. The Government will adopt a multi-pronged approach in facilitating the development and application of 5G network. This includes the implementation of a subsidy scheme for mobile network operators to expand optical fiber network to remote villages. We will also open up more suitable government properties, sheltered bus stops and telephone kiosks for the setting up of radio base stations by operators to support the development of 5G network.

## “iAM Smart”

136. ITB will launch the “iAM Smart” one-stop personalised digital service platform in the fourth quarter of 2020. By the middle of next year, members of the public can gain access to more than 100 online government services through “iAM Smart”.

## Smart Traffic Fund

137. I have earmarked \$1 billion for the Smart Traffic Fund to provide funding support for enterprises or organisations to conduct research and application on vehicle-related I&T. The Fund is expected to commence operation in 2020-21.

## Geospatial Data

138. Last year, I earmarked \$300 million to promote greater use of spatial data in the community. We will launch the high-quality territory-wide 3D digital map in phases starting from this year, and roll out the Common Spatial Data Infrastructure Portal for full operation by end-2022. This year I will further earmark \$60 million for the establishment of the first Geospatial Lab to encourage the public to make use of spatial data in developing mobile applications.

## Digitisation of the Works Supervision System

139. The DEVB has actively promoted the digitisation of the works supervision system. Starting from the second quarter of this year, all public works projects will adopt the digital works supervision system in phases. I will allocate \$100 million to develop an integrated digital platform for data

integration and information exchange in order to strengthen project supervision.

### Sports Development

140. This year is the Olympic year. We will give Hong Kong athletes our strongest support to enable them to achieve outstanding results at the Tokyo Olympic and Paralympic Games.

141. To further promote sports development in Hong Kong, the Government will substantially increase the total subvention for the Sports Federation and Olympic Committee of Hong Kong, China and 60 national sports associations from about \$300 million to more than \$500 million a year over the next four years. We will continue to take forward the new facilities building project of the Hong Kong Sports Institute so as to provide our athletes with world-class training and support facilities.

### City Development

142. The Government will continue to invest in infrastructure projects with a view to building a better city and improving quality of life. In the next few years, the annual capital works expenditure is expected to reach \$100 billion on average, and the annual total construction output will increase to around \$300 billion.

### Harbourfront Enhancement

143. The Government has earmarked \$6.5 billion for implementing a number of harbourfront development initiatives. Taking the example of the highly popular harbourfront promenades, our target this year is to open up another kilometre or so of new promenades, further extending the total length of the promenades along both sides of the Victoria Harbour to 24 kilometres.

### Making Good Use of Government Land

144. In last year's Budget, I set aside \$22 billion to take forward the projects under the "single site, multiple use" initiative. The six projects in the first batch comprise the redevelopment of Tuen Mun Clinic, development of a proposed ambulance depot near Sheung Wan Fire Station, consolidation of several government sites in Tsuen Wan town centre, as well as the construction of joint-user buildings for community facilities at the former Anderson Road Quarry site, Tseung Kwan O town centre and Shan Mei Street in Shatin. We will finalise the mix of community facilities in the relevant projects.

### Railway Development

145. Railway has always been the backbone of the passenger transportation system in Hong Kong which facilitates daily commuting and promotes district development. Two weeks ago, Tuen Ma Line Phase 1 was smoothly commissioned. We expect the MTR Corporation Limited (MTRCL) to complete the remaining works of the Tuen Ma Line and the Hung Hom to Admiralty Section of the Shatin to Central Link as soon as possible, with target commissioning in end-2021 and

the first quarter of 2022 respectively.

146. We will progressively implement the new railway projects recommended under the Railway Development Strategy 2014, and invite the MTRCL to commence detailed planning and design for the Tung Chung Line Extension, the Tuen Mun South Extension and the Northern Link in the coming year. We will consult the public on these new railway schemes after they are finalised.

#### Caring Society

147. The current-term Government spares no effort to enhance social welfare services. The recurrent expenditure in this area has increased by 26 per cent, from \$65.3 billion in 2017-18 to \$82.3 billion in 2019-20. In January, the Chief Executive also announced a number of new recurrent measures to benefit the elderly, workers, low-income families, the unemployed or underemployed, and underprivileged people.

148. I will continue to allocate resources to strengthen elderly services. A total of 3 000 additional home care service quotas will be provided for frail elderly persons in the two years, while an additional 1 000 community care service vouchers will be issued to elderly persons with moderate or severe impairment in 2020-21. The annual recurrent expenditure for 2020-21 will exceed \$300 million. In addition, I will allocate an additional \$75 million to subsidised elderly service units for providing soft meals to elderly persons with swallowing difficulties.

149. As for child welfare, to enhance the service quality of the Neighbourhood Support Child Care Project, the Social Welfare Department (SWD) has allocated an additional provision of about \$24 million to service operators under the Project since January this year, enabling them to increase manpower to strengthen training for home-based child carers.

150. For early identification of and provision of assistance to pre-primary children and their families with welfare needs, the Government has allocated \$990 million from the Lotteries Fund to provide social work services in phases in subsidised/aided child care centres, kindergartens and kindergarten-cum-child care centres for about 150 000 pre-primary children and their families. The first two phases have provided services to 485 eligible pre-primary institutions in total. The third phase will commence in August this year.

151. Starting from 2020-21, I will provide additional funding to SWD-subvented NGOs operating day service units to meet the electricity costs of providing air conditioning for their activity areas, involving an annual recurrent expenditure of about \$46 million. It is expected that over 1 100 subvented service units and more than one million service users will benefit from this initiative.

(To be continued.)

---

## Budget Speech by the Financial Secretary (8)

### Building A Liveable City

113. Hong Kong is our home. We will devote resources to different areas to develop Hong Kong into a more liveable city.

### Land Resources

114. The Government is committed to resolving the land and housing problems. We accepted the report of the Task Force on Land Supply early last year and are now taking forward its recommendations in full steam.

### Housing Land

115. In the medium to long term, various new development area projects will bring about over 210 000 housing units. In particular, the first parcel of housing land under the Tung Chung East reclamation works is ready for handover next month, and is expected to provide 10 000 public housing units in the first quarter of 2024. The land resumption exercise for Kwu Tung North/Fanling North new development areas commenced last year, with a view to enabling the first population intake of the public housing development in 2027. Besides, upon funding approval by the LegCo, we will commence in the second half of the year the first phase of the works for Hung Shui Kiu/Ha Tsuen new development area. As for the Yuen Long South development, the statutory planning process will commence soon, and we will strive to have the first batch of public housing units in place in 2028.

116. As for rezoning sites for housing development, we have rezoned 135 sites for providing over 147 000 public housing units and approximately 44 000 private housing units over the past six years. Rezoning for another 12 sites are in progress to provide some 11 000 housing units, over 90 per cent of which will be public housing. We will gradually commence the rezoning procedures for another 25 sites in the coming year involving nearly 85 000 units, over 90 per cent of which will be public housing.

117. The Planning Department will commence technical studies on the first batch of shortlisted brownfield clusters suitable for public housing development as soon as possible. It is estimated to provide over 20 000 public housing units, with the details to be announced by the Development Bureau (DEVB) in due course. In addition, the DEVB is co-ordinating technical studies for the three urban squatter areas in Cha Kwo Ling, Ngau Chi Wan and Chuk Yuen for 6 300 public housing units. It will also examine the suitability of some 10 sites, which have been zoned for high-density housing development but without any development plans due to various reasons, for public housing development.

118. Moreover, the three-year Land Sharing Pilot Scheme will start receiving applications in the first half of this year. The area of land to be approved will be capped at 150 hectares. I believe that this can supplement the supply of public and private housing in the short to medium term.

#### Housing Supply

119. According to the latest forecast, the total public housing production in the five-year period from 2019-20 to 2023-24 is about 100 400 units, comprising about 74 400 public rental housing and Green Form Subsidised Home Ownership Scheme units and about 26 000 other subsidised sale units. On private housing, it is estimated that the private sector will, on average, complete about 19 600 private residential units annually from 2020 to 2024, an increase of about 25 per cent over the annual average of the past five years.

#### Long-term Planning for Land Resources

120. Over the past year, the Steering Committee on Land Supply under my leadership had been co-ordinating policy bureaux to re-assess the future land requirements of Hong Kong with the concept of land reserve in mind. The latest land forecast, scheduled to be announced in the second quarter of this year, will provide a blueprint of land search and creation for the Government.

121. Regarding the studies related to Lantau Tomorrow, the DEVB is seeking funding from the LegCo for carrying out engineering, planning and financial assessments. The Government will also strive to secure early approval of the funding for conducting the combined study on the Lung Kwu Tan reclamation and the re-planning of Tuen Mun West (covering a total of approximately 440 hectares of land) for industrial, residential and other development uses. I am aware that some members of the public are concerned that the construction of Lantau Tomorrow may impose a heavy burden on public finances. In this regard, the Government has all along been implementing a stringent audit and monitoring mechanism for the approval of funding for public works and the use of public funds. We are confident in and capable of ensuring that the Government can afford the expenditure on future works.

#### Land Supply

122. The 2020-21 Land Sale Programme comprises a total of 15 residential sites, capable of providing about 7 500 residential units. Together with railway property development projects and private development and redevelopment projects, the potential land supply for the whole year is expected to have a capacity of providing about 15 700 units.

123. To meet the needs of economic development, the Government will include six commercial sites in the Land Sale Programme, estimated to provide about 830 000 square metres of floor area. The Secretary for Development will shortly announce the details of the Land Sale Programme for the next financial year.

## Environmental Protection

124. Climate change has brought about global environmental challenges, with extreme weather phenomena increasing in frequency and intensity. Hong Kong has been working towards the goal of the Paris Agreement. In Hong Kong's Climate Action Plan 2030+ announced in 2017, the Government set out the target to reduce Hong Kong's carbon intensity by 65 per cent to 70 per cent by 2030 against a 2005 baseline, i.e. an overall carbon emission reduction of 26 per cent to 36 per cent. Enhancement in climate resilience will not only turn Hong Kong into a more liveable city, but also contribute to our sustainable development.

125. The Council for Sustainable Development has conducted a public engagement exercise on Hong Kong's long-term decarbonisation strategy. It is analysing the views collected to help the Government formulate a long-term decarbonisation strategy.

## Setting Up the Green Tech Fund

126. To promote the development of decarbonisation and green technologies, expedite low-carbon transformation and enhance environmental protection, I propose setting up a \$200 million Green Tech Fund to support R&D and application of decarbonisation and green technologies, and the sharing of R&D findings.

## Promoting the Use of Electric Vehicles

127. On promoting the use of electric vehicles (EVs), the Government has offered tax concessions, provided subsidies for franchised bus companies for trials of single-deck electric buses and enhanced the public EV charging network. The number of electric private cars in Hong Kong grew from 70 in 2010 to 13 600 last year, accounting for 2.1 per cent of the total number of private cars. Such adoption rate comes second to Beijing among major Asian cities. The Government will update the Clean Air Plan to, among other things, examine the policy of further promoting the use of EVs. We will also formulate Hong Kong's first roadmap on the popularisation of EVs.

128. As regards charging facilities, we will launch a \$2 billion pilot scheme this year. The scheme aims to subsidise the installation of charging-enabling infrastructure in eligible car parks of private residential buildings, with a view to facilitating the installation of chargers by owners of individual parking spaces.

129. We are researching into electric public light buses that are suitable for local use and the basic specifications and requirements of the associated charging facilities. Relevant guidelines will be formulated. The Government will earmark \$80 million for a pilot scheme under which green PLBs running on fixed routes will pioneer the switch to EVs.

## Phasing Out Euro IV Diesel Commercial Vehicles

130. The Government is preparing for the launch of a scheme in the second half of this year to phase out about 40 000 Euro IV diesel commercial

vehicles. I have set aside \$7.1 billion for ex-gratia payment to the vehicle owners concerned.

#### Pilot Scheme for Electric Ferries

131. To reduce emissions from ferries, the Government plans to launch a pilot scheme for electric ferries serving ferry routes in the Victoria Harbour. I have earmarked \$350 million for this purpose. Relevant departments will work out details of the scheme.

#### Waste Paper Recycling

132. To support the waste paper recycling industry, I propose to set aside a sum of not less than \$300 million each year starting from 2020-21 for implementing a scheme to recycle waste paper. The Environmental Protection Department (EPD) will engage service contractors to collect waste paper across the territory for screening, sorting and baling before exporting to other places for recycling. This will help stabilise the quantity and price of local waste paper. The EPD plans to commence the scheme in the second half of this year.

#### Cleaner Production Partnership Programme

133. The Cleaner Production Partnership Programme encourages Hong Kong-owned factories to adopt cleaner production technologies, so as to help improve the regional environment. I have earmarked \$300 million to extend the programme for five years up to March 2025.

(To be continued.)

---

## Budget Speech by the Financial Secretary (7)

#### Nurturing Talent

91. Human capital is a valuable asset for our society. To provide young people with more opportunities to broaden their horizons and apply their knowledge, the Government and relevant organisations have provided training, internship schemes, subsidies, etc. for young people to develop their strengths in different areas.

#### Innovation and Technology

92. On I&T, last year we extended the funding period of the Researcher Programme (RP) and Postdoctoral Hub and increased the allowance under the RP. So far, the two programmes together have nurtured about 5 700 scientific research talent. We will expand the two programmes in March this year to

cover all technology companies conducting R&D activities in Hong Kong. Moreover, we will consolidate the two programmes to provide more flexibility for engaging R&D talent.

93. The Government will also continue to implement the Re-industrialisation and Technology Training Programme, which provides subsidies to local enterprises for training their staff in high-end technologies. The programme has so far benefited over 2 000 staff with a funding of over \$13 million.

94. In January this year, we enhanced the Technology Talent Admission Scheme by doubling the technology areas covered by the scheme to 13. We have also extended its coverage to all companies engaging in relevant R&D activities in Hong Kong, which will help them attract more technology talent.

95. The Government has been striving to promote STEM education, with the aim of bringing new blood into the I&T industry. In the 2018/19 academic year, total student enrolments in STEM-related programmes funded by the University Grants Committee exceeded 35 000, representing an increase of 16 per cent over five years. I will set aside \$40 million to subsidise short-term internships for undergraduates and postgraduates taking STEM programmes in local universities.

#### International Aviation Training Hub

96. AA established the Hong Kong International Aviation Academy in 2016 which has since then provided professional training programmes for over 68 000 participants. The Academy is conducive to the development of Hong Kong as an international training base for aviation talent.

#### Maritime and Aviation Sectors

97. The Government will continue to collaborate with the maritime and aviation sectors to enrich their talent pool through measures such as enhancing the Ship Repair Training Incentive Scheme and the Maritime and Aviation Internship Scheme under the Maritime and Aviation Training Fund, as well as introducing the Local Vessel Competency Enhancement Scheme. As at end of last year, over 8 400 students and in-service practitioners in the maritime and aviation sectors benefited from the Fund.

#### Construction Industry

98. In my last Budget, I proposed the allocation of \$200 million for attracting young people to join the construction industry and step up training of workers. The CIC will take forward various initiatives, subject to funding approval by the LegCo.

99. The Government will continue to lead the construction industry to implement Construction 2.0 for enhancing its capacity and promoting its continuous development by advocating innovation, professionalism and revitalisation. In July 2019, the Centre of Excellence for Major Project Leaders was established to enhance the delivery capability of project leaders in the Government and the public sector.



## Arts Administration

100. To support the development of culture and arts in Hong Kong, I have allocated a total of \$216 million to the Arts Development Council and LCSD for providing about 700 placements for internship, scholarship and on-the-job training to strengthen the training of arts administrators.

## Youth Entrepreneurship

101. The Government has earmarked \$1 billion to support the work of the Youth Development Commission. Of this sum, the Commission has already expended \$500 million to implement a range of new programmes and measures, including injection of \$300 million into the Youth Development Fund to support youth innovation and entrepreneurship and promote upward mobility. About \$100 million under the Fund will be granted to support over 10 NGOs in implementing youth entrepreneurship projects, under which subsidies will be provided for nearly 200 young entrepreneurs who intend to start or have already started their businesses, while start-up support and incubation services will be rendered to about 4 000 young people.

## Provision of Internship Places

102. The Government will offer more internship opportunities to students by substantially increasing the short-term internship places in 2020-21 to almost 5 000. This will enable the students to better understand the operation of the Government and the public sector and gain experience, and thereby facilitating their planning ahead for future development.

## Guangdong-Hong Kong-Macao Greater Bay Area

103. The Greater Bay Area, with a population of over 70 million and a GDP of US\$1.6 trillion, presents an enormous market and ample room for development for Hong Kong.

104. Under the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, Hong Kong is positioned in the Greater Bay Area not only as international financial, transportation and trade centres and an international aviation hub, but also as a global offshore Renminbi (RMB) business hub and an international asset management centre and risk management centre. Our services industry is heading for the development of high-end and high value-added services, and making great efforts to develop I&T industries as well as international legal and dispute resolution services.

105. Last year, the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (Leading Group) announced successively 24 key policy measures to benefit people from all walks of life and facilitate the development of our professional services sector in the Greater Bay Area. These measures would offer greater convenience to Hong Kong people developing their careers, working and living in the Greater Bay Area, and facilitate the flow of people, goods and capital within the area.

## Financial Services Industry

106. The Leading Group has announced six finance-related measures, covering areas such as personal banking services and insurance. Regarding the establishment of a two-way wealth management connect scheme, good progress has been made in the discussions between Hong Kong and the Mainland. On the premise of ensuring prudent management of risks and protection of investors, the scheme aims to enable residents of Hong Kong and Mainland cities in the Greater Bay Area to invest in wealth management products in each other's market. This will create more business opportunities for the financial industries of the two places, and provide more choices for residents therein, thereby facilitating the cross-boundary flow and use of RMB, and in turn further reinforcing Hong Kong's position as the hub for offshore RMB business as well as the intermediary for capital flowing into and out of the Mainland. We will strive to implement the scheme as early as possible.

107. With the support of the Central People's Government, Hong Kong continues to be the world's largest offshore RMB business hub, with the largest offshore RMB liquidity pool as well as foreign exchange and over-the-counter interest rate derivatives market. With a leading position in RMB settlement, financing and asset management, Hong Kong has been playing a bridging role by providing a premier platform for international investors to access the Mainland market and allocate RMB assets. We will continue to explore with the industry and Mainland authorities on the expansion of the channels for two-way flow of cross-boundary RMB funds.

#### Innovation and Technology

108. Hong Kong is a highly internationalised and market-oriented city enjoying the unique advantage of "One Country, Two Systems". The R&D capabilities of our universities have attained world-class standard in many areas. Hong Kong's advantages include our competence in R&D, pool of talent, international experience and safeguards of intellectual property. In parallel, the Greater Bay Area features a host of leading I&T enterprises, exemplary capabilities in commercialising R&D results and advanced manufacturing industries. Through mutual collaboration, Hong Kong and other cities in the Greater Bay Area can form a comprehensive production chain and bolster our overall competitiveness, thereby benefiting the development of I&T industry in Hong Kong and facilitate the development of the Greater Bay Area into an international I&T centre.

109. The Hong Kong-Shenzhen Innovation and Technology Park (the Park) in the Lok Ma Chau Loop is a key base for co-operation in scientific research for Hong Kong and Shenzhen in future. The Park will provide a maximum gross floor area of 1.2 million square metres, three times that of the Science Park. The Park is not only the largest I&T platform in Hong Kong so far, but also an important infrastructure for promoting local R&D and re-industrialisation. The first phase of ground treatment works is in good progress. We will seek funding from the LegCo for commencing the Main Works Package 1 and construction works of the first batch of buildings.

#### Belt and Road

110. The Belt and Road Initiative marks its seventh year this year. So far,

over 160 countries and international organisations have become partners. There has been a growing interest in greening infrastructure, debt affordability and exchange rate risks among various parties. Moreover, RMB will be increasingly used. We can provide diversified services for Belt and Road projects in the areas of infrastructure financing, green finance, RMB products and services, insurance as well as other professional services.

111. Leveraging Hong Kong's platform function for taking forward Belt and Road projects, enterprises from within and outside the country can set up their regional headquarters here to open up new markets; carry out financing, treasury and risk management activities; and make use of our insurance, legal and dispute resolution services. Over the past few years, we have introduced an array of policy initiatives to enhance our competitiveness and attractiveness in this area.

112. On the other hand, the Government will continue to actively support local enterprises and professional services sectors to go global with Mainland enterprises to tap overseas markets by, among other things, setting up business in the Mainland's overseas Economic and Trade Co-operation Zones. We will also strengthen ties with overseas markets to seize the opportunities brought about by the Belt and Road Initiative.

(To be continued.)

---

## **LCQ6: Government mobile applications**

Following is a question by the Hon Paul Tse and a written reply by the Secretary for Innovation and Technology, Mr Nicholas W Yang, in the Legislative Council today (February 26):

Question:

It is learnt that the Government has launched more than 200 mobile applications (apps) in recent years, costing the public coffers more than \$22 million. The Office of the Government Chief Information Officer promulgated in 2018 the "Practice Guide for Developing Mobile Apps", requesting government departments to review whether those apps that have been launched for many years but not yet reached 10 000 accumulated downloads should be decommissioned. It has been reported that just a few government departments integrated or decommissioned their apps last year. As of now, as many as 80 of such apps remain available for public download, involving an annual recurrent expenditure of more than \$2 million. Among such apps, quite a number of them recorded zero growth in the number of downloads from April to October last year (e.g. the "1069 Test Finder" launched by the Department of Health). Furthermore, some apps overlap with one another in function (e.g. Radio Television Hong Kong offering seven different apps for public download with "RTHK On The Go" (which has the largest number of downloads among such

apps) featuring at the same time those functions provided by the other six apps), causing members of the public to query whether the Government is wasting public money. In addition, some members of the public have relayed to me that government apps are often launched for the sake of launching and could not cater for the needs of members of the public. On the other hand, they suggest that in view of the scattered anti-epidemic information at present, the Government should consider developing a platform for central dissemination of the relevant information. In this connection, will the Government inform this Council:

(1) in view of the severe situation of the Wuhan pneumonia epidemic at present and the prevalence of voluminous fake news and rumours on the Internet, whether the Government will, in response to the criticisms and suggestions of members of the public, launch apps that meet the needs and demands of the community as far as possible, and provide various sorts of real-time information on the epidemic (including information on the face masks and other supplies purchased by the Government and distributed to various government departments, the provision of subsidies or assistance to local organisations in producing face masks, as well as the supply situation of anti-epidemic items); if so, of the details of the apps, the costs of development and the recurrent expenditures involved;

(2) whether various government departments have launched any new apps for public use since the end of April 2019; if so, of the intent and purposes of developing these apps, the target users, the costs of development, and the monthly recurrent expenditures involved;

(3) of the respective (i) numbers of downloads and (ii) month-on-month growth rates of the numbers of active users in respect of the new apps mentioned in (2) since their launch; whether those figures have reached the targets set for the apps when they were first launched;

(4) of the total number of apps currently provided by the Government for public download; among such apps, the number of those which have experienced no growth in their numbers of downloads or active users in the past six months; whether reviews have been conducted to identify the reasons for the unpopularity of those apps; and whether the needs of the target users had been taken as the basis for consideration before a decision was made on whether or not those apps should be developed; if so, of the details; if not, the reasons for that;

(5) whether it has assessed if the apps with no growth in their numbers of downloads or active users referred to in (4) have met the criteria for the decommissioning of apps as specified in the "Practice Guide for Developing Mobile Apps"; and

(6) as some members of the public have criticised that some apps launched by government departments overlap with or resemble one another in function and are wasting public money in effect, whether the Government will consider further urging the various government departments to step up their efforts in integrating the apps, so as to avoid confusing members of the public on the one hand and cut back unnecessary public expenditure on the other?

Reply:

President,

Having consulted the relevant government bureaux/departments (B/Ds), the reply to the various parts of the question is as follows:

(1) According to the "Practice Guide for Developing Mobile Apps" issued by the Office of the Government Chief Information Officer (OGCIO) in November 2018, for purposes confined to information dissemination, B/Ds should, instead of using mobile apps, consider developing websites with a responsive design so that the public can access information through computers and smartphones. In view of the development of the COVID-19 epidemic, the Centre for Health Protection (CHP) of the Department of Health has set up a dedicated website ([www.coronavirus.gov.hk](http://www.coronavirus.gov.hk)) to disseminate information related to the epidemic. In addition, the relevant B/Ds collaborate with the local information technology industry to launch the "Novel Coronavirus Infection Local Situation Interactive Map Dashboard" ([chp-dashboard.geodata.gov.hk](http://chp-dashboard.geodata.gov.hk)) (the Interactive Map) on February 3. It makes use of government open data to enable the public to more conveniently learn about the latest developments of the epidemic at a glance on their computers and smartphones. CHP's dedicated website, the Interactive Map, and the related open data on the Public Sector Information Portal will be updated from time to time.

The development and continuous enhancements to CHP's dedicated web page and the Interactive Map are undertaken through deployment of internal existing resources of B/Ds without involving any new resources. The technical support provided by the local industry is entirely voluntary in nature and does not involve any charges.

(2) and (3) The Government has launched two new mobile apps since April 2019, namely the "E&M Connect" and "E&M Trade App" under the Electrical and Mechanical Services Department (EMSD) in December 2019. The relevant information is at Annex. Both apps are at an early stage and new functions will be added progressively by the EMSD to bring greater convenience to the public and electrical and mechanical practitioners. The EMSD will keep in view closely and review the usage as well as make timely improvements to meet users' needs.

(4) and (5) As of end-January 2020, B/Ds provide a total of 82 mobile apps for download by the public. These mobile apps have all recorded growth in the number of downloads over the past six months. As required by OGCIO, B/Ds have to conduct regular reviews after launching a mobile app, including whether the app has met users' needs and achieved the expected results and cost-effectiveness. If the projects/measures related to the mobile app have been completed, or there are other more effective ways to provide such service, or the needs of the target user groups have changed, B/Ds should consider decommissioning the app. For those mobile apps designed for the general public, B/Ds have to decommission them if the number of downloads was below 10 000 one year after the launch.

(6) Having regard to their operational needs and modes of service, B/Ds will take into account various factors, including the objectives and usage of the apps, needs of the target user groups, resources required for development and maintenance of the mobile apps, whether the additional functions would render the apps complicated and difficult to use, etc., to decide whether to develop new mobile apps or consolidate existing ones. For example, in 2018, the Transport Department integrated "eTraffic News", "HKeRouting" and "HKeTransport" into the existing "HKeMobility" mobile app.

The OGCI0 will circulate the relevant guidelines regularly to remind B/Ds of the need to launch and update mobile apps or consolidate existing mobile apps in a cost-effective manner in accordance with the "Practice Guide for Developing Mobile Apps".

---

## **Budget Speech by the Financial Secretary (6)**

### Transport and Logistics

75. We will continue to promote the development of transportation and logistics services, and harness the opportunities brought about by the Belt and Road Initiative and the development of the Greater Bay Area, so as to consolidate Hong Kong's position as an international and regional aviation, maritime and logistics hub.

### Air Cargo Sector

76. The Airport Authority Hong Kong (AA) estimates that upon the full commissioning of the Three-Runway System in end-2024, the Hong Kong International Airport (HKIA) will boost its annual passenger and cargo handling capacities to around 100 million and about nine million tonnes respectively, thus meeting the air traffic demand at least up to 2030. Meanwhile, the AA is expanding the express air cargo terminal, developing a premium logistics centre and strengthening the airport's capability in handling high-value temperature-controlled cargoes in an effort to reinforce our leading position in air freight logistics.

77. To foster cross-border logistics and trading activities and grasp business opportunities in electronic commerce, I set aside \$5 billion last year for the redevelopment of the Air Mail Centre at the HKIA. Hongkong Post has completed the preparatory work and plans to submit a funding application to LegCo within this year, with a view to commencing the works as soon as possible.

### Maritime Sector

78. The Government will continue to assist the port industry in enhancing its operational efficiency, and strive to develop high value-added maritime services by leveraging our strengths in professional services. The Government will amend the relevant legislation to provide tax concessions for the ship leasing business, including offering a profits tax exemption to qualifying ship lessors and a half-rate profits tax concession to qualifying ship leasing managers. Besides, profits tax will be halved for eligible insurance businesses including marine insurance. The Government will also explore other tax measures to attract more global shipping business operators and commercial principals to set up business in Hong Kong.

#### Enhancing Operational Efficiency of the Logistics Sector

79. To encourage the logistics industry to enhance productivity through technology application, the Government will introduce a pilot subsidy scheme this year with an injection of \$345 million. Each eligible third party logistics service provider will receive subsidies to implement up to four projects, subject to a cumulative subsidy ceiling of \$1 million. The scheme is expected to benefit about 300 companies.

#### Tourism

80. The tourism industry has suffered successive setbacks since the middle of last year. The Government has been maintaining close liaison with industry players. I have rolled out since last August several measures to alleviate their operating pressure and the Anti-epidemic Fund will also implement measures to help the industry. I will allocate an additional amount of over \$700 million for the Hong Kong Tourism Board to step up promotion and revive the tourism industry when the epidemic is over.

#### Trade

81. I will allocate an additional funding of \$150 million to the Trade Development Council (TDC) for organising various initiatives to promote Hong Kong; setting up Hong Kong Pavilion, Hong Kong Design Gallery and pop-up shops in major overseas cities; and organising trade delegations. In addition, the Anti-epidemic Fund has also set aside resources to provide subsidies to enterprises for attending conferences and exhibitions organised by the TDC, and subsidise the conferences and exhibitions to be held at the Hong Kong Convention and Exhibition Centre and the AsiaWorld-Expo. These measures will help re-establish the confidence of the international community in Hong Kong as Asia's business hub and explore market opportunities for Hong Kong companies.

#### Professional Services

82. With its talent pool and rich international experience, the professional services sector supports the development of various industries in Hong Kong and reinforces our position as an international financial and business centre. We will continue to support the sector in expanding into overseas and Mainland markets. We will also seek to promote the development of our professional services sector in the Greater Bay Area under the "early and

pilot implementation” approach.

83. Respect for the rule of law and independence of the judiciary are among the cornerstones underpinning Hong Kong’s success. I will earmark about \$450 million for the Department of Justice to implement the “Vision 2030 for Rule of Law” project so as to strengthen our community’s understanding of the concept of the rule of law and its implementation.

## Cultural and Creative Industries

### Cultural Development

84. Hong Kong is an international cultural metropolis where the eastern and western cultures meet. Cultural and arts activities not only enrich life experience and foster the cultivation of personal qualities, but also create room for young people to display their creativity and offer them job opportunities. In 2019-20, the Government’s total expenditure on culture and arts exceeds \$5 billion.

85. We will continue to promote traditional Chinese culture actively through the Intangible Cultural Heritage Funding Scheme and the Cantonese Opera Development Fund. At the same time, we will encourage local arts groups and artists to showcase to the world the cultural strength and artistic achievements of Hong Kong.

86. Promoting diversity in cultural and arts development requires the joint support of the community and the business sector. I will allocate an additional \$900 million to the Art Development Matching Grants Scheme this year to further promote sponsorship of culture and arts.

### Cultural Facilities

87. The West Kowloon Cultural District is one of the largest cultural projects in the world, with the Xiqu Centre and Freespace already commissioned in 2019. The remaining cultural and arts facilities, including the visual culture museum M+, the Hong Kong Palace Museum and the Lyric Theatre Complex, will be completed in the next few years to provide world-class venues for artists.

88. The Hong Kong Museum of Art re-opened at the end of last year, while the East Kowloon Cultural Centre under construction is targeted to commence operation in 2022. We are also actively planning for the construction of a number of new cultural facilities, and the expansion and renovation of existing facilities.

### Creative Industries

89. The Government allocated \$1 billion each to the CreateSmart Initiative and the Film Development Fund in the past two financial years, more than doubling the total amount of resources allocated in the preceding years.

90. In the coming year, we will focus on helping industries explore the Mainland and overseas markets. On films, we will enhance co-operation with



countries in Southeast Asia in a more proactive manner. Last November, Hong Kong signed a memorandum of understanding with Thailand, facilitating co-operation between the creative sectors of both sides. The Agreement Concerning Amendment to the Mainland and Hong Kong Closer Economic Partnership Arrangement Agreement on Trade in Services announced earlier will also facilitate the entry of the local film, television and printing industries into the Mainland market.

(To be continued.)