

LCQ5: Supporting public transport sector

Following is a question by the Hon Frankie Yick and a reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (December 11):

Question:

It has been reported that a number of public service vehicles (including buses, minibuses, taxis and school private light buses) have been vandalised or burnt out during the public meetings and processions held in recent months. Some of the owners and drivers concerned have relayed that the vandalism of their "vehicles as a means of subsistence" has gravely affected their livelihood. In this connection, will the Government inform this Council:

(1) of the number of reports of vandalism of public service vehicles received by the Police since June this year, with a tabulated breakdown by the class of and extent of damage caused to the vehicles;

(2) whether it will consider setting up a fund to subsidise the owners concerned to pay for the expenses on vehicle repair or procurement of new vehicles; if so, of the details; if not, the reasons for that; and

(3) given that taxis and minibuses are vulnerable to vandalism as most of them are parked at public places such as roadside and public transport interchanges at night, whether the Government will consider providing additional temporary car parks for the parking of public service vehicles, so as to minimise the chance of such vehicles being vandalised?

Reply:

President,

Currently, 90 per cent of Hong Kong people rely on public transport services to travel and the number of daily passenger trips is as high as 12 million. Due to the continuous public events in the past six months, various road facilities and land transport services have been affected to varying degrees, which have greatly hampered the land public transport services and seriously obstructed the travel of the general public. All relevant government departments, including the Transport Department (TD) and Highways Department, and public transport service operators have been making their best endeavours to resume the provision of relevant services as soon as possible. I hereby once again urge all people that, regardless of your political stance or views towards the incidents, you should never damage the public transport vehicles and road traffic facilities. We should all treasure Hong Kong, and restore calm and stability in society.

My reply to the various parts of Hon Frankie Yick's question is as

follows:

(1) According to the Police, they classify the reported cases by the case nature so as to keep the relevant cases in their records. Simply speaking, vandalisms done to the road traffic facilities are classified as cases of criminal damage. The Police does not maintain any statistics breakdown based on the types of damaged object or facility. Therefore, we are not able to provide detailed figures as requested. Nonetheless, according to the information obtained by TD from the public transport service operators, it is understood that from June to the end of November 2019, around 420 franchised buses and seven tram cars were vandalised to different extent during the public order events in the past few months, including being burnt, smeared, glass windows being broken or vandalised, and tyres being deflated, etc. As for public light buses (PLBs), taxis and non-franchised buses, according to the rough estimates provided by the relevant major service operators to TD, more than 100 vehicles were vandalised.

(2) Public transport services in Hong Kong are generally provided by relevant service operators on commercial principles. Maintenance and procurement of vehicles, etc, are under the daily operation scope, for which the operators or vehicle owners should be responsible. At present, we have no plan to set up a special fund for vehicle owners affected to repair or procure vehicles. However, we understand that the operating environment of the public transport sector has been greatly affected by the social activities in recent months. In this regard, the Financial Secretary announced a series of measures on August 15 and October 22 this year respectively, aiming to help the transport trades to cope with the pressure brought by the social and economic environment. The measures include the following:

Firstly, from December 30, 2019 onwards, the vehicle licence fees and examination fees for registered commercial vehicles, fees payable for the new issue or renewal of Passenger Service Licence (PSL) and PSL Certificate for eligible types of vehicles will be waived for 12 months.

Secondly, the Government will introduce a six-month fuel subsidy or a one-off subsidy to assist the transport trades. In terms of land transport, the Government will offer a \$1 discount per litre of liquid petroleum gas (LPG), i.e. approximately a one-third discount, for six months for LPG taxis and PLBs, and reimburse one-third of the actual diesel cost for six months for each diesel PLB. The Government will also reimburse one-third of the actual fuel cost and one-third of the actual electricity cost to the five franchised bus companies and Tramways respectively for six months. In addition, every licensed non-franchised bus and goods vehicle will receive a one-off non-accountable subsidy of \$5,000. TD is drawing up the specific details of the arrangement. We plan to consult the Legislative Council Panel on Transport on the implementation details in early 2020, and will seek the funding approval in accordance with the established mechanism.

Thirdly, the rental for short-term tenancies for government land for fee-paying public car parks under the Lands Department, as well as the rental for fee-paying public car parks under the Government Property Agency and Leisure and Cultural Services Department will be reduced by 50 per cent for

six months, with retrospective effect from October 1, 2019. If the relevant operators would share such concessions with the car park users, this will benefit the transport trades and car owners in general.

The Government will continue to closely monitor the operating environment of the public transport service sector, and will consider introducing further measures to help the whole transport sector if necessary.

(3) As regards parking spaces, given the operational characteristics and needs of the major public transport modes, the arrangements for the provision of parking spaces for public transport service vehicles differ from those for general commercial vehicles and private cars. For franchised buses, at present, their parking spaces are mainly provided at bus depots and bus terminals in various districts. To cater for the operational needs of the relevant public transport services and optimise the use of limited land resources, the Government also permits franchised buses and PLBs to park at designated public transport interchanges and PLB stands at night.

As for taxis, given their mode of operation, they generally operate on the road round the clock and their parking demand is mainly for short duration stay. Hence, all along, TD has not made specific planning for parking provision for taxis. In fact, if taxi owners or drivers need to park for longer duration, they may choose to park at general parking spaces for private cars. The government multi-storey car parks under TD also provide parking spaces for taxis, and monthly parking tickets are sold to taxi owners or drivers at a concessionary rate.

Meanwhile, there are quite a number of short-term tenancy car parks in various districts of Hong Kong, providing parking spaces for different types of vehicles including public service vehicles like PLBs and taxis. Given the land resource situation in Hong Kong and the aforementioned policies, the Government has no plans at the current juncture to provide additional temporary car parks dedicated for public service vehicles. That said, we will closely monitor the parking demand of such vehicles.

LCQ3: Theft of dangerous chemicals from university laboratories

Following is a question by the Hon Chan Kin-por and a reply by the Secretary for Education, Mr Kevin Yeung, in the Legislative Council today (December 11):

Question:

It has been reported that the laboratories of the Chinese University of Hong Kong (CUHK) and two other universities were intruded into one after the

other by radical demonstrators last month, and some dangerous chemicals therein were stolen. The poisonous and dangerous chemicals stolen from CUHK include 17.5 litres of concentrated sulphuric acid, 2.5 litres of hexane, as well as 80 litres of concentrated nitric acid that may be used for making 10 000 acid bombs. If radical demonstrators use weapons made from such chemicals at demonstrations, the lives and safety of police officers and members of the public will be seriously threatened. In this connection, will the Government inform this Council:

(1) whether it knows the total quantities of chemicals stolen from the various universities since June this year, and the quantities of lethal weapons that may be made from such chemicals;

(2) why CUHK's laboratories were allowed to store such large quantities of dangerous chemicals; of the legislation currently in place to regulate the storage of dangerous chemicals in various university laboratories; whether the Government will require the various universities to strengthen the security measures at their laboratories, so as to prevent dangerous chemicals from being stolen again; and

(3) in the light of the potential threats posed by demonstrators' possible use of highly lethal chemical weapons, how the Government safeguards the safety of frontline police officers and members of the public?

Reply:

President,

Recently, some universities were damaged or even occupied by protesters. Some even made and used weapons on campus, leaving university campuses in a devastated state and causing multiple injuries. The universities are assessing the damage done to their campuses while some have commenced restoration works. Moreover, some chemicals stored on campus for teaching and research purposes have been stolen. These include some toxic, corrosive, and inflammable chemicals. If outlaws use these items to make weapons, the lives and property of members of the public will be seriously affected with adverse consequences. The cases concerned are extremely serious and have posed dangerous threat to public safety. The universities have reported to the Police and left the cases to the Police for follow-up actions and investigations.

Our reply to Hon Chan Kin-por's question is as follows:

(1) The Education Bureau (EDB) has been maintaining liaison with the universities in respect of the incidents that have happened on campus in recent months. The EDB is aware of the theft of chemicals stored in certain universities, and the universities concerned have reported the matter to the Police for action. It is understood that the dangerous chemicals stolen from the three universities (including the City University of Hong Kong, the Chinese University of Hong Kong, and the Hong Kong Polytechnic University) include toxic, corrosive, and inflammable items such as concentrated nitric acid and concentrated sulfuric acid. If these chemical substances are mixed

with other liquids or mishandled, combustion and explosion might occur. Moreover, the improper use or storage of those substances will cause danger to oneself and others. Universities concerned are still sorting and counting the stolen chemicals, so the relevant quantities cannot be provided for the time being. The Police are actively recovering the missing items and so far no one has been arrested.

According to the Dangerous Goods Ordinance (DGO) (Cap 295), it is an offence for a person to store, convey or use dangerous goods exceeding an exempt quantity without a valid licence. Besides, there have been cases in which people learned to make dangerous items from methods circulated on the Internet. The Police remind the public that manufacturing or conspiring to manufacture explosives is an extremely serious offence. According to section 54 of the Crimes Ordinance (Cap 200), the maximum penalty upon conviction will be 20 years' imprisonment. The Police have the confidence and ability to investigate such crime and urge members of the public should refrain from engaging in illegal activities.

(2) The storage of dangerous goods is regulated under the DGO, and the classification of dangerous goods and the exempt quantities of different categories of dangerous goods under the DGO are stipulated in the Dangerous Goods (Application and Exemption) Regulations (Cap 295A) and the Dangerous Goods (General) Regulations (Cap 295B) respectively. A licence issued by the Fire Services Department (FSD) under the DGO is required for storage of dangerous goods exceeding exempt quantities. Upon receipt of an application for a dangerous goods licence, the FSD will conduct a risk assessment based on the actual circumstances of each case and formulate corresponding fire safety requirements for the applicant to comply with. A licence for storage of dangerous goods will be issued to an applicant only after an inspection has been conducted and full compliance with the fire safety requirements is confirmed. FSD will also conduct inspections proactively from time to time. Should there be any violation of the fire safety requirements or conditions of licence, the FSD will take relevant enforcement actions in accordance with the DGO.

The EDB has learnt from the relevant institutions that there are laboratories in individual faculties (such as faculties of science, engineering, and medicine) of the University Grants Committee-funded universities and that the use of different chemicals is required for teaching and research purposes. If the chemicals in the laboratories fall within the definition of dangerous goods under the DGO, the universities have established a monitoring mechanism to ensure that the storage and use of dangerous goods on campus meet the requirements of the relevant ordinance. The laboratory management staff of the universities will procure and store the chemicals in accordance with actual teaching and research needs and strictly observe the DGO and other relevant fire safety regulations.

In response to the theft of chemicals in universities, all universities have taken prompt action to enhance on-campus security by hiring additional security staff, increasing security patrols, adopting identity verification and registration procedures at campus entrances/exits, and strengthening the security measures for dangerous goods stores. All students and staff of the

universities have been informed of the relevant arrangements.

In view of the recent social situation and to further safeguard public safety, the FSD has proactively contacted the tertiary institutions to review the situation of the storage of dangerous goods on campus, and to remind the institutions to step up security measures, and report to the Police immediately if any dangerous goods or chemicals were found missing. The EDB will also provide universities with appropriate assistance in enhancing their security measures, depending on actual needs.

(3) The mission of the FSD is to protect the life and property of the public from fire or other calamity. When facing and handling incidents involving dangerous goods and chemicals, fire personnel will carry out firefighting and rescue operations in accordance with the relevant guidelines. In case unknown chemicals are found during an operation, the FSD will perform a risk assessment and take appropriate measures immediately. If necessary, the FSD will contact staff of the Government Laboratory and seek their professional advice on the proper handling of chemicals to protect public safety.

The Police attach great importance to the safety of police officers during their execution of duties, and have been proactively taking measures to review the personal protective equipment of front-line police officers from time to time. The Police will also procure or replace suitable equipment as appropriate, so as to meet the actual operational needs and enhance the safety of officers. If members of the public find any dangerous goods, they should seek assistance from the Police as soon as possible. To avoid injury, they should keep an appropriate distance from the dangerous goods and refrain from getting close to or touching them.

Thank you, President.

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday, December 11, 2019 is 106.4 (up 0.1 against yesterday's index).

LCQ6: Helping local tourism industry

Following is a question by the Hon Yiu Si-wing and a reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (December 11):

Question:

Since the eruption of the disturbances arising from the opposition to the proposed legislative amendments in June this year, the number of visitor arrivals to Hong Kong has plummeted and the tourism industry has been hard hit by that. The Hong Kong Tourism Board (HKTB) has already cancelled the Hong Kong Cyclothon, Hong Kong Wine & Dine Festival and Chinese New Year Night Parade for this financial year. Regarding the measures to assist the tourism industry in tapping business opportunities, will the Government inform this Council:

(1) whether it knows HKTB's original and latest estimates of expenditures on promotional activities for the second half of this year and the first half of next year respectively, with a breakdown by Mainland and non-Mainland visitor source markets;

(2) given that HKTB will complement the Government's implementation of the Travel Agents Incentive Scheme, and waive the participation fees of the trade for joining the trade fairs and travel missions organised by HKTB in the Mainland and overseas, whether the Government will review the effectiveness of such measures jointly with HKTB, and consider raising the amount of subsidy and streamlining the application procedure; if so, of the details; if not, the reasons for that; and

(3) given that HKTB has, in recent years, endeavoured to promote in-depth district tourism, including introducing to tourists neighbourhoods such as Old Town Central and Sham Shui Po under the theme of "Hong Kong Neighbourhoods", whether it knows if HKTB will roll out more in-depth district tourism initiatives and tap local visitor source, so as to boost local consumption and drive the recovery of the economy; if HKTB will, of the details; if not, the reasons for that?

Reply:

President,

Tourism is a key sector of the Hong Kong economy. In 2018, tourism employed around 260 000 persons and accounted for 4.5 per cent of Gross Domestic Product. The industry is one of the sectors that is hard hit by the continuous social events recently. Visitor arrivals declined significantly since July. Meanwhile, around 40 countries have issued travel advisories on visiting Hong Kong, which has affected Hong Kong's international image and severely hit the tourism and related industries.

The Government has been closely monitoring the development of the situation and maintaining close communication with Hong Kong Tourism Board (HKTB), Travel Industry Council of Hong Kong (TIC) and the tourism sector, etc. In view of the impact of social events on the travel trade, the Government has rolled out several rounds of support measures to alleviate the operating pressure of the industry. Also, the Government will continue to support HKTB's promotion work in overseas and the Mainland markets to restore

visitors' confidence in visiting Hong Kong.

My reply to the question raised by the Hon Yiu Si-wing is as follows:

(1) and (2) According to HKTB's original work plan, the total marketing budget in 2019-20 was estimated at about \$433 million, of which about \$169 million was planned for use in visitor source markets. Of this, 77 per cent was to be allocated to non-Mainland markets and 23 per cent to the Mainland market. In addition, the Government allocated additional funding of \$326 million in the 2019-20 Budget to HKTB to strengthen the promotion of Hong Kong.

The protests in recent months have seriously damaged Hong Kong's destination image, resulting in a decline in visitor arrivals. In response to this situation, HKTB suspended its large-scale promotion work in the Mainland and overseas markets in the second half of the year, and cancelled after careful consideration large scale events including the Hong Kong Dragon Boat Carnival, the Hong Kong Cyclothon, and the Hong Kong Wine & Dine Festival. According to the HKTB's latest estimate, the total expenditure of this financial year will be about \$200 million less than the original estimate. HKTB has been actively preparing for both short and long-term promotion plans, which will be rolled out gradually at opportune time and will make the best use of its resources to re-allocate the unused funding. Amongst these, the tactical initiatives include:

– Rolling out promotion plans gradually in international short haul source markets, including launching a common platform for businesses from all sectors in the city to promote enticing offers to visitors and locals. Leveraging the influence of local residents, the programme aims to attract overseas relatives and friends, as well as fans of Hong Kong, to stimulate spending and generate business for travel agents, hotels, attractions, catering, retail, etc.

– Strengthening the promotion or enhancing contents of various mega events, such as injecting new elements into the International Chinese New Year Carnival to be held during Chinese Lunar New Year, and stepping up overseas promotion of the Hong Kong Sevens, scheduled for April 2020, etc.

To support the travel trade, HKTB has rolled out a series of relief and incentive measures, including:

(i) From October 1, 2019 to March 31, 2020, HKTB has waived the participation fee for members of the travel trade to join trade fairs and travel missions organised by HKTB in the Mainland and overseas; and

(ii) From October 1, 2019 to September 30, 2020, all merchants (over 8 000 outlets) accredited under HKTB's Quality Tourism Services Scheme can have their full renewal fees waived for one year, and new applicants to the Scheme can enjoy a 50 per cent reduction on the application fee.

Besides, the Government, jointly with HKTB and TIC, has launched the

Travel Agents Incentive Scheme to provide cash incentives to travel agents based on the number of inbound and outbound overnight travellers they serve. Upon the launch of the Scheme on November 18, HKTB and TIC organised four briefings for the trade from end November to early December to facilitate their understanding of the application procedures. As at November 30, HKTB and TIC received about 100 travel agents' applications involving close to 15 000 travellers, which included 56 travel agents' applications received by HKTB involving 10 890 inbound travellers in total. Overall, the Scheme is well received by the trade. We will maintain close liaison with HKTB, TIC and the travel trade, etc., to closely monitor the implementation of the Scheme and consider enhancement measures as required.

(3) In recent years, HKTB launched two district programmes in Central and Sham Shui Po and received positive feedback from the travel trade and visitors. HKTB will continue to enrich the contents of the Old Town Central and Sham Shui Po promotions, leveraging new attractions and new elements in Central and Sheung Wan as well as Sham Shui Po, inviting visitors and locals to explore the districts.

In addition, the Tourism Commission is organising a three-year pilot scheme integrating various tourism elements and the first event, namely the Yim Tim Tsai Arts Festival 2019, has been launched on November 30. Co-created by local artists, youngsters and villagers, the island has been turned into an open museum, showcasing the co-existence of Roman Catholicism and traditional Hakka culture, and the spectacular natural landscape with installation art. Guided tours and activities covering the history, culture, ecology and religion of Yim Tin Tsai will be held for both visitors and locals to explore this unique heritage of Hong Kong. HKTB is actively promoting the Arts Festival to visitors through different channels, including its website, visitor centres and social media platforms, as well as inviting overseas media coverage of the Festival. During the Festival, HKTB has also set up an exhibition in Sai Kung Waterfront Park for visitors to explore the attractions and natural landscape of Sai Kung.

In the future, HKTB will continue to develop in-depth local tourism. HKTB will take the distribution of tourism resources in different districts into consideration and communicate thoroughly with district stakeholders when conducting district promotions and designing project details.

Thank you, President.

LCQ4: Helping Hong Kong businesses in developing external economic and trade

relations

Following is a question by the Hon Jimmy Ng and a reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (December 11):

Question:

On the 4th of last month, the Regional Comprehensive Economic Partnership (RCEP) Leaders' Summit released a joint statement, announcing that 15 RCEP participating countries (India not included) had concluded all text-based negotiations and essentially all their market access issues negotiations, and had been committed to ensuring the RCEP agreement be signed next year. The Government indicated in April this year that it would seek Hong Kong's accession to RCEP after the negotiations had been completed. On the other hand, quite a number of Hong Kong businessmen hope that the Government will step up the assistance to them in relocating their production bases in order to cope with the Sino-United States trade conflicts. In this connection, will the Government inform this Council:

- (1) of the latest progress of the work on seeking Hong Kong's accession to RCEP and promoting external economic and trade co-operation;
- (2) whether the Government will expedite the expansion of the network of the overseas Hong Kong Economic and Trade Offices, particularly those in ASEAN countries and the United States, so as to strengthen the support for Hong Kong businessmen in overseas countries; and
- (3) as the Mainland authorities are progressively setting up overseas Economic and Trade Co-operation Zones (ETCZs) in the Belt and Road countries/regions, of the measures put in place by the Government to support Hong Kong businessmen in relocating their production bases to ETCZs?

Reply:

President,

In order to assist Hong Kong businesses and investors in expanding markets and in further consolidating Hong Kong's role as an international trade and investment hub, the Government has been proactively expanding external trade and economic co-operation, signing Free Trade Agreements (FTA) and Investment Promotion and Protection Agreements (IPPA) with various economies. We have also actively participated in regional co-operation with a view to further establishing Hong Kong's global trade network, assisting Hong Kong's businesses in overseas investment and expansion.

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

- (1) On November 4, 15 member economies of the "Regional Comprehensive

Economic Partnership" (RCEP), namely the ten member states of the Association of Southeast Asian Nations (ASEAN), Australia, Mainland China, Japan, Korea and New Zealand, have announced the conclusion of text-based negotiation, and the agreement is expected to be signed in 2020. RCEP would be the most comprehensive FTA in the Pan-Asian region. Against the headwind of protectionism, the breakthrough in RCEP negotiation will bring positive effects to promoting free and open trade and furthering regional co-operation. Hong Kong has been a staunch supporter of regional co-operation, and our joining RCEP is a big step in our efforts. To this end, the Government has in last year expressed to the member economies our wish to join RCEP, and we received positive feedbacks. In November this year when the members economies concluded the text-based negotiation, the Government has issued letters to the member economies, reiterating our strong wish to join RCEP. We will continue working towards the goal of seeking Hong Kong's accession to RCEP as its first new member economy.

For the progress in expanding our FTA network, Hong Kong has signed eight FTAs with 20 economies. The latest one was signed with Australia in this March, which is the fourth FTA signed by the current-term Government. As for the FTA signed in 2017 between Hong Kong and ASEAN, it has gradually come into force since this June.

Hong Kong and Thailand have also signed a memorandum of understanding on strengthening economic relations recently on November 29. On bilateral trade co-operation, both sides agreed to broaden and deepen commitments to trade and investment liberalisation. Exploratory talks on negotiating a Hong Kong-Thailand FTA will commence with a view to establishing the work plan for negotiations by 2021. The two sides will also review and upgrade the IPPA signed in 2005. Apart from this, we are also seeking to forge an FTA with the Pacific Alliance, which includes Chile, Colombia, Mexico and Peru, and exploring with the United Kingdom options for forging even closer economic ties, including the possibility of having an FTA after Brexit.

Apart from FTAs, Hong Kong has also signed 21 IPPAs with 30 overseas economies so far, including the latest one with the United Arab Emirates (UAE) signed in this June. Currently, we are also negotiating IPPAs with Russia and Turkey respectively.

Furthermore, we are actively promoting Hong Kong as a two-way global investment and business hub by organising various large-scale events overseas. For example, the Hong Kong Trade Development Council (HKTDC) organised the "Think Asia, Think Hong Kong" event in Los Angeles, the United States (US) in September this year to promote Hong Kong's advantages. The event attracted over 1,500 participants and about 340 business-matching meetings were arranged. HKTDC will stage the "In Style" Hong Kong event in Manila, the Philippines next year to promote Hong Kong's products and services. HKTDC will also help Hong Kong businesses establish connections and sales network, as well as find investment partners, through organising business missions and increasing presence in online marketplaces.

(2) The Government has been actively expanding the network of overseas Economic and Trade Offices (ETO) with a view to strengthening Hong Kong's

external trade connections and interactions. Currently, there are 13 overseas ETOs, including the Washington, San Francisco, and New York ETOs in the US, and the Jakarta, Singapore, and Bangkok ETOs in ASEAN. The present ETO network in the US comprehensively covers all the states in the US, with the San Francisco and New York ETOs overseeing the western parts and eastern parts of the US respectively, while the Washington ETO is responsible for the liaison work with the political circle in the US. As for ASEAN, in face of the increasing business presence of Hong Kong in ASEAN and the great potential of the region, the HKSAR Government has newly established two ETOs in ASEAN countries, namely the Jakarta ETO established in 2016 and the Bangkok ETO established in February this year. The presence of three ETOs in ASEAN will robustly strengthen our trade and economic ties with ASEAN countries.

In order to consolidate Hong Kong's presence among its trading partners and explore new business opportunities, the HKSAR Government will continue establishing ETOs overseas. We are currently engaged in the preparatory work for opening the Dubai ETO, which is expected to commence operation early next year. The ETO will become the second ETO set up by the current-term Government, and the first in the Middle East region, which will further expand our representative network in the region and raise Hong Kong's international visibility. It will also bring immense business opportunities as well.

The HKSAR Government will continue exploring the feasibility to establish ETOs in different countries with a view to further strengthening Hong Kong's trade network. The 13 existing ETOs will keep up with their promotional work overseas to strengthen Hong Kong's external relations. The ETOs will maintain close and regular contacts with the local business sectors and introduce to them the latest positions and advantages of Hong Kong to encourage them to set up business or invest in Hong Kong, bringing stronger overseas support to Hong Kong businesses.

(3) The HKSAR Government attaches great importance to the pursuit of the Belt and Road (B&R) Initiative. As the Chief Executive set out in her Policy Address this October, the Government will capitalise on the opportunities brought by the Initiative to open up more markets for Hong Kong enterprises and professional services, including supporting Hong Kong enterprises in setting up businesses in the Mainland's overseas Economic and Trade Co-operation Zones (ETCZs). In this regard, the HKSAR Government is taking forward the following areas of work, including:

(a) Strengthening promotion efforts: missions, exchange sessions and thematic forums will be organised to deepen enterprises' understanding of ETCZs;

(b) Providing "one-stop" support for Hong Kong enterprises: HKTDC will set up a B&R ETCZs support service desk to provide Hong Kong enterprises with information related to ETCZs, including local trade and investment policies, business environment and development situation of various industries;

(c) Deliberating policy measures at the government level: the Commerce and

Economic Development Bureau (CEDB) is exploring incentives and facilitation measures with the Ministry of Commerce, including actively encouraging ETCZs to provide support for Hong Kong enterprises to establish a presence there; collating and disseminating to enterprises information on matters relating to Mainland bonded goods, such as measures on No Levy and No Return (of tax); and promoting further collaboration between HKTDC and Mainland business and industrial organisations in providing back-end sales support for those Hong Kong enterprises operating in ETCZs, thereby assisting them in developing the Mainland market.

In addition, in the above-mentioned memorandum of understanding entered into by the HKSAR Government and the Government of Thailand, the latter will explore the possibility of providing and extending relevant facilitation measures for Hong Kong enterprises interested in investing in Thailand, including tax incentives, non-tax facilitation, updated and useful information on investment opportunities, market intelligence, and hands-on support for companies and projects; and;

(d) Promoting matching with selected ETCZs: CEDB and the Ministry of Commerce will try out, on a pilot basis, the matching of two to three Hong Kong industries interested in developing businesses in ETCZs with two to three selected zones, particularly those located in the ASEAN. In-depth analyses on local market situation and industry needs will also be conducted with a view to facilitating industry matching and co-operation.

The HKSAR Government will continue to deepen Hong Kong's external trade and economic co-operation by fully utilising the opportunities brought by the B&R Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area, which will broaden Hong Kong's trade network overseas and help Hong Kong business to expand into the global market.