

LCQ7: Promoting market integration in Guangdong-Hong Kong-Macao Greater Bay Area

Following is a question by the Hon Martin Liao and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (May 25):

Question:

The Opinions of the Central Committee of the Communist Party of China and the State Council on Accelerating the Establishment of a Unified Domestic Market (the Opinions) published on April 10 this year put forward the demand of breaking local protectionism and market segmentation, as well as promoting the alignment of quality standards with international standards. Moreover, the Opinions put forward integrating major regional strategies, encouraging regions such as the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to give priority to commencing work on developing regional market integration and to establish robust regional co-operation mechanisms, on the premise of maintaining a unified domestic market. In this connection, will the Government inform this Council:

(1) given that in June last year, the Hong Kong Trade Development Council (HKTDC) launched a "GoGBA" one-stop online platform (GoGBA) in collaboration with the authorities of the Guangdong Province and relevant trade associations, as well as established the "HKTDC GBA Centre" in Shenzhen, so as to support Hong Kong enterprises to expand into the GBA market, whether it knows the details of the services provided/activities held so far under these two projects, and whether the HKTDC will evaluate the effectiveness of GoGBA to date and roll out improvement measures;

(2) as a study has pointed out that the major challenges faced by Hong Kong-invested manufacturing enterprises in expanding into the GBA market include high credit risk and greater difficulty in obtaining export credit insurance (ECI), which have weakened their incentive to do so, whether the Government will review the functions of the Hong Kong Export Credit Insurance Corporation, and urge it to launch ECI products suitable for such enterprises and to explore strengthening the co-operation with the China Export & Credit Insurance Corporation; if so, of the details; if not, the reasons for that; and

(3) whether it will collaborate with the authorities of the Mainland cities in the GBA to commence a study on the formulation of unified economic and trade rules as well as market standards for the GBA, so as to promote market integration in the GBA in respect of system establishment?

Reply:

President,

Hong Kong is an important platform for economic and trade exchange between the Mainland and the international community. We strive to strengthen regional co-operation and actively expand our global economic and trade network on one hand. On the other hand, we capitalise on the new development pattern featuring dual circulation, which enables domestic and foreign markets to interact positively with each other under the National 14th Five-Year Plan, and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development as an entry point, to assist Hong Kong enterprises in capturing the enormous business opportunities for better integration into the overall development of the nation.

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

(1) To strengthen support to Hong Kong enterprises in exploring the domestic Mainland market, the Hong Kong Trade Development Council (HKTDC) launched in June 2021 the "GoGBA" one-stop platform, including the "GoGBA" website and WeChat mini-programme, to provide important GBA business and trade information such as market insights and business networks as well as practical tools for business trips. In addition, the HKTDC has established the "HKTDC GBA Service Centre" in Shenzhen to organise activities including seminars/workshops, professional training and business missions, and to provide Hong Kong enterprises with consultation services, industry-related updates and business matching to assist Hong Kong enterprises in understanding the Mainland's market, regulations, policies, concessions and institutions, with a view to enhancing their capabilities in developing the Mainland market. The HKTDC has also set up jointly with its Mainland partners the "GoGBA Business Support Centres" in Qianhai (Shenzhen), Nansha (Guangzhou), Hengqin (Zhuhai), Dongguan and Zhongshan to provide Hong Kong enterprises with policy and market consultation services.

These services have been well-received by the trade since their launch. As at mid-May 2022, over 180 000 views of the "GoGBA" website and WeChat mini-programme were recorded. The "HKTDC GBA Service Centre" has so far organised over 40 activities, with about 2 100 Hong Kong enterprises patronising its services and participating in its activities.

The HKTDC has kept on reviewing the effectiveness of these services and strengthening support to Hong Kong enterprises. Among others, the HKTDC will expand its "GoGBA Business Support Centres" network to Foshan, and organise the Guangdong-Hong Kong Co-operation Week within 2022 staging flagship events to promote Hong Kong services and brands. Furthermore, from 2022-23 to 2024-25, the Government provides an additional funding of \$45 million per annum (i.e. a total of \$135 million) to the HKTDC for implementing the "Support Scheme for Pursuing Development in the Mainland". Through its network of 13 Mainland offices, the HKTDC will partner with relevant Mainland-based Hong Kong business organisations to organise training and exchange programmes, business missions as well as promotion activities to support Hong Kong enterprises, professional services practitioners and

entrepreneurs to seize the business opportunities in the GBA and other Mainland markets.

(2) The Hong Kong Export Credit Insurance Corporation (ECIC) actively supports Hong Kong businesses (including the manufacturing industry) in expanding in the vast Mainland market and endeavours to assist the trade in facing credit risks. In response to the challenges brought about by the China-United States trade conflict and the epidemic, the ECIC has proactively launched a series of support measures, assisting the trade in market expansion amidst the volatile trading environment. In fact, quite a number of exporters have already expanded their businesses in domestic sales through the ECIC's insurance products. In 2020-21, the Mainland was the ECIC's largest market for the year, accounted for 43 per cent of the ECIC's total insured business and amounted to \$56.2 billion. In addition, the ECIC has proactively enhanced its insurance coverage for sales between an exporter's Mainland subsidiary, in which one has ownership of over 50 per cent, and Mainland buyers. Under the extended coverage, the ECIC provides credit insurance protection for Hong Kong enterprises' goods produced on the Mainland for overseas or Mainland markets.

To provide support for exporters to further expand in the Mainland market, the ECIC is actively studying possible ways to gain better access to the credit information of Mainland companies including strengthening co-operation with relevant agencies such as credit agencies and its Mainland counterparts to supplement buyer information; to share risk with reinsurance companies; and to foster exchanges with its Mainland and international counterparts (including the China Export & Credit Insurance Corporation), etc. The Government will continue to maintain close communication with the ECIC, striving to provide products and services that cater to Hong Kong businesses for them to seize the golden opportunities in the Mainland market.

(3) To strengthen economic co-operation and integration between the Mainland and Hong Kong, the Government has been promoting trade and investment liberalisation and facilitation, reducing and removing barriers to trade and investment, and enhancing the level of market integration between the two places through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). Under the framework of the CEPA, all goods of Hong Kong origin can enjoy zero tariff treatment upon importation into the Mainland. The Mainland also implements various preferential and facilitation measures for Hong Kong service suppliers in most areas of services trade, such as removing or relaxing restrictions on equity shareholding, capital requirements and business scope in the establishment of enterprises; relaxing qualification requirements for the provision of services by Hong Kong professionals; and relaxing the geographical and other restrictions for Hong Kong's exports of services to the Mainland market. In addition to those applicable Mainland-wide, some liberalisation measures are implemented on a pilot basis in the GBA to help drive forward market integration in the GBA.

The Government will continue to participate in the development of the GBA through various channels including the CEPA, with a view to strengthening the regulatory interface and system connectivity of the economy of Guangdong,

Hong Kong and Macao. Moreover, the Government will strive for a higher level of liberalisation by the Mainland to Hong Kong under the framework of the CEPA, including introducing more liberalisation measures in the GBA, with a view to encouraging more Hong Kong and overseas enterprises to make good use of Hong Kong as a platform to grasp the opportunities in the GBA as well as the whole Mainland market. We will also participate in and support the work of the governments of Guangdong, Hong Kong and Macao in setting GBA standards for different products and business services.

LCQ13: Development of Northern Metropolis

Following is a question by Dr the Hon Lo Wai-kiok and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (May 25):

Question:

Regarding the development of the Northern Metropolis, will the Government inform this Council:

- (1) whether it will set up a task force to be led by senior government management to remove red tape for handling matters relating to land resumption in the New Territories, and to formulate timetables and performance indicators for the relevant work; if so, of the details; if not, the reasons for that;
- (2) given that the building of the Northern Metropolis involves massive expenditure, whether the Government has examined different financing options as well as their merits and demerits; if so, of the details; if not, the reasons for that; and
- (3) given that the building of the Northern Metropolis involves the "Twin Cities, Three Circles" strategic development layout of the Hong Kong-Shenzhen boundary area, whether the Government will expeditiously discuss with the Shenzhen Municipal Government and the relevant Mainland authorities the various cross-boundary co-operation arrangements; if so, of the details; if not, the reasons for that?

Reply:

President,

The Chief Executive released the Northern Metropolis Development Strategy (the Development Strategy) in the Policy Address in October 2021, which proposed a number of land development, railway and conservation

projects in the Northern Metropolis in response to the needs of Hong Kong's medium to long term land requirements and sustainable development. The Government is actively following up on the relevant proposals.

In response to the three parts of the question, having consulted the relevant bureaux, the reply is as follows:

(1) The Government is driving at high level the work to streamline and remove obstacles in the development process. Apart from streamlining and rationalising administrative processes, the Development Bureau is working closely with relevant bureaux and departments to give priority to reviewing development approval process under various legislations (such as the Town Planning Ordinance (Cap. 131), the Lands Resumption Ordinance (Cap. 124) and the Roads (Works, Use and Compensation) Ordinance (Cap. 370)), with a view to streamlining or shortening statutory procedures of town planning applications, gazettal of road works, land resumption, etc. We have briefed the Panel on Development of the Legislative Council (LegCo) on the initial idea of the legislative proposals in March this year (Note). These proposals, if approved and implemented, will be able to expedite various government development projects in the pipeline, including the development of the Northern Metropolis.

Concerning the proposal of setting up a high-level dedicated government institution in taking forward the development of the Northern Metropolis, the Chief Executive has indicated earlier that this matter involved government's organisation set up and should be considered by the next-term Government.

(2) The Development Strategy is a conceptual strategic plan. There are a number of land development projects in the Northern Metropolis and some of them have already been commenced. These projects will be implemented according to schedule and in phases with full regard to the consideration of financial viability and sustainability. We keep an open mind on the options of financial arrangements for future projects. In fact, the Financial Secretary announced in the 2022-23 Budget to set aside \$100 billion from the cumulative return of the Future Fund to set up a dedicated fund to ensure sufficient capitals to support the development needs under the Development Strategy and to expedite the projects in the Northern Metropolis. With the implementation of the land development projects in the Northern Metropolis, we can also generate income from private development projects within the districts.

(3) The Hong Kong Special Administrative Region Government has exchanged views with the relevant authorities in Shenzhen following the release of the Development Strategy. We will continue to keep close communication with the relevant Mainland authorities in taking forward the proposals under the Development Strategy. For instance, the Planning Department holds regular meetings with the Planning and Natural Resources Bureau of Shenzhen Municipality to exchange views on planning matters of common interest. Furthermore, the Governments of Hong Kong and Shenzhen have embarked on the studies on cross-boundary railway projects, with a view to improving connectivity between Hong Kong and Shenzhen.

Note: Please refer to the paper submitted to the LegCo's Panel on Development (www.legco.gov.hk/yr2022/english/panels/dev/papers/dev20220322cb1-78-2-e.pdf) for details.

LCQ6: Implementation of GREEN@COMMUNITY at public housing estates

Following is a question by the Hon Andrew Lam and a reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council today (May 25):

Question:

To strengthen the support for waste reduction and recycling at the district level, the Environmental Protection Department is implementing a community recycling network, namely GREEN@COMMUNITY, to promote different initiatives across the territory, which comprise Recycling Stations, Recycling Stores and Recycling Spots. There are views pointing out that with nearly 1.3 million public housing households in Hong Kong, the provision of more such recycling facilities at the relevant housing estates will significantly enhance the effectiveness of waste reduction and recycling work. Regarding the implementation of GREEN@COMMUNITY at public housing estates (PHEs), will the Government inform this Council:

(1) given that some districts are currently not provided with Recycling Stations, whether the Government will set up such facilities at locations in the vicinity of PHEs in these districts, and organise relevant public education activities through such facilities in preparation for the implementation of the municipal solid waste charging; if so, of the details; if not, the reasons for that;

(2) whether it will set up Recycling Stores and Recycling Spots at PHEs; if so, of their coverage and the timetable; if not, the reasons for that; and

(3) whether it will expeditiously introduce into PHEs smart reverse vending machines, so as to dovetail with the implementation of GREEN@COMMUNITY and other related measures; if so, of the timetable; if not, the reasons for that?

Reply:

President,

In order to assist and encourage the public in actively practising waste reduction and recycling, as well as to complement the future implementation of Municipal Solid Waste (MSW) charging, the Environmental Protection Department (EPD) has been enhancing the support on waste reduction and recycling at district level, including sustained expansion and upgrading of the community recycling network GREEN@COMMUNITY.

Currently, GREEN@COMMUNITY comprises facilities at three levels, including Recycling Stations with larger areas, indoor and outdoor space for environmental education use; Recycling Stores usually located closer to residents, and Recycling Spots which operate weekly at fixed locations and time in the form of kerbside collection booths. As of end April 2022, there are 11 Recycling Stations, 32 Recycling Stores and over 120 Recycling Spots, i.e. over 160 collection points in total under GREEN@COMMUNITY. All recycling points under GREEN@COMMUNITY collect at least eight common recyclables including waste paper, plastics, metals, glass containers, fluorescent lamps and tubes, rechargeable batteries, small electrical appliances and regulated electrical equipment, and provide GREEN\$ (Greeny Coins) to encourage more members of the public to practise source separation of more types of recyclables for turning them into resources. All facilities under GREEN@COMMUNITY are operated by non-profit making organisations which provide various kinds of environmental education activities such as upcycling workshops, second-hand markets, briefings on environmental information, to encourage the public to establish green living habit. GREEN@COMMUNITY also makes good use of technology. Starting from end 2020 under a Pilot on Smart Recycling Systems, GREEN@COMMUNITY has been testing smart recycling systems (such as smart balances, recycling bins, gift redemption units), with Internet of Things (IoT) as skeleton technology, for local application and assessment of its benefits.

In addition to sustained upgrading of GREEN@COMMUNITY's services in all 18 districts in the territory, the EPD has also been promoting the Programme on Source Separation of Domestic Waste at residential estates/buildings, through provision of recycling bins to facilitate citizens to practise recycling conveniently.

Over 30 per cent of Hong Kong's population lives in public rental housing (PRH). Therefore, the EPD has been closely collaborating with the Hong Kong Housing Authority (HA) to enhance community recycling and environmental education support in PRH.

Our reply to the questions raised by the Hon Lam is as follows:

(1) On Recycling Stations, GREEN@WONG TAI SIN at Po Kong Village Road will commence construction in mid-2022. In addition, the Invigorating Island South initiative has also identified preliminarily a piece of land at Ap Lei Chau for development of another Recycling Station, namely GREEN@SOUTHERN. For those five districts which currently do not have any Recycling Stations, i.e. Central and Western, Yau Tsim Mong, Kowloon City, Tsuen Wan and North Districts, there are 13 Recycling Stores within the districts to provide residents with environmental education and recycling support.

In addition to community environmental education activities organised through the GREEN@COMMUNITY, the EPD has been organising waste reduction and recycling activities for PRH in collaboration with the HA, with a view to strengthening the environmental awareness of residents in PRH. The EPD Green Outreach has already extended its outreach service to all 18 districts in Hong Kong (including PRH), to provide on-site technical and educational support on waste reduction and recycling, enhance effectiveness of recycling arrangement in estates, help identify proper outlets for recyclables, etc. to community stakeholders such as resident organisations and property management companies. To get prepared for the implementation of MSW charging, the EPD and the HA have also collaborated since end 2018 in launching the Trial Project on Municipal Solid Waste Charging at Public Housing Estates in phases, to cover about 150 PRH blocks in Hong Kong. The first two phases of the trial project covering a total of 53 PRH blocks have been concluded. The third phase, covering a total of 51 PRH blocks, commenced in January 2022 and planned for completion in nine months. However, it was suspended due to severe epidemic situation. With recent relaxation of social distance restriction measures, the third phase of trial projects has progressively resumed and will complete in November 2022. The fourth phase covering a total of about 50 PRH blocks will commence in end 2022, right after the completion of the third phase.

(2) All PRH in Hong Kong have joined the Programme on Source Separation of Domestic Waste launched by the EPD. The HA requires its cleaning contractors to send various kinds of clean recyclables to downstream recyclers for proper recycling and conservation of valuable resources. In response to the change in recycling markets in recent years, the EPD is liaising with the HA in connection with a new service on one-stop collection of recyclables (especially those with low market values such as waste plastics, glass containers, fluorescent lamps and tubes, rechargeable batteries) from PRH by the EPD's operators (including the operators of GREEN@COMMUNITY), to help ensure that all recyclables will be properly treated and recycled. Separately, the operators of GREEN@COMMUNITY have already set up some Recycling Spots at or near PRH. Currently, about 80 PRH estates are covered by GREEN@COMMUNITY collection points. At the same time, the HA is in discussion with the EPD on suitable locations in PRH within a pilot district, for setting up a network of several mini Recycling Stores, considering and suiting the spatial characteristics of PRH. These mini Recycling Stores will help promote and support more PRH residents in establishing a clean recycling habit.

(3) With the support of the HA, the EPD has preliminary identified more than 10 PRH estates to set up a network of smart recycling application points, which will progressively in place from the second half of 2022.

Thank you, President.

LCQ18: Strengthening cross-boundary intermodal transshipment

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 (May 25):

Question:

Some members of the freight industry have relayed that currently the Intermodal Transshipment Facilitation Scheme implemented by the Customs and Excise Department (C&ED), and the Single E-lock Scheme implemented by the C&ED in collaboration with the Mainland customs, have provided customs clearance facilitation to cross-boundary air-land and sea-land intermodal transshipment between Hong Kong and the Mainland. Nevertheless, these two Schemes do not cover transshipment cargoes which need the merging of orders, crating and palletisation in Hong Kong, thus limiting the development of cross-boundary intermodal transshipment in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area). In this connection, will the Government inform this Council:

(1) of the respective volume of cross-boundary transshipment cargoes and the respective numbers of cross-boundary truck trips handled under the two aforesaid Schemes in each of the past three years;

(2) whether the authorities will, by making reference to the plan of the Airport Authority Hong Kong for developing a logistics park in Dongguan, set up dedicated logistics parks in the Mainland cities in the Greater Bay Area to handle transshipment cargoes which need tallying, crating and palletisation before they are exported from the Mainland via Hong Kong, and to make use of trucks equipped with an e-lock and a global positioning system for transporting such cargoes directly to the airport or container terminals in Hong Kong for shipment; if so, of the details; if not, the reasons for that; and

(3) of the new measures in place to further strengthen cross-boundary air-land and sea-land intermodal transshipment between Hong Kong and other cities in the Greater Bay Area?

Reply:

President,

The Hong Kong Special Administrative Region Government (HKSAR Government) will fully seize the immense opportunities arising from the "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" and the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and continuously introduce various measures to support

the Hong Kong logistics industry to develop high value-added logistics and cross-boundary logistics, so as to strengthen Hong Kong's competitive edge as a regional logistics hub.

Having consulted the Commerce and Economic Development Bureau (CEDB), the reply to various parts of the Hon Frankie Yick's question is as follows:

(1) According to the CEDB's information, the number of cross-boundary goods vehicle trips and consignments processed under the Intermodal Transshipment Facilitation Scheme (ITFS) and the Single E-lock Scheme (SELS) in the past three years are set out below:

ITFS

Year	2019	2020	2021
No. of vehicle trips	18 011	16 584	11 039
No. of consignments	10 426 679	10 587 649	7 556 476

SELS

Year	2019	2020	2021
No. of vehicle trips	3 600	3 489	2 901
No. of consignments	525 266	579 321	220 220

Note: The number of cross-boundary goods vehicle trips and consignments processed under the two Schemes decreased in 2021 due to the COVID-19 pandemic.

(2) To further consolidate Hong Kong's role as the regional logistics hub and to facilitate the logistics development in the GBA, the HKSAR Government has all along been actively taking forward the co-operation with GBA cities on aviation, maritime and logistics fronts, including the development of intermodal transshipment and air cargo logistics park. For instance, the Airport Authority Hong Kong (AA) is developing "sea-air cargo transshipment" between Hong Kong International Airport (HKIA) and Dongguan, as well as setting up the HKIA Logistics Park in Dongguan so that export cargo from the Mainland can be transported by sea to HKIA and then transhipped overseas directly without the need to undergo further security screening. We will make reference to the relevant operational experience and study further on how to facilitate the co-operation between Hong Kong and other GBA cities in the logistics front.

(3) The HKSAR Government has been working closely with the Mainland authorities to adopt various measures to facilitate the cross-boundary logistics within the GBA, so as to strengthen the connectivity among GBA cities.

First of all, the HKSAR Government continues to improve the cross-boundary transport infrastructure, strengthen the cross-boundary transport

connectivity, shorten the travel time between Hong Kong and GBA cities, and enhance the efficiency of cross-boundary transport. Among them, the commissioning of the Hong Kong-Zhuhai-Macao Bridge (HZMB) in October 2018 has further strengthened the transport connectivity between Hong Kong and the western parts of the Pearl River Delta (PRD) region, thereby expanding the cargo catchment area of Hong Kong to the western PRD region. Apart from the HZMB, there are five other road based land crossings to the Mainland, including Lok Ma Chau, Sha Tau Kok, Man Kam To, Shenzhen Bay and Heung Yuen Wai, facilitating the development of cross-boundary transport between Hong Kong and the GBA.

In addition, in view of the importance of high efficiency and smooth operation of the Hong Kong airport and port in facilitating the cross-boundary logistics, the HKSAR Government and relevant organisations have actively examined and introduced various measures to help enhance air cargo and sea cargo efficiency.

As regards air cargo, the AA has been actively developing both the landside and airside in the south cargo precinct of the airport island to strengthen its capacity for and efficiency in handling various types of cargo as well as to spur relevant logistics development. The AA is also collaborating with its business partner in expanding the express air cargo terminal, so as to enhance Hong Kong's capability in handling express and small parcel shipments, together with the premium logistics centre being developed on the land parcel of about 5.3 hectares at Kwo Lo Wan in the south cargo precinct. The above measures would take an important role for HKIA to consolidate its leading position in cargo logistics.

As regards sea cargo, the HKSAR Government is working with the trade on the concrete proposal to drive the development of the smart port through the Task Force on Smart Port Development formed under the Hong Kong Maritime and Port Board. The proposal is conducted with a view to further enhancing port efficiency and reducing cargo handling time and cost through streamlining and optimising the multi-party co-ordinated processes electronically, as well as studying the digitalised systems and innovative technologies adopted by other major ports (such as those in the GBA), so as to explore various initiatives to facilitate digitalisation and the adoption of innovative technologies in the Hong Kong Port.

On the other hand, the Customs and Excise Department (C&ED) has also provided customs clearance facilitation for cross-boundary goods. The SELS facilitates cargo flow between Hong Kong and the Mainland and enhances customs clearance efficiency through the application of electronic locks and global positioning system devices. The SELS currently has a total of 75 clearance points, increased by 11 in the past three years, covering all nine Mainland cities of the GBA and providing the trade with over 800 cross-boundary route options.

Moreover, since the implementation of the Regional Comprehensive Economic Partnership (RCEP) on January 1, 2022, the C&ED has extended the Free Trade Agreement Transshipment Facilitation Scheme (FTA Scheme) to cover northbound transshipment cargo from all countries under the RCEP to the

Mainland via Hong Kong, so that the concerned consignments would be eligible for preferential tariff under the RCEP. Starting from February 7, 2022, the FTA Scheme has been further extended to cover transshipment cargo under the RCEP from the Mainland to Korea via Hong Kong.

The HKSAR Government is very concerned about the impact on the cross-boundary land transport under the persistent epidemic situation and the relevant anti-epidemic measures taken in both Guangdong and Hong Kong. As such, the Task Force of Supplies from the Mainland led by the Secretary for Transport and Housing has been working closely with the Mainland authorities to explore various measures to improve the current arrangements on cross-boundary land transport. In addition to land transport arrangements, we have also been securing the sustainable supplies of goods to Hong Kong through water and railway transportation. As the cross-boundary land transport has been gradually resumed under the recent stabilisation of the epidemic, the HKSAR Government will continue to actively work with the Mainland authorities to improve and enhance cross-boundary transport with a view to optimising the flow of cross-boundary supplies.

LCQ4: Promoting development of Chinese medicine

Following is a question by the Hon Chan Han-pan and a reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (May 25):

Question:

The Chief Executive indicated in the 2018 Policy Address that Chinese medicine would be incorporated into the healthcare system in Hong Kong. However, there are views pointing out that there are currently only 10-odd Chinese Medicine Clinics cum Training and Research Centres in Hong Kong providing government-subsidised Chinese medicine out-patient services, and the Hospital Authority has not seen to actively integrate Chinese medicine into the healthcare system. In this connection, will the Government inform this Council:

(1) whether specific measures are in place to expedite the popularisation of Chinese medicine, including drawing reference from the practice of the Mainland to improve the legislation on and the system of Chinese medicine, establishing a Chinese Medicine Authority, introducing medical professional liability protection for Chinese medicine, and strengthening Chinese and Western medicine collaboration and the patient referral work in public hospitals;

(2) as it has been reported that the leader of the Mainland Chinese medicine expert group of the Central Authorities suggested earlier on that Hong Kong should build up the strength of the Chinese medicine departments and improve the Chinese medicine management institutions to cope with large-scale epidemic outbreaks, whether the Government will consider formulating relevant policies to strengthen the role of the Chinese medicine sector in the anti-epidemic work; and

(3) whether it will consider discussing with the Mainland the setting up of a mutual recognition system for registration of proprietary Chinese medicines (pCms), so as to promote the flow of pCms between the Mainland and Hong Kong?

Reply:

President,

My consolidated reply to the various parts of the question raised by the Hon Chan Han-pan is as follows:

The Government has all along been promoting the development of Chinese medicine (CM) in Hong Kong. Further to the re-affirming of the positioning of CM in Hong Kong's development of healthcare system in the 2018 Policy Address, we have been working on various fronts in a progressive manner.

As regards CM services, we have incorporated CM into the healthcare system through the Government subsidising defined CM services, which include three areas. Firstly, the 18 Chinese Medicine Clinics cum Training and Research Centres (CMCTRs), which operate on a tripartite collaboration model, have been providing government-subsidised out-patient services since 2020, while continuing to provide a variety of CM service choices to the public.

Secondly, to help gather experiences in the operation of integrated Chinese-Western medicine (ICWM) and CM in-patient services, the Hospital Authority (HA) has been providing government-subsidised ICWM treatment services to HA in-patients of selected disease areas. With our efforts in actively pressing ahead with the development of the services concerned, such services are currently provided at eight public hospitals, covering all seven hospital clusters. The HA will continue to explore enhancing the services concerned by increasing the number of participating hospitals and selected diseases areas, as well as exploring the regularisation of the services concerned.

Thirdly, the construction work and preparatory work for commissioning of Hong Kong's first Chinese Medicine Hospital (CMH) has already been launched, with a view to commencing the provision of government-subsidised in-patient and out-patient services by phases starting from mid-2025. The CMH will also establish a collaboration platform with service providers including the CMCTRs, to strengthen collaboration in various areas such as service development, patient circulation and referral.

The aforementioned three components are complementary in terms of service scope, which will provide a comprehensive network for the delivery of

government-subsidised CM services. The Government will continue to allocate more resources to promote the development of CM services.

Meanwhile, with the support of the Central Government and the Guangdong Provincial Government, we have been actively strengthening Hong Kong's role under the blueprint set out in the Construction Plan for the Chinese Medicine Highlands in the Guangdong-Hong Kong-Macao Greater Bay Area (2020-2025). Among others, Mainland public CM healthcare institutions, as pilot sites, started to recruit Hong Kong Chinese medicine practitioners (CMPs) in 2021, enabling them to further their practice within the national healthcare system and nurturing more clinical talents for Hong Kong. As regards registration of proprietary Chinese medicines (pCms), Hong Kong registered traditional pCms for external use currently could be registered and sold in the Mainland through the streamlined procedures, enabling Hong Kong pCm manufacturers to expand their markets as well as creating favourable conditions for Hong Kong pCms to "go global" in the long run.

Regarding legislation and administrative structure, the prevailing Chinese Medicine Ordinance (Ordinance) has already provided the regulatory measures in relation to CM practice and CM drugs. The Chinese Medicine Regulatory Office of the Department of Health is mainly responsible for implementing the regulatory matters under the Ordinance and providing support to the Chinese Medicine Council of Hong Kong. Over the years, the Government has been reviewing the prevailing legislative provisions and its implementation from time to time, making amendments as necessary. The Chinese Medicine Unit has been established under the Food and Health Bureau since 2018 to co-ordinate and promote the development of CM in Hong Kong at the policy level. The Chinese Medicine Development Fund (CMDf) was also officially launched in mid-2019 to provide financial subsidies to the CM sector to promote talent nurturing, research and publicity, in order to generate impetus for CM development in Hong Kong on all fronts.

During the COVID-19 epidemic, CM has played an important role through in-depth participation in the whole process of epidemic prevention, treatment and rehabilitation. On prevention, the CM sector has been promoting anti-epidemic knowledge to the public through different means. To fully support the CM sector, the CMDf has expedited the handling and accorded priority to the vetting of subsidy items in relation to anti-epidemic work.

CM has also played an instrumental role in the multi-tiered triage system. The HA has been implementing the Special CM Programme for COVID-19 In-patients since 2021 to allow ICWM to give full play to its strengths in anti-epidemic treatment. Meanwhile, the Government has also been stepping up the use of CM in various establishments such as community isolation facilities, holding centres and residential care homes for the elderly, as well as offering CM support to persons under isolation/quarantine and the general public through providing consultation and advice services, distributing anti-epidemic pCms, etc. The Government has also co-ordinated the CM sector to mobilise its resources to take forward various work, including launching the "Fight the Virus Together – Chinese Medicine Telemedicine Scheme" through the CMDf to subsidise CMPs to provide free-of-charge telemedicine services as well as dispensing and delivery of CM drugs.

CM has clear advantages in rehabilitation. The HA launched in 2020 the Special CM Out-patient Programme to provide free-of-charge CM rehabilitation services to patients who have been discharged from hospitals and persons who have completed isolation at the CMCTRs.

The Hong Kong Special Administrative Region Government has been grateful to the Central Authorities for sending the Mainland CM expert group to provide guidance during the fifth wave of the epidemic. During its visit, the expert group gained thorough understanding on the actual application of CM in Hong Kong's anti-epidemic work, and provided valuable feedback to further enhancing Hong Kong's CM anti-epidemic capabilities.

The Government will, on the basis of the recommendations put forth by the CM expert group, closely collaborate with stakeholders of the CM sector to further widen the use and application of CM in Hong Kong, with a view to promoting the long-term development of CM in Hong Kong.