

## LCQ22: Cycling safety

Following is a question by Dr the Hon Priscilla Leung and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (March 17):

Question:

It has been reported that there was an increase in the number of people cycling for leisure and delivering takeaway food amid the rampant Coronavirus Disease 2019 epidemic in Hong Kong last year. There are often takeaway food couriers cycling in urban areas on roads in the opposite direction of the traffic or on pavements, causing dangerous situations frequently. As shown in the information of the Transport Department, the number of traffic accidents involving bicycles rose from 1 942 and 1 839 in 2018 and 2019 respectively to 2 947 in 2020. In this connection, will the Government inform this Council:

(1) of the casualties caused by traffic accidents involving bicycles in each of the past three years and since January this year; among such accidents, the respective numbers of those which (i) occurred on cycle tracks and (ii) involved cycle takeaway food couriers;

(2) of the number of summonses (with a breakdown by the type of contraventions) issued by the Government in each of the past three years and since January this year to cyclists who had violated the Road Traffic Ordinance (Cap. 374) and, among them, the number of those issued during territory-wide safe cycling enforcement operations;

(3) whether the Police stepped up efforts last year to combat unlawful acts of cycling on pavements in urban areas; if so, of the number of prosecutions instituted; if not, the reasons for that; and

(4) of the work on promoting cycling safety carried out by the Government since 2018, and its details (including the number of promotional activities, the number of participants and the expenditure); whether, in response to the increase in the number of people cycling, it has formulated new strategies for promoting cycling safety (e.g. collaborating with takeaway food delivery platforms to strengthen efforts to publicise cycling safety among takeaway food couriers, and stepping up, on holidays at popular cycling locations, publicity on cycling safety among members of the public); if so, of the details?

Reply:

President,

The Government attaches great importance to cycling safety and has been closely monitoring the relevant situation. Our reply to the various parts of the question is as follows:

(1) The numbers of casualties of traffic accidents involving cycling (Note)

were 1 869, 1 799, 2 822 and 525 respectively in 2018, 2019, 2020 and 2021 (January and February). Among them, 728, 687, 1 264 and 228 were involved in accidents occurring on cycle tracks respectively. The Government does not have breakdown figures of cycling accidents on cycle takeaway food couriers.

(2) and (3) The numbers of enforcement cases undertaken by the Hong Kong Police Force (HKPF) against cycling contraventions were 5 631, 2 350 and 4 018 in 2018, 2019 and 2020 respectively. The enforcement figures since January 2021 are still under compilation. The Government does not have breakdown figures as requested in the question.

(4) The Government adopts an inter-departmental and multi-agency collaboration approach to enhance safety for cyclists and road users. Under this approach, efforts are made in three areas, namely effective enforcement, public engagement (including publicity and education) and enhancement of ancillary facilities for existing cycle tracks.

On effective enforcement, cycling safety is one of the HKPF's Selected Traffic Enforcement Priorities. Besides stepping up law enforcement against cycling contraventions, the HKPF will review its relevant strategies from time to time, striving to raise public awareness of cycling safety and reduce traffic accidents.

On public engagement, the Transport Department (TD) has been working with the Road Safety Council and the HKPF to organise diversified publicity and education activities on road safety. In view of the increase in cycling accidents last year, the HKPF held a cycling safety press conference in collaboration with the TD, the Auxiliary Medical Service (AMS) and the Cycling Association of Hong Kong, China at the end of last year. In the press conference, the findings of a focus study conducted by the HKPF on cycling accidents involving fatalities and serious injuries in the first three quarters of last year, the data on cycling accidents and the first aid services provided by the AMS on cycle tracks were released to the public. The public were also reminded not to overstretch themselves, and that they should take sufficient safety measures when riding bicycles and maintain an "attentive, patient and law-abiding" attitude at all times. In addition, the HKPF will continue to visit various community centres, fast food shops, bicycle rental shops, cycling clubs, automobile associations and driving centres, etc. to promote the message of safe cycling and remind drivers to pay attention to cyclists on the road while driving.

On enhancement of ancillary facilities for cycle tracks, when it comes to the planning and design of cycle tracks, the Government makes reference to relevant guidelines and duly considers the factors of curvature, gradient, width, sightline and continuity, etc. to minimise the need for cyclists to dismount while crossing road junctions and vehicular accesses, and provides appropriate traffic signs, road markings and facilities for ensuring cycling safety. Moreover, the Government has been replacing metal speed reducing bollards with plastic ones at appropriate locations of cycle tracks throughout the territory to minimise accidental injuries to cyclists, and providing new bicycle parking areas at appropriate places.

Note: The number of casualties for January and February 2021 was a provisional figure.

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## LCQ8: Corporate restructuring of Cathay Pacific Group

Following is a question by the Hon Michael Tien and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (March 17):

Question:

The Government decided in June last year to invest in Cathay Pacific Airways Limited (CX) to help it tide over the predicament it was facing amid the epidemic. On the other hand, CX announced in October last year a business restructuring plan under which some 8 500 positions were to be cut. In this connection, will the Government inform this Council:

(1) whether it knows the respective numbers and percentages of local and non-local pilots dismissed in the aforesaid lay-off exercise, as well as the relative ratios of these two types of pilots before and after the lay-off exercise;

(2) whether it has studied if CX's lay-off exercise is consistent with the Government's policy of safeguarding priority employment of Hong Kong people; and

(3) whether it has required CX, when conducting a lay-off exercise again in the future, to accord, on the premise of ensuring that its manpower resources are equipped with the necessary skills, knowledge and working experience, priority to retaining local pilots and other local employees; if not, of the reasons for that?

Reply:

President,

Having consulted the Security Bureau and the Labour and Welfare Bureau, our reply is as follows:

(1) The Cathay Pacific Group announced corporate restructuring in October 2020, reducing approximately 8 500 positions. Taking into account factors including natural attrition, the actual number of employees being made redundant was around 5 900, including around 5 300 Hong Kong-based employees. Another 600 employees based outside of Hong Kong may also be affected, subject to local regulatory requirements.

(2) and (3) The Transport and Housing Bureau has already requested the Cathay Pacific Group, in adjusting its operation mode and scale, to fully consider the potential impact on Hong Kong's status as an international aviation hub and the aviation network. The Cathay Pacific Group should also maintain its core team and suitable talents, in order to ensure that the Group is well equipped to start off again after the epidemic and to provide impetus for the relaunch of the local aviation industry as well as Hong Kong's overall economy.

As far as airline operation is concerned, depending on the aircraft types, services and maintenance requirements, different companies require talents with different professional qualifications and experiences. Most of these talents can be hired in Hong Kong, while some of them have to be hired from abroad in order to fulfil the operational needs of and the regulatory requirements applicable to the companies concerned.

Overall, all local airlines have to comply with, among others, local laws and regulatory requirements in respect of employment. When formulating its employment policy and considering any adjustments to its operation mode and scale, the Cathay Pacific Group should balance the need to groom and retain local talents, with due regard to relevant laws and regulatory requirements.

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## **Pharmacy convicted for supplying unsafe surgical masks**

A pharmacy was convicted and fined \$8,000 today (March 17) at Eastern Magistrates' Courts for supplying unsafe surgical masks in contravention of the Consumer Goods Safety Ordinance (CGSO).

In view of the developments of the COVID-19 epidemic, Customs has conducted a territory-wide operation codenamed "Guardian" since January 27 last year to conduct spot checks and enforcement operations on common protective items, and test-purchased the type of surgical mask concerned. After investigation, Customs confirmed that the total bacterial count of the surgical mask sold by the pharmacy involved exceeded the maximum permitted limit by 20 per cent, which failed to comply with the general safety requirements of the CGSO.

Customs reminds traders to comply with the requirements of the CGSO. Members of the public should observe the following tips when purchasing and using surgical masks:

- Check the trade descriptions of the surgical masks' packages during transactions;

- Check carefully before wearing the surgical masks and stop using the masks if they have stains or odd smells;
- Avoid buying or using loosely packed surgical masks;
- Pay attention to the proper way of using surgical masks;
- Change surgical masks at a suitable time;
- Store surgical masks in dry places; and
- Purchase surgical masks at reputable retail shops.

Under the CGSO, it is an offence to supply, manufacture or import consumer goods unless the goods comply with the general safety requirements for consumer goods. The maximum penalty upon conviction is a fine of \$100,000 and imprisonment for one year on first conviction, and \$500,000 and imprisonment for two years on subsequent convictions.

Customs attaches great importance to the trade descriptions and safety of surgical masks. The "Guardian" operation is ongoing to ensure that the surgical masks being sold in the market comply with the CGSO and the Trade Descriptions Ordinance (TDO). Law enforcement action will be taken immediately if any suspected violations are detected.

Members of the public may report any suspected violations of the CGSO or the TDO to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account ([crimereport@customs.gov.hk](mailto:crimereport@customs.gov.hk)).

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## LCQ7: Supporting manufacturing industry and promoting re-industrialisation

Following is a question by the Hon Abraham Shek and a written reply by the Secretary for Innovation and Technology, Mr Alfred Sit, in the Legislative Council today (March 17):

Question:

To cope with the coronavirus disease 2019 epidemic, in March last year, the Government launched the Local Mask Production Subsidy Scheme to subsidise manufacturers to produce face masks (masks) locally, and introduced a special call under the Public Sector Trial Scheme to support product development and application of technologies for the prevention and control of the epidemic in Hong Kong. On supporting the manufacturing industry and promoting re-industrialisation, will the Government inform this Council:

(1) among the masks procured by the Government since January last year, of the number and percentage of those which were locally produced; given that at

present, locally produced masks can satisfy local demand, whether the Government will in future give priority to procuring locally produced masks so as to support the development of the manufacturing industry; if not, of the reasons for that;

(2) of the number of cases, since the outbreak of the epidemic, in which government departments used products and technologies for epidemic prevention and control which were researched and developed locally, as well as other details of such cases; whether it has assessed the opportunities that may be created by such products and technologies for Hong Kong's re-industrialisation and promotion of the "Made in Hong Kong" brand (especially in areas such as biomedical sciences and testing); and

(3) whether, under the existing policy, government departments and subvented organisations are required to give priority consideration to local products in their procurement (especially those innovation and technology products researched and developed locally) so as to support the development of the local manufacturing industry and promote re-industrialisation; if so, of the details; if not, the reasons for that?

Reply:

President,

Having consulted the Financial Services and the Treasury Bureau, the reply to the question is as follows:

(1) Amongst the masks (both regular-sized and small-sized ones) procured by and delivered to the Government Logistics Department (GLD) as well as those received by the GLD from the Local Mask Production Subsidy Scheme (the Scheme) for the period from January 1, 2020 to February 28, 2021, around 350 million (or about 53 per cent of the total number of masks) masks were produced locally. Since the production lines under the Scheme started to supply masks to the Government in June 2020, the GLD has been supplied with locally produced masks including those manufactured by the Correctional Services Department as well as those received from the Scheme. Except for small-sized masks, the GLD has not procured other regular-sized masks in addition.

(2) Technology products and applications researched and developed locally have played an important supporting role in the fight against the epidemic.

The Government has developed the "StayHomeSafe" system and electronic wristband in the early stage of the epidemic in order to support the mandatory home quarantine measure implemented in early February 2020. The system makes use of a Bluetooth Low Energy electronic wristband and a monitoring solution developed by the Logistics and Supply Chain MultiTech R&D Centre (LSCM), coupled with the "StayHomeSafe" mobile app developed by a local technology start-up that adopts geo-fencing technology, to detect electronic signals around the dwelling places of persons under quarantine, and by means of artificial intelligence analyse changes in various signal

strength to effectively monitor whether persons under quarantine are staying at their designated premises. To date, about 470 000 persons under quarantine have used electronic wristbands.

In addition, the Government launched the "LeaveHomeSafe" mobile app in November 2020. Currently, the number of downloads of the "LeaveHomeSafe" mobile app exceeds 3.47 million, and about 82 000 public and private venues have displayed the venue QR code for members of the public to scan and record their visits. The mobile app will notify a user if he or she is later identified to have visited the same venue that a confirmed patient had visited at about the same time or hired the same taxi that a confirmed patient has taken on the same day. In the unfortunate event of infection, the user's visit records can assist the Centre for Health Protection in epidemiological investigations.

Locally developed masks also played a role in the anti-epidemic efforts. Adopting its nanofiber technology, the Nano and Advanced Materials Institute has developed the world's first nanofiber N99 facemask – NASK, in collaboration with a manufacturer. NASK is manufactured in Hong Kong and compliant with the EN149 standard of the European Union. NASK has also been adopted by the Hospital Authority. In addition, the Government has distributed over 10 million CuMask+™ developed by the Hong Kong Research Institute of Textiles and Apparel to Hong Kong residents for free. Two layers of the CuMask+™ are specially made with small quantities of copper, capable of immobilising bacteria, common viruses and other harmful substances. The mask complies with the American Society for Testing Materials (ASTM) F2100 Level 1 standard, and is effective for 60 washes.

The LSCM has developed a stringent system for the Universal Community Testing Programme launched earlier, which integrates QR code/barcode identifiers, electronic seal, bluetooth and global positioning system into a control network for real-time tracking of all the specimen boxes and delivery vehicles to ensure that the specimens arrive at the laboratories safely. When the Government implemented the COVID-19 Vaccination Programme in February 2021, the LSCM made use of locally researched and developed e-Lock technology and mobile technology in applied logistics and inventory management to develop relevant systems for vaccine procurement, consignment monitoring and handling, so as to render assistance to the relevant government departments in managing the supply, delivery and use of vaccines.

To support locally researched and developed anti-epidemic technologies, the Electrical and Mechanical Services Department (EMSD) launched a thematic page on the E&M InnoPortal in February 2020, where nine innovation and technology (I&T) wishes for anti-epidemic application have been published successively, including self-disinfecting substances, coatings or devices and using robotic technology for fever screening, indoor disinfection and delivery of objects, etc. The EMSD has received over 200 I&T solutions from I&T strategic partners in Hong Kong and the Greater Bay Area. The EMSD has been actively collaborating with several government departments to conduct field trials for more than 40 anti-epidemic I&T solutions. Furthermore, the Innovation and Technology Commission launched in March 2020 a special call

under the Public Sector Trial Scheme to support product development and application of technologies for the prevention and control of the epidemic. The Public Sector Trial Scheme received 332 applications, of which 63 were approved. Approved projects include diagnostic/testing methods, face masks and other protective equipment, air purification devices, body temperature detection systems, disinfection equipment and products, virus transmission tracking devices, etc, involving trials at 57 public sector organisations with a view to helping the public prevent and control the epidemic in different locations and settings.

At the same time, many technology enterprises in the Hong Kong Science Park (the Science Park) proactively developed anti-epidemic technology solutions, unleashing the potential of the local I&T industry to turn the current crises into opportunities. The Hong Kong Science and Technology Parks Corporation has offered assistance to companies in the Science Park by matching them with the industry, enabling the application of many of their technology products and solutions in the fight against the epidemic by the Government and different sectors of the society, including food delivery robot and devices that prevent the wake effect, etc. Cyberport has also launched the "Braving the Epidemic" movement to rally its start-ups to proactively provide different solutions. For example, start-ups partnered with the Department of Health to launch delivery services for saliva specimens and robots were deployed to conduct ultraviolet disinfection at venues with high risks.

(3) It is the Government's procurement policy to encourage more interested bidders to participate in procurement of the stores and services required under fair, open and competitive procedures. Hong Kong is a party to the Agreement on Government Procurement of the World Trade Organization (WTO GPA). When conducting procurement, the Government abides by the principle under the WTO GPA in order to ensure that Hong Kong and overseas suppliers and contractors, regardless of scale, can participate in biddings in an open and fair manner.

The Government introduced the pro-innovation government procurement policy in April 2019 under which procuring departments have to raise the weighting of technical marks and goods quality in tender assessment. In addition, a certain portion of marks have to be reserved for assessing innovative suggestions, including innovative suggestions related to, for example, application of technology, environmental protection and social care, etc.

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## **LCQ19: Virtual asset trading platforms**

Following is a question by the Hon Leung Che-cheung and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui,

in the Legislative Council today (March 17):

Question:

The Securities and Futures Commission (SFC) issued a statement on virtual asset trading platforms (VATPs) in November 2018, setting out a conceptual framework (the framework) that aims to explore a pathway for compliance for VATP operators who are willing to be supervised by the SFC. Under the framework, the SFC will, in its Regulatory Sandbox, explore whether VATPs are suitable for regulation, and will observe the operation in the Sandbox environment of those VATP operators who are interested in engaging in the relevant business, and whether they are able to comply with the proposed regulatory requirements; if the SFC is of the view, at the end of that stage, that it is appropriate to regulate the VATP operators concerned, it will consider granting licences. The SFC announced in December 2020 that it had granted the first licence to a VATP in Hong Kong. In this connection, will the Government inform this Council if it knows:

- (1) the respective up-to-date numbers of applications received by the SFC for inclusion of VATPs in the Regulatory Sandbox and for granting of licences to VATPs;
- (2) the criteria adopted by the SFC for vetting and approving licence applications;
- (3) the measures put in place by the SFC to assist those VATP operators whose operation in the Sandbox environment has been unsatisfactory in applying for licences;
- (4) the number of licences that the SFC has planned to grant, and whether the SFC has set a limit on the number of licence to be granted; the validity period of the licences in general; and
- (5) whether the SFC will relax the licensing condition that VATP operators may provide services to professional investors only, so that they may provide services to retail investors at the same time?

Reply:

President,

Having consulted the Securities and Futures Commission (SFC), our consolidated response to the question is as follows.

In view of the development of virtual assets (VA), the SFC announced a conceptual framework in November 2018 for the regulation of VA trading platforms in Hong Kong. Following exploratory discussion with market operators on regulatory requirements, the SFC issued a position paper in November 2019 setting out a licensing framework for platforms which offer trading of securities-type VAs or tokens (voluntary opt-in regime). The voluntary opt-in regime only applies to those platforms which offer trading

services involving at least one VA with securities features. Platforms solely trading non-securities VAs are not covered.

Under the voluntary opt-in regime, any platform operator who is interested in applying for a licence may submit an application to the SFC. In vetting applications, the SFC will consider factors including the business model of the applicant, whether the applicant can meet the "fit-and-proper test" and whether the applicant is capable of meeting the regulatory requirements that are comparable with those applicable to licensed securities brokers and automated trading venues. In addition, having regard to the nature and risks of VAs, the SFC will also consider an applicant's competence in areas including custody of assets, cybersecurity, customer due diligence, anti-money laundering, prevention of market manipulation and abuse, and product due diligence. The relevant factors of consideration are set out in the "Terms and Conditions for Virtual Asset Trading Platform Operators" attached to the position paper.

A licensed platform operator will be subject to the supervision of the SFC and required to observe the licensing conditions. Key licensing conditions include requirements that the platform operator can only offer services to professional investors, must impose stringent criteria for the inclusion of VAs to be traded on its platform, and that the platform operator can only provide services to clients with sufficient knowledge of VAs. Same as other licences granted by the SFC, a licence granted under the voluntary opt-in regime does not have a specified term and remains valid until it is revoked.

As the VA industry is an emerging sector involving higher risks than conventional financial products, a licensed platform operator will only be allowed to offer services to professional investors. Such a requirement is necessary to ensure a proper degree of protection for investors. The SFC will closely monitor market development and review the relevant requirement as appropriate having regard to the maturity of the market.

Since the launch of the voluntary opt-in regime, the SFC has officially accepted four applications for review. The SFC granted the first licence to a platform operator in December 2020, and is currently considering the other applications. The SFC does not set any limit on the number of licences.