

# LCQ18: 5G mobile communications and technology

Following is a question by the Hon Chan Hak-kan and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (June 3):

Question:

Three mobile network operators (MNOs) already launched the commercial fifth generation (5G) mobile communications services on April 1 this year. In this connection, will the Government inform this Council:

- (1) of the current coverage of 5G mobile communications services;
- (2) of its plan to extend the coverage of 5G mobile communications services and the relevant timetable;
- (3) of the current number of 5G radio base stations across the territory and, among them, the number and percentage of those provided in government premises;
- (4) as the Government has indicated that it is proactively exploring with satellite operators the feasibility of relocating the satellite earth stations from Tai Po to Chung Hom Kok Teleport to enable MNOs to make wider use of all 5G bands (including the 3.5 GHz band) in Hong Kong for the provision of services, of the progress of the relevant exploration;
- (5) whether it knows the current number of 5G cybersecurity specialists in Hong Kong; of the Government's measures to increase the number of such specialists to help promote the development of 5G mobile communications services; and
- (6) as the Office of the Communications Authority launched the "Subsidy Scheme for Encouraging Early Deployment of 5G" under the Anti-epidemic Fund last month to encourage the various sectors to deploy 5G technology to foster innovation and smart city applications, of the effectiveness of the Scheme as envisaged by the Government?

Reply:

President,

In consultation with the Office of the Government Chief Information Officer, our reply to the Member's question is as follows:

- (1) to (3) Mobile network operators in Hong Kong launched 5G services in April 2020. The strategies and timetables for the rollout of 5G networks are

commercial decisions of the operators. Experience shows that in developing a new generation of mobile services, operators generally adopt a gradual and orderly approach in rolling out networks, usually with coverage first provided to hotspots with high pedestrian flow or high usage and then gradually extended to other locations in the territory.

As at end-May 2020, the Office of the Communications Authority examined applications for the use of a total of over 3 800 5G base stations, about 5 per cent of which located at government premises.

(4) To resolve the issue of the 5G restriction zone in Tai Po in the long run, the Government is proactively discussing with the related satellite operators about relocation of their satellite earth stations from Tai Po to Chung Hom Kok. Since relocation of the facilities of satellite earth stations involves complex land allocation and technical issues, including site selection, land grant, site formation, construction works and establishment of another set of satellite antennae, as well as the need to ensure that operation of the existing satellites in orbit will not be affected, the related relocation is expected to take several years to complete.

The restriction zone only affects 5G base stations of the 3.5 GHz band. Operators can still make use of the radio spectrum in other bands (e.g. the 3.3 GHz, 4.9 GHz and 26/28 GHz bands), and re-farm their existing spectrum used for providing the second to the fourth generation mobile services to provide 5G services in Tai Po district.

(5) According to the information of the Information Systems Audit and Control Association (ISACA) as well as the International Information Systems Security Certification Consortium, Inc. (ISC)<sup>2</sup>, there were over 5 300 personnel with major professional qualifications in cybersecurity in Hong Kong as at the end of 2019. Considering that some may possess more than one relevant qualification concurrently, the estimated number of personnel undertaking information security and related duties was over 4 000.

The Government is committed to facilitating the development and manpower training of the information technology (IT) security industry in Hong Kong by providing support in organising events, including conferences and professional training (e.g. cloud security professional certification, certification courses on information security and the annual Information Security Summit), promoting security certification and professional qualification among enterprises, organisations and IT personnel, and encouraging tertiary institutions to provide more relevant programmes in IT-related disciplines.

Moreover, to attract talent from around the world to Hong Kong, the Government has launched a Technology Talent Admission Scheme in 2018 to provide a fast-track arrangement for admission of overseas and Mainland research and development talent (including cybersecurity specialists) so as to meet the needs of local economic and technological development.

(6) The Subsidy Scheme for Encouraging Early Deployment of 5G under the Anti-

epidemic Fund launched on May 5, 2020 aims to foster innovative communications technology and smart city applications so as to improve operational efficiency and service quality, thereby enhancing Hong Kong's overall competitiveness.

Approved projects under the Scheme should be able to bring substantive benefits (such as enhancement of efficiency, productivity and service quality) to the business or sector concerned and demonstrate innovation or cross-sectoral synergy through the deployment of 5G technology. The Government will subsidise 50 per cent of the actual cost directly relevant to the deployment of 5G technology in a project, subject to a cap of \$500,000. Around 100 qualified projects will be subsidised. As at end-May 2020, 50 applications have been received. We anticipate that the first batch of applications will be approved and the first portion of subsidy will be disbursed by the end of June.

We will require the grantees to share and exchange with the trade and industry their experiences in the enhancement of operational efficiency and services through the deployment of 5G technology upon completion of their projects so as to benefit different sectors and facilitate the continuous innovation of the Hong Kong economy.

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## LCQ10: Projection model of Long Term Housing Strategy

Following is a question by the Hon Wilson Or and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (Jun 3):

Question:

On December 16, 2014, the Government promulgated the Long Term Housing Strategy (LTHS). Pursuant to LTHS, the Government updates the long term housing demand projection annually and sets a rolling 10-year housing supply target. Some comments have pointed out that the methodology set out in LTHS for projection of housing demand has failed to reflect genuine housing needs, and LTHS has not incorporated all of the new policies being implemented by the current-term Government. In this connection, will the Government inform this Council:

(1) whether it will revise the methodology in LTHS for projection of housing demand by, among other things, taking into account the following factors: the sum of all of the annual shortfalls between targeted and actual housing supply since the introduction of LTHS, as well as the fact that the demand for household splitting has been suppressed by the low housing supply;

(2) whether it will incorporate into the vision of LTHS the following housing policy put forward by the current-term Government: to focus on home-ownership and strive to build a housing ladder to rekindle the hope of families in different income brackets to become home-owners; of the latest progress of the implementation of this policy by the Government;

(3) whether it will incorporate into LTHS the supply target for transitional housing units, so as to facilitate progress monitoring; if not, of the reasons for that; and

(4) whether it will reinstate the Long Term Housing Strategy Steering Committee to be tasked with the responsibilities of conducting a comprehensive review on the long term housing strategy, and giving advice on the implementation of the suggestions made in (1) to (3) above; if so, of the timetable; if not, the reasons for that?

Reply:

President,

My consolidated reply to the questions raised by the Hon Wilson Or is as follows:

Following deliberation of the Long Term Housing Strategy (LTHS) Steering Committee and a three-month public consultation, the Government formulated and announced LTHS in December 2014. Under LTHS, the Government takes into account four major housing demand components (i.e. net increase in the number of households, households displaced by redevelopment, inadequately housed households (IHHs) and miscellaneous factors (note 1)) and adopts objective data in projecting the gross housing demand (i.e. the number of new housing units required to provide adequate housing to each and every household) in the next 10-year period in order to determine the total housing supply target for the next 10 years. This updating exercise is conducted annually to capture social, economic and market changes over time, and make timely adjustments where necessary.

Based on the above projection framework, the total housing supply target for the next 10-year period from 2020-21 to 2029-30 is 430 000 units. According to the public/private split of 70:30 for new housing supply, the public housing supply target is 301 000 units and the private housing supply target is 129 000 units. When announcing the above housing supply targets, the Government also pointed out that assuming that all sites identified could be smoothly delivered on time for housing development, the estimated public housing production for the above 10-year period would be about 272 000 units. Comparing with the public housing supply target of 301 000 units, the production shortfall is 29 000 units.

Under the LTHS projection model, we update the housing demand projection for the next 10 years annually to reflect the latest situation. The production shortfall represents the housing demand that has yet to be met in

the next 10 years. Such unmet housing demand will continue to be counted towards the gross housing demand for the next 10-year period through the rolled-forward projection. For example, the housing needs of households still living in inadequate housing will continue to be reflected in the IHH component in the next round of projection, until such households are adequately housed. Therefore, the annual updating of LTHS has already taken into account all housing demand that has yet to be met.

In addition, we will keep in view the evolving environment and latest data, and consider how best to reflect the latest developments in the housing demand projection methodology and supply targets. Since the announcement of LTHS in 2014, we have enhanced the housing demand projection methodology from time to time as necessary (note 2). As in the past, we will take into account the latest data and relevant developments when updating the housing demand projection for the next 10-year period (i.e. from 2021-22 to 2030-31).

Apart from setting a rolling 10-year housing supply target, LTHS has also established three major strategic directions. One of the strategic directions is to provide more subsidised sale flats (SSFs) in Hong Kong, expand the forms of subsidised home ownership and facilitate market circulation of existing stock. Hence, the strategic direction of LTHS is in line with the Government's vision of striving to build a housing ladder. Over the past few years, the Government and the Hong Kong Housing Authority (HA) have implemented measures to enrich the housing ladder, including HA's endorsement in November 2017 to regularise the scheme of allowing White Form buyers to purchase SSFs with premium unpaid as the White Form Secondary Market Scheme (WSM), HA's endorsement in January 2018 to regularise the Green Form Subsidised Home Ownership Scheme (GSH), as well as the Government's announcement in June 2018 to implement the "Starter Homes" Pilot Project for Hong Kong Residents (SH Pilot Project).

On transitional housing, the Chief Executive announced on January 14 this year the provision of 15 000 transitional housing units over the next three years. Given the short term nature of transitional housing, the timing and amount of its supply are unstable and may be subject to changes in different periods of time. It is therefore not suitable to include transitional housing in the 10-year housing supply target. In fact, one of the demand components to be considered during the annual update of long term housing demand projection is IHHs, which cover households living in units made up of temporary structures (e.g. huts, squatters and roof-top structures); units located in non-residential buildings (e.g. commercial and industrial buildings); units shared with other households (e.g. rooms, cubicles, bedspaces and cocklofts in private permanent buildings); and subdivided units. As mentioned above, when determining the total housing supply target under LTHS, the Government has already taken into account the housing needs of IHHs.

In conclusion, we consider that the established framework of LTHS enables the Government to continually plan ahead on developing land and housing, in order to meet the housing needs of the community over the long term. Therefore, we currently have no plan to conduct a comprehensive review

on LTHS or reinstate the LTHS Steering Committee.

Note 1: Including private permanent living quarters occupied by households with mobile residents only; non-local students who may take up accommodation in Hong Kong; and non-local buyers who take up flats without selling or leasing them.

Note 2: For example, we improved the projection methodology of housing demand arising from public housing redevelopment when updating the housing demand projection in 2018. Given the large number of housing units in aged rental housing estates, we consider it prudent to include in the projection not only the known redevelopment programmes in the next 10 years, but also the potential/possible redevelopment need in the next 10 years. Please refer to the annex to the LTHS Annual Progress Report 2018 for details.

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## US Dollar Liquidity Facility tender result

The following is issued on behalf of the Hong Kong Monetary Authority:

US Dollar Liquidity Facility tender result:

Tender date	:	June 3, 2020 (Wednesday)
Settlement date	:	June 4, 2020 (Thursday)
Repayment date	:	June 11, 2020 (Thursday)
Tenor	:	7 Days
Amount applied	:	Nil
Amount allotted	:	Nil
Lowest interest rate accepted	:	Nil
Highest interest rate accepted	:	Nil

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# LCQ11: Application of technology in efforts to combat COVID-19 pandemic

Following is a question by the Hon Charles Mok and a written reply by the Secretary for Innovation and Technology, Mr Alfred Sit, in the Legislative Council today (June 3):

Question:

To tackle the coronavirus disease 2019 (COVID-19) pandemic, the Government has been issuing quarantine orders to persons arriving in Hong Kong, requiring them to undergo a 14-day compulsory quarantine at a designated place (home or other accommodation), and distributing to them an electronic/monitoring wristband that is paired with the "StayHomeSafe" mobile application, in order to ascertain that they are staying at the designated places. Moreover, the Innovation and Technology Commission launched a special call for trial projects under the Public Sector Trial Scheme to support product development and application of technology for the prevention and control of the epidemic. Regarding the application of technology in efforts to combat COVID-19 pandemic, will the Government inform this Council:

(1) of the respective numbers of arrivals to whom (i) Bluetooth Low Energy (BLE) positioning electronic wristbands, (ii) reusable BLE positioning electronic wristbands, and (iii) monitoring wristbands were distributed so far; the number of Hong Kong residents among them;

(2) of the types of information collected (including personal data) via the electronic wristbands and the "StayHomeSafe" mobile application and its retention period;

(3) as the Government has stated that the reusable electronic wristbands, upon recovery, may be used by government departments in other services, of a breakdown of the number of recycled wristbands by (i) government department and (ii) use; and

(4) of the number of applications received so far under the special call for trial projects, with a breakdown by (i) type of applicants (e.g. research and development (R&D) centres, universities, other designated public research institutions, all technology companies conducting R&D activities in Hong Kong) and (ii) progress of processing such applications ((a) being processed, (b) approved, and (c) rejected); the total amount of grants approved so far?

Reply:

President:

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

(1) Currently, the Government mainly uses Bluetooth Low Energy (BLE) electronic wristbands paired with the "StayHomeSafe" mobile app for monitoring persons under home quarantine. Surprise video calls are also made to ensure that persons under quarantine are staying at their dwelling places. Disposable monitoring wristbands printed with QR code have only been applied during the period from March 19 to 30.

Up to June 1, reusable electronic wristbands have been used by around 9 800 persons subject to home quarantine. 87 000 persons under home quarantine have used disposable electronic wristbands and 41 000 persons have used disposable monitoring wristbands printed with QR code. We do not have statistics on whether persons wearing electronic wristbands/monitoring wristbands under home quarantine are Hong Kong residents.

(2) The "StayHomeSafe" mobile app only stores the contact phone number provided by persons under quarantine to the Department of Health upon their arrival for issuing the compulsory quarantine order. It will not collect any personal data during its operation. The electronic wristband will only detect various electronic signals (including Bluetooth signal of the electronic wristband, WiFi and mobile network signals, etc.) and their strength and changes in the environment where persons under quarantine are staying. By means of artificial intelligence and big data analytics technologies, the mobile app will determine whether the persons under quarantine are staying at their designated dwelling places. Such data will be destroyed within three months after the completion of the 14-day quarantine period.

(3) The reusable electronic wristbands are still being used to support the home quarantine arrangement. After the epidemic, we will arrange the reusable electronic wristbands for other government departments to apply in other services, such as taking care of the elderly in need in residential care homes.

(4) To tackle the COVID-19 epidemic, the Innovation and Technology Commission (ITC) launched on March 9 a special call for trial projects under the Public Sector Trial Scheme of the Innovation and Technology Fund to support product development and application of technologies for the prevention and control of the epidemic. The target funding recipients are local research and development (R&D) centres, universities and other designated public research institutes, as well as all technology companies conducting R&D activities in Hong Kong. The aim of the call is not only to promote the realisation and commercialisation of local R&D outcomes, but also to encourage the public sector to use technologies for tackling the COVID-19 epidemic in Hong Kong.

The special call ended on April 10. The ITC received a total of 332 applications, amongst which 20 have been approved, involving a funding amount of \$35.6 million. 27 other applications are about to be rejected and three have been withdrawn. The ITC is now handling the remaining applications. The breakdown of applications received, approved, to be rejected, withdrawn and under processing by types of applicants is as follows:

(As at June 2, 2020)						
Applicant	Applications received	Approved	To be rejected	Withdrawn	Under Processing	Approved Funding Amount
R&D centres	11	0	0	0	11	/
Universities	76	14	3	0	59	About \$27.7 million
Other designated public research institutes	11	0	1	0	10	/
Technology companies conducting R&D activities in Hong Kong	234	6	23	3	202	About \$7.9 million
Total	332	20	27	3	282	About \$35.6 million

## [LCQ9: Support for hotel and guesthouse industry](#)

Following is a question by the Hon Vincent Cheng and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (June 3):

Question:

Owing to the dual impacts of social incidents and the coronavirus disease 2019 epidemic, the number of visitor arrivals to Hong Kong has been falling continuously since the middle of last year. The number of overnight visitor arrivals dropped to 37 000 in March this year, registering a 98.5 per cent drop over that in the same period last year. Quite a number of hotels and guesthouses have reportedly suffered long spells of zero patronage from visitors in the past few months. To date, some 300 guesthouses have closed down and quite a number of guesthouses are on the verge of doing so. In this connection, will the Government inform this Council:

1. of the respective numbers of (i) hotels and (ii) guesthouses having suspended operation or closed down, and the respective resultant numbers of employees dismissed or made redundant, in each month since February this year;
2. whether, apart from providing licensed guesthouses with a one-off subsidy

under the Licensed Guesthouses Subsidy Scheme, the Government will consider providing additional support (including cash subsidies) for the guesthouse industry; if so, of the details; if not, the reasons for that;

3. of the measures that the authorities plan to roll out after the epidemic has died down, so as to revitalise the tourism industry and save the hotel and guesthouse industry;

4. as some members of the hotel and guesthouse industry have pointed out that the measures referred to in (3) may have to be put in place for a considerable period of time before delivering results, and that the number of Mainland visitor arrivals to Hong Kong may not recover to its previous levels within a short period of time, whether the Government will assess the changes in the visitor sources of the tourism industry of Hong Kong in the latter half of this year and next year and the impacts thereof (particularly those on the hotel and guesthouse industry); and

5. as some members of the guesthouse industry have pointed out that (i) the subsidies available for guesthouses under the relief measures are less than those for hotels, (ii) due to constraints in the layouts of and the facilities in their rooms, guesthouses have difficulties in recruiting local clients renting on a monthly basis as hotels do, and (iii) there is little room for transformation for the guesthouses as the licensing requirements preclude them from making any changes to the layouts, whether the Government will gain an understanding from members of the industry of their difficulties and study ways to remove the red tape with a view to facilitating the business transformation of members of the industry and assisting them in sustaining their operation; if so, of the details; if not, the reasons for that?

Reply:

President,

The local social incidents starting last year and the coronavirus disease 2019 outbreak have taken an unprecedented heavy toll on the tourism sector of Hong Kong. As the Government implemented border control measures to contain the outbreak, the number of visitors dropped significantly. In April 2020, the number of visitor arrivals plummeted by 99.9 per cent year-on-year, with only 140 people arriving daily on average. The businesses of guesthouses and hotels were hard hit as a result. Hotel room rates dropped by 31 per cent year-on-year in the first quarter of 2020 and the drop accelerated to 39 per cent in April. For the occupancy rate, the figure of hotel fell by 52 percentage points year-on-year to 40 per cent in the first quarter of 2020 while it dropped by 55 percentage points to 34 per cent in April. Average room occupancy rate of guesthouse decreased by 45 percentage points year-on-year to 39 per cent in the first quarter of 2020 and the figure dropped by 44 percentage points to 38 per cent in April.

Having consulted the Office of the Licensing Authority of the Home Affairs Department, the reply to the question raised by the Hon Vincent Cheng

is as follows:

(1) The Government currently does not compile specific statistics on the number of guesthouses and hotels closing down, or figures of dismissal or redundancy related to the suspension of operation or closing down of guesthouses and hotels. Nonetheless, some statistics kept by the Office of the Licensing Authority of the Home Affairs Department may provide reference.

According to the records of the Office of the Licensing Authority of the Home Affairs Department, during the period from February 1, 2020 to May 31, 2020, 22 guesthouse licences and one hotel licence were invalidated due to the licence holders not applying for renewal of licences by the expiry date, withdrawing the submitted licence renewal applications, or requesting for cancellation of their licences. Details are set out in the table below.

Month	Number of license holder not applying for renewal of licence by the expiry date, withdrawing the submitted licence renewal application, or requesting for cancellation of licence	
	Guesthouse	Hotel
February	7	0
March	0	0
April	4	1
May	11	0

(2) To provide timely relief for the licensed guesthouses and hotels, the Government established the Licensed Guesthouses Subsidy Scheme under the first round of the Anti-epidemic Fund, providing each eligible guesthouse with a one-off subsidy of \$50,000 or \$80,000. The Government also established the Hotel Sector Support Scheme under the second round of the Anti-epidemic Fund, providing each eligible hotel with a one-off subsidy of \$300,000 or \$400,000.

In addition, the Government has also introduced a series of further relief measures to help businesses stay afloat; keep employment; relieve financial burdens of businesses and individuals; and support the recovery of the economy once the epidemic is contained. Under the new round of relief measures, in addition to dedicated subsidy schemes for particular industries and/or their employees, the Employment Support Scheme and the SME Financing Guarantee Scheme, etc., will benefit various industries and sectors. Furthermore, concessionary measures like subsidy for electricity tariff, reduction in profits tax, waiving of rates and business registration fees, would also help enterprises tide over. We trust that the above measures can also provide relief to guesthouses and hotels.

(3) and (4) The number and mix of visitors to Hong Kong in the latter half of this year and next year will hinge on the development of the epidemic, the

border control measures, and the progress of economic recovery in Hong Kong and at different places around the world. As the development of the epidemic globally is still uncertain with multiple variables, it would be difficult to give accurate projections on the situation and the impact on the hotel and guesthouse industry at this stage. Nonetheless, after the epidemic, it is anticipated that the tourism industry will undergo major changes in view of the anti-epidemic efforts, the public health considerations, and the latest travel behaviour. In the early phase of resumption of tourism activities, we foresee that travellers are more likely to consider local trips. Even if they begin to travel abroad, they may prefer regions and cities which give them greater assurance in terms of epidemic prevention and hygiene. Wellness-themed and green itineraries are envisaged to become a possible new trend.

Against such background, the strategy for promoting tourism recovery should start from the local market. In planning the revival of the tourism industry, the Hong Kong Tourism Board (HKTB) will first launch the "Holiday at Home" campaign with the aim of energising the local community in order to send a positive message worldwide and restore visitors' confidence in visiting Hong Kong.

In addition, the HKTB has allocated a budget of \$400 million to support the tourism industry, including the hotel sector, in three areas:

(i) Subsidy schemes

- The HKTB will roll out a new funding scheme to incentivise hotels in attracting more small-sized corporate meetings and conventions of professional bodies.
- A new campaign, "MeetOn@HongKong", will be rolled out in which participating hotels will offer complimentary meeting or dining packages to meeting and incentive groups while the HKTB will step up its promotion efforts in addition to providing various offerings to these groups.
- The HKTB will sponsor the bidding of large-scale conventions and exhibitions for their hosting in Hong Kong. We hope this will also benefit the hotel sector.

(ii) Concessionary measures

- Participation fees for market promotion events organised by the HKTB will be waived for trade partners (including hotels). The HKTB will also provide subsidies for related air tickets and hotel accommodations. Furthermore, the HKTB will subsidise trade delegations in full to conduct roadshows in key source markets.

(iii) Step up promotion in source markets

- When the epidemic abates, the HKTB will work closely with hotels and other tourism related sectors in tactical promotions, MICE (i.e. meetings, incentives, conventions, and exhibitions) marketing, hosting of world-class conferences and exhibitions, as well as inviting more industry partners to Hong Kong for familiarisation trips, so as to revive the tourism market.

In addition to the promotion plan of the HKTB, amongst the various anti-epidemic relief measures launched in stages by the Government since end of last year, over \$1.3 billion has been allocated to the tourism sector benefitting the relevant enterprises and practitioners as well as funding various activities. These measures can assist the tourism industry in weathering the current difficulties.

(5) Operation of hotels and guesthouses in Hong Kong is regulated by the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) (the Ordinance). The purpose is to ensure that premises intended to be used as hotels/guesthouses comply with the statutory standards in respect of building structure and fire safety in order to safeguard lodgers and members of the public. The Office of the Licensing Authority under the Home Affairs Department is responsible for administering the Ordinance, including issuing licences and performing enforcement duties.

In accordance with the licence conditions, all licensed hotels/guesthouses, which plan to carry out alterations works, should obtain the formal written agreement of the Hotel and Guesthouse Accommodation Authority. After receiving the alterations proposals, the Hotel and Guesthouse Accommodation Authority would process the applications with pragmatism and flexibility, as well as provide all feasible assistance to concerned hotels/guesthouses as it has always been doing.