

Government statement on Smoking (Public Health) (Amendment) Bill 2019

In response to the decision of the Bills Committee on Smoking (Public Health) (Amendment) Bill 2019 (Amendment Bill) to cease its work, a spokesman for the Food and Health Bureau today (June 3) made the following statement:

"The Government deeply regrets and is disappointed with the cessation of the work of the Bills Committee, that the Amendment Bill could not be passed in the current term of the Legislative Council (LegCo) and that we could not, for the protection of public health, take early action to prevent electronic cigarettes (e-cigarettes) and heated tobacco products (HTPs) from establishing themselves in Hong Kong. The Government is nonetheless grateful for the Chairman's efforts in bringing forward the deliberation of the Bills Committee.

The Government has all along spared no effort in explaining to LegCo Members at the Bills Committee meetings the justification for the proposed ban of alternative smoking products (ASPs) and the importance of early passage of the Amendment Bill for the protection of public health. In the course of pressing forward with the legislative proposal, we have also stepped up efforts to publicise the harm of ASPs in the community so that the public could better understand the rationale of a full ban.

Both e-cigarettes and HTPs are harmful to health. Also, smoking products containing nicotine are addictive. Therefore, the Government cannot accept any proposal of formal regularisation of HTPs in Hong Kong. In reality, the Bills Committee conducted three meetings with deputations during which some 270 representatives from organisations and members of the public had expressed their views. The Government's proposal has been widely supported by the public and won the public's recognition. A number of surveys also indicated that a vast majority of society supported the Amendment Bill. Surveys conducted by the Hong Kong Council on Smoking and Health (COSH) and parent-teacher groups showed that medical and healthcare professionals, parents, teachers, youths and the general public strongly supported banning e-cigarettes and HTPs. COSH, in collaboration with relevant organisations, also launched in July 2018 the 'Support to enact a total ban on e-cigarettes and other new tobacco products' signatory campaign, which collected over 128 000 signatures from citizens, companies and organisations. For safeguarding public health, the Government reiterates the position that a full ban of all ASPs is the most effective measure to prevent these emerging smoking products from establishing themselves in Hong Kong, which could in turn undermine the achievement of our tobacco control efforts over the years.

In the circumstance that the Amendment Bill cannot be passed, e-cigarettes containing nicotine are considered as pharmaceutical products which are regulated under the existing Pharmacy and Poisons Ordinance (Cap. 138) and the Import and Export Ordinance (Cap. 60), while HTPs should

continue to be regulated under the existing Smoking (Public Health) Ordinance (Cap. 371) as well as taxed under the Dutiable Commodities Ordinance (Cap. 109).

The Government's work on tobacco control will not end here. We shall put forward the legislative proposal of a full ban of ASPs in the next term of LegCo when the opportunity arises. In the meantime, the Government will continue to work towards the aim of achieving a smoking prevalence of 7.8 per cent by 2025 as promulgated under 'Towards 2025: Strategy and Action Plan to Prevent and Control Non-communicable Diseases in Hong Kong'."

LCQ1: Construction Works at and near Hung Hom Station Extension under Shatin to Central Link Project

Following is a question by the Hon Michael Tien and a reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (June 3):

Question:

In May 2018, works quality problems were uncovered in respect of the construction works at and near the Hung Hom Station Extension under the Shatin to Central Link project. The independent commission of inquiry set up by the Government for this matter submitted its final report in March this year. The report has pointed out that the MTR Corporation Limited (MTRCL) and its contractor, Leighton Contractors (Asia) Limited (Leighton), were responsible for the serious deficiencies in their management and supervision systems, and the Government as the overseer, had to bear a measure of responsibility. In this connection, will the Government inform this Council:

(1) given that project mismanagement on the part of MTRCL has led to a number of works quality problems and a delay of commissioning of the rail line, whether the Government will consider not paying MTRCL any amount of the management fees for the entire works project; if it will still pay such fees, whether the reason therefor is that the Government is still satisfied with MTRCL's performance;

(2) given that Leighton, as the contractor of the works project, has failed to fully comply with the procedures and requirements which aim to ensure works quality and structural safety, thereby compromising its integrity, and yet it is learnt that the Government has so far not completely disqualified Leighton and its related companies from tendering for public works projects, whether the Government will consider imposing heavier punishments on Leighton, including blacklisting Leighton and its related companies to

permanently bar them from tendering for all public works and railway projects; if not, of the reasons for that; and

(3) given that as the overseer of the project, the Government has failed to play the role of an active participant, whether the Government will consider holding accountable the main government officials who were then involved (e.g. making a public condemnation); if so, of the specific actions to be taken; if not, the justifications for that?

Reply:

President,

The Commission of Inquiry into the Construction Works at and near the Hung Hom Station Extension under the Shatin to Central Link Project (The Commission) submitted its final report (the Final Report) to the Chief Executive on March 27 this year. After redacting several parts therein to avoid any prejudice to relevant criminal investigations and any potential prosecutions of any criminal offences, the report was published on May 12 this year.

The Government welcomes the Commission's conclusion that, with the "suitable measures" in place, the station box (i.e. the diaphragm walls and platform slabs of the Hung Hom Station Extension), North Approach Tunnels (NAT), South Approach Tunnels (SAT) and Hung Hom Stabling Sidings (HHS) structures will be safe and also fit for purpose.

The Government also respects and is actively following up with the Commission's comments and recommendations. We will give a detailed account of the follow-up actions on the recommendations in the Commission's Final Report at the Legislative Council Subcommittee on Matters Relating to Railways meeting on June 5.

The expenses relating to the Hung Hom Station Extension incident are estimated at about \$2 billion. The MTR Corporation Limited (MTRCL) is responsible for all the concerned expenses. Based on the conclusions of the Final Report, the Government will study the responsibilities of MTRCL, and follow up according to the Entrustment Agreement as and when appropriate.

At present, the Government and MTRCL are focusing on project delivery, with a view to expediting the project progress so as to enable the public to enjoy the new railway service as soon as possible. After much effort, we anticipate that the full commissioning of Tuen Ma Line could be brought forward to the third quarter of 2021. By then, the "Kai Tak to Hung Hom Section" will connect with West Rail Line and Tuen Ma Line Phase 1. This will further improve the connectivity between the northeast New Territories and the urban area, and relieve the pressure on the current transportation network. At the same time, the Government has taken a series of measures to closely monitor the MTRCL's project management process. The Government will continue to follow up with MTRCL on the Commission's recommendations on MTRCL's areas for improvement, and will closely monitor MTRCL's implementation of the improvement proposals.

We understand that the regulating action taken by the Development Bureau against Leighton Contractors (Asia) Limited (Leighton) on October 8, 2018, in respect of the construction issues of the Shatin to Central Link Project is still effective, and the eligibility of Leighton to submit tenders for Government public works projects has still been suspended. The Development Bureau is now reviewing the Final Report, in order to examine and analyse whether there are new circumstances that have not been previously considered. If necessary, the Development Bureau will, pursuant to the existing regulating regime, follow up the case in a fair and just manner.

As for legal liability, we understand that the Buildings Department prosecuted the contractor Leighton under Cap. 123 Buildings Ordinance on May 15 this year. Since the case has entered the judicial process, it is not appropriate to comment at this stage.

The Hung Hom Station Extension incident is mainly an issue of site supervision. It was recommended in the Final Report that government departments should participate more actively in site supervision. We are currently studying measures to improve the site supervision mechanism, and are examining the feasibility of establishing a new department specifically tasked to supervise and monitor the planning and delivery of railway projects following the direction recommended by the Commission, with a view to enhancing the Government's ability in monitoring and controlling the planning and delivery of new railway projects. The roles, responsibilities, staffing and structure of the new department are being studied in depth. With the new railway projects under the Railway Development Strategy 2014 progressively entering their planning and design stage, we will implement the above measures as soon as possible to ensure that the new monitoring strategy could be implemented before construction works of the projects commence, so as to enhance the public's confidence in the quality of railway works.

Government releases Report of the Independent Audit Panel for Recommendations in the Interim Report of the Commission of Inquiry into the Construction Works at and near the Hung Hom Station Extension under the Shatin to Central Link Project

The independent audit panel (the Panel) appointed pursuant to

recommendations in the Interim Report of the Commission of Inquiry into the Construction Works at and near the Hung Hom Station Extension under the Shatin to Central Link Project has completed an independent follow-up audit on the implementation progress of the various recommended measures in the Commission's Interim Report. An audit report was submitted to the Chief Executive on May 26 and uploaded to the Transport and Housing Bureau website (www.thb.gov.hk/eng/psp/publications/transport/studies/index.htm) today (June 3).

The Commission made 58 recommendations in its Interim Report to promote public safety and assurance on quality of works. Regarding the full implementation of these recommendations, the Panel is of the view that 14 have been reached and 42 are with satisfactory progress, whereas the remaining two have also made progress.

The Secretary for Transport and Housing, Mr Frank Chan Fan, expressed his deep appreciation for the work of the Chairman of the Panel, Mr Wong Kwai-huen, and the Members of the Panel, Professor Lo Hong-kam and Mr Chan Chi-chiu. Relevant bureaux and departments will continue to follow up on the recommendations.

[LCQ14: Principal payment holiday schemes introduced by financial institutions](#)

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (June 3):

Question:

It is learnt that quite a number of banks and finance companies (financial institutions) have introduced principal payment holiday schemes to assist small and medium enterprises affected by the coronavirus disease 2019 epidemic in tackling cash flow problems. However, some owners of commercial vehicles have indicated that such schemes often come with additional conditions (e.g. applicants being required to take out an insurance policy). In this connection, will the Government inform this Council:

(1) whether it knows which financial institutions have introduced principal payment holiday schemes for owners of commercial vehicles; the respective numbers of relevant applications received, approved and rejected by such institutions since February this year, with a breakdown by class of vehicles; if there were rejected applications, of the reasons for that;

(2) whether it knows the additional conditions of the various principal payment holiday schemes which are available for application by owners of commercial vehicles; whether the Government will request the relevant financial institutions to cancel the additional conditions, so as to avoid increasing the financial burden of the vehicle owners concerned; and

(3) of the measures in place to encourage financial institutions which have not yet introduced principal payment holiday schemes to roll out such schemes?

Reply:

President,

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

(1) To help corporates in Hong Kong cope with the impact of the COVID-19 pandemic, the Hong Kong Monetary Authority (HKMA) launched a Pre-approved Principal Payment Holiday Scheme (the Scheme) through the Banking Sector SME Lending Coordination Mechanism (the Coordination Mechanism) in April this year, allowing eligible corporate customers to defer their loan principal payments. The Scheme is applicable to all industries including the transport sector, and covers all corporate customers that have an annual sales turnover below HK\$800 million and that do not have loans severely overdue. Eligible corporate customers can enjoy the deferment without having to file any application; all they have to do is to confirm relevant details with their banks upon the latter's invitation. At the HKMA's request, all 103 banks in Hong Kong that provide loans to eligible customers have joined the Scheme.

Of the over 130 000 eligible corporate customers covered by the Scheme, more than 100 000 have received invitations from their banks. We understand that more than 8 000 customers have confirmed their participation in the Scheme, some of which are owners and operators of commercial vehicles (such as taxis, public light buses, trucks, non-franchised buses, coaches, and construction-related vehicles). Save for a small number that do not meet the eligibility requirements (such as having larger scales of operation or loans that are severely overdue) in the first place, customers in need are generally able to join the Scheme with relative ease.

For customers excluded from the Scheme, the HKMA has requested banks to adopt an accommodative stance and consider, on a case-by-case basis, if financial assistance can be offered to them within the remit of the banks' risk management principles. The HKMA has also reminded banks to follow the guidelines set out in the "Hong Kong Approach to Corporate Difficulties", by being sympathetic to customers encountering financial difficulties, and enhancing communication with these customers to see if they need loan restructuring with a view to tiding them over the current difficulties.

(2) The Scheme does not impose extra conditions on corporate borrowers other than the aforesaid eligibility criteria in respect of sales turnover and

repayment performance. If a bank is found to have imposed additional conditions on customers, the HKMA will follow up as appropriate.

(3) The HKMA has been maintaining close liaison with the banking industry since the outbreak of COVID-19. It has also rolled out several rounds of relief measures through the Coordination Mechanism with a view to helping different industries as far as possible. These measures include the issue of a circular in February to remind banks to favourably consider requests from borrowers for extension of repayment schedules, and the launch of the aforementioned Scheme in April requiring the participation of all banks. As of May 15, more than 24 000 cases of principal payment holidays and other extensions of repayment schedules have been granted by banks, involving more than HK\$257 billion.

In addition, the Hong Kong Mortgage Corporation Limited launched in April the Special 100% Loan Guarantee as announced in the 2020-21 Budget. Banks have received warm response from customers since the commencement of the scheme from April 20. As of May 22, 3 300 applications totalling around HK\$6.8 billion have already been approved.

Notwithstanding gradual improvements in the local COVID-19 situation in the recent months, we will continue to maintain close liaison with the banking industry and consider appropriate measures as necessary, with a view to helping persons affected by the pandemic weather the adversity.

LCQ15: Distance Business Programme

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 support enterprises to continue their businesses and provide services during the Coronavirus Disease 2019 epidemic, the Government has allocated a funding of \$500 million from the Anti-epidemic Fund for launching a Distance Business Programme (the Programme), under which funding support will be granted through a fast-track approval process for enterprises to adopt information technology (IT) solutions for developing distance business. The Programme covers 12 IT solution categories relating to distance business (e.g. online business, online order taking and delivery, and smart self-service systems) and opens for applications between May 18 and October 31 this year. In addition, the Government has published an IT Service Providers Reference List (the List) for reference by applicant enterprises. In this connection, will the Government inform this Council:

(1) of the respective to-date numbers of applications received, approved and rejected; a breakdown of the number of enterprises whose applications were approved by (i) the number of employees and (ii) the number of years of operation, the respective numbers of applications received and approved under each IT solution category, as well as a breakdown of the rejected cases (if any) by reason for the rejection; whether it has assessed if the funding is sufficient to provide support for all eligible applicants; if it has assessed and the outcome is in the negative, whether it will provide additional funding in a timely manner;

(2) of the respective to-date numbers of applications for inclusion in the List received, approved and rejected; a breakdown of the number of service providers whose applications were approved by (i) the number of employees and (ii) the number of years of operation, as well as a breakdown of the rejected cases (if any) by reason for the rejection;

(3) of the details of the publicity efforts made for the Programme, including the means (e.g. holding briefing sessions or placing advertisements on mainstream or online media), number of times, number of participants and expenditure; and

(4) whether it has received complaints that websites with a domain name comprising 'D-Biz' (the English abbreviation of the Programme) were found to have disguised as the official website or have misled the public; if so, of the details and the follow-up actions?

Reply:

President,

Remote working or service has become a new trend against the backdrop of the epidemic. The Innovation and Technology Commission (ITC) has launched the Distance Business Programme (the Programme) under the Anti-epidemic Fund to provide funding support to enterprises to continue their business and services during the epidemic through adoption of information technology (IT) solutions. The Hong Kong Productivity Council is the Secretariat of the Programme (the Secretariat).

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

(1) and (2) The Programme has invited applications from IT service providers to enrol on the IT Service Providers Reference List (Reference List) from May 4. As at 6pm on June 1, the Secretariat has received 3 525 applications. A total of 2 023 IT service providers have been enrolled on the Reference List. Remaining applications are being processed, and no service provider has been rejected from enrolling on the Reference List so far. The Secretariat does not maintain statistics of the years of operation of the service providers on the Reference List, while the number of service providers by a breakdown of their number of employees is tabulated below:

Number of employees	Number of IT service providers on the Reference List
1-9	1 391
10-19	312
20-29	103
30-39	60
40-49	28
50-99	62
100 or above	67
Total	2 023

The Programme has invited funding applications from enterprises from May 18. As at 6pm on June 1, the Secretariat has received 8 665 applications. The Secretariat is processing the applications received, and has yet to approve or reject any funding applications.

(3) ITC issued a press release on May 1, 2020 to announce the details for IT service providers to apply for enrolling on the Reference List, and subsequently issued another press release on May 16 to announce the details for funding applications by enterprises. It also issued a press release on May 30 to remind service providers who wish to enrol on the Reference List to submit applications before the deadline as soon as possible. The Programme has a dedicated webpage with information including the Reference List, Guidance Notes and application forms. In addition, the Secretariat has organised or participated in over 16 webinars with over 15 000 participants from April 24 to June 1, and has published/broadcasted advertisements on mainstream or online media for over 170 times during the period to promote the Programme. As at June 1, the Secretariat has spent \$270,000 on promoting the Programme.

(4) ITC and the Secretariat have received enquiries and complaints on suspected bogus websites which resemble the official website of the Programme. The Secretariat has issued clarifications on the official website of the Programme and reminded the public to stay vigilant. It has also issued 17 written warnings to those suspected bogus website entities, and furnished information of those websites to the Police for follow-up.