

LCQ21: Real estate investments under Long-term Growth Portfolio of Exchange Fund

Following is a question by the Hon Au Nok-hin and a written reply by the Financial Secretary, Mr Paul Chan, in the Legislative Council today (October 24):

Question:

Since 2009, the Hong Kong Monetary Authority has drawn on some of the Exchange Fund's assets to make investments under the Long-term Growth Portfolio (LTGP). In this connection, will the Government inform this Council of the current (i) total number of units and (ii) total market value of the buildings involved in the assets under LTGP that fall within the asset class of "real estate", with a breakdown by the location and type of real estates (set out in the table below):

Location of real estates	Type of real estates												Total	
	Residential unit/service apartment		Office/commercial building		Industrial building/industrial land		Hotel		Shop		Others			
	(i)	(ii)	(i)	(ii)	(i)	(ii)	(i)	(ii)	(i)	(ii)	(i)	(ii)	(i)	(ii)
Hong Kong														
Mainland China														
Other regions in Asia														
Europe														
Americas														
Africa														

Reply:

President,

To better manage risks and enhance returns in the medium and long term, the Hong Kong Monetary Authority (HKMA) has been diversifying part of the investment of the Exchange Fund (EF), in a prudent and incremental manner, into a greater variety of asset classes, including real estate. As of end December 2017, the market value of real estate investment in the Long-term Growth Portfolio (LTGP) amounted to HK\$78.4 billion, covering various regions and sectors.

According to the HKMA, given the EF's statutory purposes are to maintain the stability and integrity of the monetary and financial systems of Hong Kong, its investment mainly focuses on overseas financial and real assets. Apart from addressing emergency and strategic needs (e.g. the acquisition of Hong Kong equities in the Hong Kong stock market in 1998 in response to the Asian financial crisis, and the purchase of the HKMA's office premises), the EF has no investment in Hong Kong real estate and stock market.

On overseas real estate, the LTGP predominantly invests in traditional and mature markets, including North America and Western Europe, and has started diversifying into Asian markets in recent years. Investment channels include direct acquisition of prime properties in major overseas cities and investment in real estate funds. Assets cover office, retail and logistics sectors.

Noting the potential market sensitivities pertaining to the investment of the EF, it would be inappropriate for the HKMA to disclose specific details thereof.

LCQ11: Fire safety of petrol filling stations

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (October 24):

Question:

Some members of the public have pointed out that it is a rather common phenomenon that drivers, taking no heed of the appeal of the staff of petrol filling stations, (i) use mobile phones within the area of petrol filling stations and (ii) fail to switch off the engines of vehicles being refuelled. Since a trace amount of petrol vapour is released from petrol dispensers into the environment during vehicle refuelling, these members of the public are worried that these two acts may cause a fire or an explosion, thus endangering public safety. In this connection, will the Government inform this Council:

(1) of the number of complaints received by the Government in the past three years about the aforesaid two acts, and the follow-up actions taken;

(2) whether it will step up publicity to appeal to drivers to avoid committing these two acts; and

(3) whether it will enact legislation to regulate these two acts; if so, of the details; if not, the reasons for that?

Reply:

President,

To ensure public safety, the Fire Services Department (FSD) conducts fire safety risk assessments for petrol filling stations (PFSs). All explosion accidents, including those within PFSs, are caused by the ignition of a sufficient amount of inflammable vapour by sufficient amount of energy at the scene. In order to prevent such a situation from occurring, FSD puts in place relevant fire safety requirements when considering applications for the operation of PFSs, so as to ensure that there will be no leakage from the petrol filling system and prevent the accumulation of energy to a dangerous level within the areas of PFSs.

My response to the various parts of the Hon Frankie Yick's question is as follows:

(1) According to records, in the past three years, FSD did not receive any complaints against the use of mobile phones within the areas of PFSs or drivers failing to switch off the engines of vehicles being refuelled.

(2) and (3) Currently, FSD regulates the fire safety of PFSs through the licensing regime under the Dangerous Goods Ordinance (Cap. 295). FSD conducts fire safety risk assessments for PFSs and puts in place relevant fire safety requirements, including putting up "Switch Off Engine" warning signs at conspicuous locations in PFSs and requiring the staff of PFSs to request drivers to switch off their vehicle engines before refuelling. In addition, FSD conducts surprise inspections. If managers of PFSs are found to be in breach of relevant fire safety requirements, FSD will consider prosecution. The maximum penalty upon conviction is a fine of \$10,000 and imprisonment for one month. The relevant dangerous goods licences of the PFS concerned may also be revoked.

According to FSD's assessment, given that the maximum amount of energy generated by a mobile phone is far lower than the ignition threshold of petrol vapour, the fire risk is relatively low. Having said that, in view of the variety of mobile phones and the constant emergence of new models, for the sake of prevention, FSD proposes putting up notices at conspicuous locations in PFSs to urge members of the public to avoid using mobile phones within PFSs. FSD will continue to monitor closely studies on the safety of using mobile phones and conduct reviews where necessary.

FSD has been reminding the oil industry through regular meetings to comply with the fire safety requirements, including that managers of PFSs should make sure that drivers have switched off the engines of the vehicles before refuelling. Managers should also avoid letting members of the public use mobile phones within PFSs. Moreover, FSD conducts surprise inspections and distributes fire safety leaflets at PFSs to enhance the fire safety

awareness of the industry. Contents of the leaflets include reminding managers that no parking is allowed within PFSs, that drivers must switch off the engines of vehicles being refuelled, and that no smoking is allowed within PFSs etc.

LCQ15: “One-for-One Replacement” Scheme

Following is a question by the Hon Tanya Chan and a written reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council today (October 24):

Question:

On February 28 this year, the Government introduced a "One-for-One Replacement" Scheme (Replacement Scheme) under which a vehicle owner who scraps his old private car (PC) and buy a new electric PC (e-PC) may enjoy a higher first registration tax concession. The application criteria include: (a) that the old PC having been first registered for six years or more (the vehicle age requirement) and (b) that the applicant having been the registered owner of that vehicle for three years or more without interruption (the ownership period requirement), etc. Some environmentalists have criticised that the above criteria are stringent, which, coupled with the grossly inadequacy in public charging facilities for electric vehicles (EVs), have impeded the popularisation of EVs in Hong Kong. In this connection, will the Government inform this Council:

- (1) of (i) the end-of-month number of registered PCs, and (ii) the number of newly registered e-PCs, in each month from March to September this year;
- (2) of the respective (i) monthly and (ii) up-to-date numbers of applications for tax concession received and approved by the authorities since the launch of the Replacement Scheme;
- (3) of the respective numbers of registered PCs, as at March 31 this year, which (i) satisfied the two aforesaid application criteria, and (ii) met the vehicle age requirement and were owned by the existing owners for one year or more; the relevant projected numbers for the coming three years;
- (4) whether the authorities will lower the ownership period requirement to one year so as to expand the scope of the Replacement Scheme; if so, when this will be implemented; if not, of the reasons for that;
- (5) how the authorities publicise the Replacement Scheme and the amount of public expenditure incurred to date;

(6) whether it knows the total numbers of (i) standard, (ii) medium and (iii) quick public EV chargers as at October 1 this year throughout the territory, with a breakdown by District Council district;

(7) whether it has studied the appropriate ratio of the number of EVs to that of public chargers; if so, of the study outcome; if not, whether it will expeditiously commence such a study; and

(8) whether it will regularly publish reports on the work of the Steering Committee on the Promotion of Electric Vehicles to enable members of the public to monitor the Committee's work and the effectiveness thereof; if so, of the details; if not, the reasons for that, and the measures the authorities will take to enhance the transparency of the operation of the Committee?

Reply:

President,

Commercial vehicles (CVs) account for 95 per cent of the vehicular emissions of respirable suspended particulates and nitrogen oxides, both of which are major air pollutants. CVs have thus been a major target of the Government's measures to improve roadside air quality. As electric vehicles (EVs) have no tailpipe emissions, replacing conventional vehicles, especially CVs, with EVs can help improve roadside air quality.

The Government has all along been committed to promoting the use of electric CVs (e-CVs). Measures taken include waiving the first registration tax (FRT) of e-CVs in full since 1994; putting in place since March 2011 a \$300 million Pilot Green Transport Fund to support the transport sector to try out green innovative transport technologies (including e-CVs); and subsidising franchised bus companies to test out electric buses.

As for electric private cars (e-PCs), the Government's standing policy is to encourage the public to use public transport as far as possible. For members of the public who need to acquire private cars (PCs), we provide them with appropriate financial incentives such as tax concession and lower annual vehicle licence fee to encourage them to choose e-PCs.

When drawing up the FRT concessions for e-PCs, the Government considered that while the FRT would continue to be a means of controlling the overall growth of PCs to avoid causing traffic congestion and aggravating roadside air pollution, FRT concessions could be offered to aptly encourage vehicle buyers to go for EVs when purchasing PCs. Taking due account of these two factors, the technological development and market situation of EVs, as well as road traffic conditions and views of stakeholders, we decided to continue with the FRT concessions of up to \$97,500 for e-PCs from February 28, 2018 to March 31, 2021. For the same period, a new "One-for-One Replacement" Scheme (Replacement Scheme) has also been introduced to allow eligible existing vehicle owners who buy a new e-PC and scrap their own eligible old PC to enjoy a higher FRT concession of up to \$250,000.

My responses to the various parts of the question raised by the Hon Tanya Chan are as follows:

(1) The end-of-month number of registered PCs and the number of newly registered e-PCs in each month from March to September this year are listed at Annex I.

(2) The monthly and up-to-date numbers of applications received and approved since the launch of the Replacement Scheme are set out at Annex II.

(3) Based on the records of registered vehicles as at March 31, 2018 kept by the Transport Department (TD), the respective numbers of registered PCs that satisfied the criteria of "having been first registered for six years or more" and "its owner having own the PC for three years or more without interruption", and that satisfied the criteria of "having been first registered for six years or more" and "its owner having owned the PC for one year or more without interruption", as well as the relevant projected numbers for the coming three years are tabulated at Annex III.

(4) As mentioned above, on the premises of not increasing the total number of PCs, the Government has introduced the Replacement Scheme to provide existing PC owners with incentive to choose EVs when they need to replace their old PCs. To be eligible for the scheme, a vehicle owner must be the registered owner of an old PC for three years or more without interruption. While this requirement serves to encourage registered PC owners to opt for EVs when replacing their old PCs, it also prevents people from gathering a large number of old PCs from overseas or second-hand markets to participate in the scheme for profit making. As illustrated in Annex III, by the time the Replacement Scheme ends on March 31, 2021, the total number of PCs meeting the two criteria of "having been first registered for six years or more" and "its owner having owned the PC for three years or more without interruption" will be around 470 000, i.e. about three-fourth of the total number of PCs. At this stage, the Government has no plan to revise the application criteria for the Replacement Scheme.

(5) On promoting the use of EVs and the arrangements for making applications under the Replacement Scheme, details are available at the websites of the Environmental Protection Department (EPD) and the TD for PC owners who are interested. When hosting or attending seminars on promoting the use of EVs, the EPD would publicise the Government's policy on promotion of EVs, including the Replacement Scheme. The TD also assists the EPD in processing applications under the Scheme, with publicity posters on the Scheme not only displayed in all TD Licensing Offices but also distributed to the registered distributors concerned for reference purposes. Both the EPD and TD take up the related work with their existing resources.

(6) Based on the latest statistics, figures on public EV chargers (provided for public use in both government and non-government car parks) as at the end of September 2018 in each of the 18 districts across the territory are set out at Annex IV.

(7) Regarding the charging arrangements for e-PCs, it has always been the

Government's policy direction that e-PC owners shall perform daily charging of their e-PCs by using charging facilities at their home, workplaces or other suitable places (including charging facilities provided by e-PC suppliers). Public charging facilities in Hong Kong are supplementary in nature, set up for EVs to top up their batteries at times of occasional needs. They do not serve as daily charging facilities or their alternatives. Potential buyers of e-PCs shall fully consider the daily charging arrangements required and shall not rely on public charging facilities for daily charging of their e-PCs.

The demand for public charging facilities hinges on a number of factors such as the technological development and market situation of e-PCs and charging facilities. It may not be necessary to set a ratio between the number of public charging facilities and that of e-PCs. The report published by the International Council on Clean Transportation in October 2017 also pointed out that there were no universal benchmark for the ratio of the number of EVs to that of public chargers, as the ratio may vary from several times to 25 times in different places. Such figures only serve to reflect the distribution of EVs chargers under different actual circumstances in different places.

In the light of the rapid changes in the usage of EVs, the Government is reviewing various policies and measures on promoting the use of EVs. Our efforts include exploring ways to encourage installation of charging facilities to tie in with the usage of EVs.

(8) The Steering Committee on the Promotion of Electric Vehicles (the Committee) discusses and advises the Government on strategies and initiatives in promoting the use of EVs. The Committee's meetings are conducted confidentially to encourage frank and open discussion. The Government will consider various factors including the Committee's advice in decision-making and implementation. We have no plan at this stage to disclose the discussion of the Committee.

Special traffic arrangements for Halloween at Lan Kwai Fong

Police will implement special traffic arrangements at Lan Kwai Fong, Central on October 26, 27 and 31 to facilitate the public celebrating Halloween.

Road closure

The following roads may be closed between 6pm and 6am the following day daily on October 26, 27 and 31:

- D'Augilar Street between Wyndham Street and Wellington Street;
- Lan Kwai Fong;
- Wing Wah Lane;
- Wo On Lane;
- Wellington Street between Wyndham Street and D'Aguilar Street; and
- On Lan Street.

The following roads may be closed from 7pm to 6am the following day daily on October 26, 27 and 31:

- Stanley Street between D'Aguilar Street and Cochrane Street;
- Wyndham Street between Glenealy and Queen's Road Central;
- D'Aguilar Street between Queen's Road Central and Wellington Street; and
- Wellington Street between D'Aguilar Street and Cochrane Street.

Queen's Road Central between Pedder Street and Pottinger Street may be closed between 7pm on October 31 and 6am the following day.

After completion of traffic diversions, crowds will be directed to queue up along Wellington Street, Pottinger Street, Stanley Street, D'Aguilar Street and Queen's Road Central. The whole of D'Aguilar Street will be closed.

Suspension of parking spaces

All on-street parking spaces on the following streets will be suspended from 4pm to 6am the following day daily on October 26, 27 and 31:

- Stanley Street near D'Aguilar Street;
- On Lan Street; and
- Wyndham Street between Arbuthnot Road and D'Aguilar Street.

All vehicles found illegally parked within the precinct will be towed away without prior notice, and may subject to multiple ticketing.

Actual implementation of the traffic arrangements will be made depending on traffic and crowd conditions in the area. Motorists are advised to exercise tolerance and patience and take heed of instructions of the Police on site.

[Special traffic arrangements for race meeting in Happy Valley](#)

Special traffic arrangements will be implemented in Happy Valley today (October 24). The arrangements will come into effect one and a half hours

before the start of the first race and will last until the crowds have dispersed after the race meeting.

A. Traffic arrangements before the commencement of the first race

1. Road closure

Southbound Wong Nai Chung Road between Queen's Road East and the up-ramp outside Hong Kong Jockey Club (HKJC) will be closed except for vehicles heading for Aberdeen Tunnel.

2. Traffic diversions

- Southbound Wong Nai Chung Road between Village Road and the up-ramp outside HKJC will be re-routed one way northbound;
- Vehicles from eastbound Queen's Road East heading for Wan Chai and Happy Valley will be diverted to turn left to Morrison Hill Road;
- Traffic along southbound Morrison Hill Road heading for Happy Valley will be diverted via Sports Road and Wong Nai Chung Road;
- Traffic along Queen's Road East cannot turn right to Wong Nai Chung Road except for vehicles heading to Aberdeen Tunnel;
- Traffic from Cross Harbour Tunnel heading for Queen's Road East will be diverted via the down-ramp leading from southbound Canal Road flyover to Morrison Hill Road to turn right at the junction of Wong Nai Chung Road and Queen's Road East; and
- Traffic from Cross Harbour Tunnel heading for Happy Valley or Racecourse will be diverted via the down-ramp leading from southbound Canal Road flyover to Canal Road East, southbound Morrison Hill Road, Sports Road and Wong Nai Chung Road.

B. Traffic arrangements before the conclusion of race meeting

1. Road closure

The following roads will be closed from 35 minutes before the start of the last race:

- The up-ramp on Wong Nai Chung Road outside HKJC leading to Aberdeen Tunnel;
- Southbound Wong Nai Chung Road between Queen's Road East and the up-ramp leading to Aberdeen Tunnel;
- Southbound Wong Nai Chung Road between Village Road and the Public Stands of HKJC;
- Westbound Leighton Road between Wong Nai Chung Road and Canal Road East;
- and
- Southbound Morrison Hill Road between Leighton Road and Queen's Road East.

In addition, southbound Wong Nai Chung Road between the up-ramp leading to Aberdeen Tunnel and the Public Stands of HKJC will be closed from about 10 minutes before the start of the last race.

2. Traffic diversions

The following traffic arrangements will be implemented from 35 minutes

before the start of the last race:

- Eastbound Queen's Road East at its junction with Morrison Hill Road will be reduced to one-lane traffic heading for northbound Canal Road flyover;
- Vehicles from Cross Harbour Tunnel heading for Wan Chai will be diverted via the down-ramp leading from Canal Road East, U-turn slip road beneath Canal Road flyover, Canal Road West and Hennessy Road;
- Vehicles from Cross Harbour Tunnel heading for Happy Valley will be diverted via the down-ramp leading from Canal Road East, eastbound Leighton Road and Wong Nai Chung Road;
- Traffic on southbound Morrison Hill Road will be diverted to turn left to eastbound Leighton Road;
- Traffic along southbound Morrison Hill Road heading for Happy Valley will be diverted via eastbound Leighton Road and Wong Nai Chung Road; and
- Traffic along westbound Leighton Road will be diverted to Wong Nai Chung Road.

C. Learner drivers prohibition

Learner drivers will be prohibited to turn left from Caroline Hill Road to Leighton Road between one and a half hours before the start of the first race and one hour after the last race. In addition, learner drivers will be prohibited from accessing the following roads within the above period of time:

- Shan Kwong Road between Yik Yam Street and Wong Nai Chung Road;
- Village Road between its upper and lower junctions with Shan Kwong Road;
- Percival Street between Hennessy Road and Leighton Road;
- Canal Road East; and
- The service road leading from Gloucester Road to Canal Road flyover.

D. Suspension of parking spaces

Parking spaces on southbound Wong Nai Chung Road between Sports Road and Blue Pool Road will be suspended from 11am to 7pm during day racing, from 4.30pm to 11.59pm during evening racing, and from 5pm to 11.59pm during night racing.

Any vehicles found illegally parked within the precincts of the above affected areas will be towed away without prior notice.

Actual implementation of road closure and traffic diversion will be made by the Police at the time depending on traffic conditions in the areas. Motorists should exercise tolerance and patience, and follow the instructions of Police on site.