

LCQ9: Attracting overseas technology talents to come to Hong Kong for career development

Following is a question by the Hon Wong Ting-kwong and a written reply by the Secretary for Innovation and Technology, Mr Nicholas W Yang, in the Legislative Council today (May 9):

Question:

The Secretary for Innovation and Technology has said that the development and retention of technology talents is one of the key foci in the Policy Address published in October last year, and the Government will introduce measures to attract talents from top universities and research institutions overseas to come to Hong Kong for career development. In this connection, will the Government inform this Council:

(1) regarding the various admission schemes for non-local talents, of the respective numbers of applications received and, among such applications, the respective numbers of those made by technology talents and the respective numbers and percentages of their applications approved, in each of the past 10 years; the current number of technology talents who were admitted to Hong Kong and have now acquired the Hong Kong permanent resident status, and whether it knows, among these talents, the number of those who are currently living in Hong Kong for most of their time and still engaging in technological research;

(2) whether it has assessed the number of technology talents needed by Hong Kong in each of the coming five years; if so, of the outcome; if not, the reasons for that and whether it will conduct such an assessment expeditiously; and

(3) of the latest position of the implementation of the various measures for attracting technology talents to Hong Kong (including the Technology Talent Scheme and the pilot fast-track admission scheme for technology talents); whether the Steering Committee on Innovation and Technology will further review the existing policies relating to the admission of technology talents, and formulate targeted policies to facilitate this type of talents to come to Hong Kong for career development, with a view to further attracting technology talents to Hong Kong gearing to the needs arising from innovation and technology development in the territory; if so, of the details; if not, the reasons for that?

Reply:

President,

Having consulted the Security Bureau, our reply to the various parts of the question is as follows:

(1) According to the information provided by the Immigration Department (ImmD), the numbers of applications received and approved under the General Employment Policy (GEP), the Admission Scheme for Mainland Talents and Professionals (ASMP) and the Quality Migrant Admission Scheme in the past 10 years are set out at Appendix 1. The numbers of applications approved under the above schemes with breakdown by industry/sector are at Appendix 2. Technology industries and sectors including academic research and education, biotechnology, information technology, manufacturing industry and telecommunications etc. are covered. However, the ImmD does not maintain other breakdown figures requested in the question.

(2) and (3) Technology talent is involved in various industries, coupled with the rapid development of technologies, it is difficult to forecast the number of technology talents needed in the future. However, it is clear that Hong Kong needs to attract and nurture technology talent to promote the development of innovation and technology (I&T). The Chief Executive announced in her Policy Address in October 2017, to establish the Steering Committee on Innovation and Technology, personally led by herself, to examine and steer measures in the eight areas of I&T development, which include pooling together technology talent.

Technology Talent Admission Scheme

Currently, there is intense global competition for technology talent with aggressive measures to attract these talents. At the same time, the local technology sector has expressed concern over the shortage of local technology talent in certain specific areas and the lead time needed to admit technology talent from outside Hong Kong. To address these concerns, the Government will introduce a three-year pilot Technology Talent Admission Scheme (TechTAS) to provide a fast-track arrangement to admit overseas and Mainland technology talent to work in Hong Kong.

The pilot TechTAS will, as a start, be applicable to tenants and incubatees of the Hong Kong Science and Technology Parks Corporation (HKSTPC) and the Hong Kong Cyberport Management Company Limited (Cyberport) that are engaged in the areas of biotechnology, artificial intelligence, cybersecurity, robotics, data analytics, financial technologies and material science. Each eligible technology company/institute may apply for quota to admit overseas/Mainland technology talent to work for it on research and development (R&D) in the above areas. In its first year of operation, the TechTAS will admit a maximum of 1 000 persons from overseas/Mainland. Each eligible company/institute may be allotted with a quota to admit not more than 100 persons per year.

The HKSTPC and the Cyberport will receive and examine the quota applications, and provide recommendations to the Innovation and Technology Commission (ITC). The applicant company/institute would need to demonstrate the basis of the quota requested (e.g. for a new setup or for expansion of

its R&D programme). It would also need to demonstrate that talent with the relevant skills, knowledge or experience is short in supply or not readily available in Hong Kong, and hence the concerned positions cannot be fully taken up by the local workforce. Having considered comments from the HKSTPC / the Cyberport, the ITC will decide on the quota allotment.

Each quota is valid for six months. Companies/institutes allotted with a quota should sponsor individual non-local persons to apply to the ImmD for employment visa/entry permit to come to Hong Kong for R&D work in the companies/institutes. This has to be done within the quota validity period and in accordance with the specifications pertaining to the job positions set out for the quota (including main job duties, academic requirements, technical skills, relevant experience and remuneration package). Persons admitted under the TechTAS should be degree-holders in science, technology, engineering or mathematics (STEM) from a well-recognised university. Work experience is not compulsory for those with a Master's or doctoral degree, while those with a Bachelor's degree only should possess a minimum of one year work experience in the relevant technology area.

To facilitate nurturing of local technology talent, for every three non-local persons admitted under the scheme, the technology company/institute allotted with a quota under the TechTAS would need to employ one new local full-time employee plus two local interns. All these local employees should be engaged in technology-related work. The full-time employees should possess at least a Bachelor's degree while the interns can be undergraduates, graduates or post-graduates.

The pilot TechTAS has its merits. By allotting applicant technology companies/institutes with a quota, it will provide certainty for them to proceed with their recruitment and business plan as soon as possible. Besides, to safeguard local work opportunities, the TechTAS still requires these companies/institutes to demonstrate at the quota application stage that talent with relevant skill, knowledge or experience is short in supply or not readily available in Hong Kong. Nonetheless, by doing away with the requirement to demonstrate local recruitment failure each and every time the companies/institutes seek to bring in talent through the GEP or the ASMTP, the arrangement could help save their time and resources needed for recruitment, and effectively streamline the actual admission procedure and shorten the processing time, thus allowing the talent to be in position to commence R&D work the earliest possible.

Moreover, by expediting the procedures for an individual to obtain the visa/entry permit, the chance of such talent being poached to work elsewhere could be minimised.

In addition, the "3:1+2" non-local to local employment requirement would provide more local job opportunities and help nurture our local talent effectively. In brief, the pilot TechTAS would help attract talent from different parts of the world, encourage cross-fertilisation of local and non-local talent, and hence contribute to Hong Kong's technological development.

Our target is to start receiving application in June 2018. We will review the design and impact of the pilot scheme in a timely manner.

Technology Talent Scheme

In addition, we have set aside \$500 million under the Innovation and Technology Fund (ITF) for a five-year pilot Technology Talent Scheme to nurture and bring together more technology talent. The scheme comprises the Postdoctoral Hub Programme which will provide funding support to the ITF recipients as well as incubatees and I&T tenants of the HKSTPC / the Cyberport to recruit up to two postdoctoral talent for R&D work. The ITF will provide a monthly allowance of \$32,000 for each postdoctoral researcher for up to 24 months. The concerned researcher must possess a doctoral degree in a STEM-related discipline from either a local university or a well-recognised non-local institution. This includes local talent having obtained a doctoral degree outside Hong Kong and non-local talent having admitted to Hong Kong through the TechTAS. We are working on the operation details of the programme with a view to launching it in the third quarter of 2018.

LCQ3: Handling of construction waste and management of public fill

Following is a question by the Hon Chan Hak-kan and a written reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council today (May 9):

Question:

It has been reported that incidents of people illegally dumping construction waste in public places or rural areas have happened from time to time in recent years. The Audit Commission and the Office of the Ombudsman released reports in 2016 and 2018 respectively, criticising that the law enforcement agencies had been ineffective in combating such acts. On the other hand, as there have been few reclamation works carried out in Hong Kong in recent years, the quantity of construction and demolition materials used for reclamation and site formation works has declined, resulting in an excess supply of public fill over the demand and the saturation of the existing four public fill reception facilities and two fill banks. As such, the Government can only deliver the surplus public fill to places outside Hong Kong. In this connection, will the Government inform this Council:

(1) of the respective numbers of (i) proactive inspections conducted to combat acts of illegal dumping of construction waste, (ii) relevant complaints received, and (iii) prosecutions instituted against the persons concerned, by the Environmental Protection Department and the Planning

Department in each of the past five years; the new measures to be taken by these two departments in the coming five years to further combat such kind of illegal acts;

(2) of the quantity of public fill generated in Hong Kong, and the respective (i) quantities of public fill received, (ii) total amounts of fees collected, and (iii) operational expenses incurred, by the four public fill reception facilities and the two fill banks in each of the past five years;

(3) of (i) the quantity and percentage of the surplus public fill exported (with a breakdown by export destination), and (ii) the quantity and percentage of the surplus public fill discarded at the landfills, by the Government in each of the past five years;

(4) as I have learnt that the demand of the Mainland construction industry for fill materials has gradually decreased in recent years, of the Government's measures to cope with the situation where the Mainland stops receiving fill materials from Hong Kong; and

(5) of the respective current percentages of locally recovered glass materials that have been reused or used as fill materials (i) in Hong Kong and (ii) after exportation; given that there is currently an excess supply of fill materials, whether it has plans to take measures to raise the percentage of glass materials to be recovered for reuse?

Reply:

President,

Regarding the questions raised by the Hon Chan Hak-kan, our responses are as follows:

(1) Illegal land filling and fly-tipping of construction waste involve issues pertaining to various policy portfolios, with the concerned activities regulated by existing legislation on environmental protection, town planning, land management, buildings, drainage, public safety, public health or country parks. Relevant government departments enforce these legislation under their respective jurisdictions and statutory powers, and will conduct joint operations as and when necessary.

Figures on inspections conducted by the Environmental Protection Department (EPD) and the Planning Department (PlanD), public reports received and prosecutions instituted against illegal dumping of construction waste for the past five years are set out at the Annex.

To strengthen the monitoring and tackling of illegal disposal of construction waste, the EPD has installed surveillance camera systems at around 50 construction waste fly-tipping black spots on government land and in public places to facilitate law enforcement and achieve greater deterrence against fly-tipping. The EPD plans to further extend the coverage to a total of about 70 locations by the end of this year and is in the process of preparing for the tendering exercise. Moreover, the EPD and other relevant departments will progressively introduce surveillance camera systems on the

smart lampposts under a pilot scheme of "Multi-functional Smart Lampposts" as proposed in the 2017 Policy Address.

To achieve greater deterrence against illegal activities, the EPD will through various channels continue to raise public awareness on environmental protection, encourage the public to report illegal disposal of waste, enhance collaboration with relevant stakeholders, install surveillance camera systems at fly-tipping black spots and display warning posters at prominent places, etc.

Regarding the unauthorised land filling cases found in the rural New Territories, the PlanD will continue to provide additional manpower resources and closely monitor the situation. Timely and appropriate enforcement and prosecution actions will be taken under the Town Planning Ordinance (Cap 131).

(2) Each year, the construction industry generates a large quantity of inert construction and demolition (C&D) materials (also known as public fill) which can be reused in reclamation or site formation works. While part of the public fill generated in Hong Kong is transferred to suitable construction sites for direct reuse, the rest is delivered to the public fill reception facilities for temporary storage and future reuse. Currently, there are four public fill reception facilities, namely the two temporary fill banks in Tseung Kwan O Area 137 and Tuen Mun Area 38, the Chai Wan Public Fill Barging Point and the Mui Wo Temporary Public Fill Reception Facility. The quantity of public fill locally generated and the respective quantity received by the four public fill reception facilities in each of the past five years are tabulated below:

| Year | Quantity Generated (million tonnes) | Quantity Received (million tonnes) |
|------|-------------------------------------|------------------------------------|
| 2013 | 22.8 | 12.9 |
| 2014 | 19.6 | 12.3 |
| 2015 | 22.8 | 16.0 |
| 2016 | 22.8 | 15.0 |
| 2017 | 17.9 | 13.3 |

Separately, the amount of public fill charges collected by the four public fill reception facilities and the expenditure incurred by the Government on public fill management in each of the past five financial years are tabulated below:

| Financial Year | Charges Collected (\$ million) | Expenditure (\$ million) |
|----------------|--------------------------------|--------------------------|
| 2013-14 | 350 | 690 |
| 2014-15 | 360 | 910 |
| 2015-16 | 440 | 920 |

| | | |
|---------|--------------|----------------|
| 2016-17 | 410 | 1 180 |
| 2017-18 | 790 (Note 1) | 1 070 (Note 2) |

Note 1: The increased construction waste disposal charges (including public fill charge, sorting charge and landfill charge) were effective from April 7, 2017.

Note 2: The expenditure is provisional actual figure subject to adjustment.

(3) As local reuse cannot absorb all of the public fill generated in Hong Kong in recent years, the Government has been delivering surplus public fill to Taishan in the Guangdong Province for disposal since 2007. No surplus public fill has been disposed of at local landfills.

The quantity of surplus public fill delivered to the Mainland for reuse in the past five years are tabulated below:

| Year | Quantity (million tonnes) |
|------|---------------------------|
| 2013 | 9.8 |
| 2014 | 10.2 |
| 2015 | 13.0 |
| 2016 | 13.6 |
| 2017 | 13.5 |

(4) The Government has been closely liaising with relevant Mainland authorities on the delivery of surplus public fill to the Mainland to ensure its smooth operation. In addition, the Government has put in place suitable measures to encourage and help the construction industry to reduce and reuse C&D materials as far as possible. Particularly, we have been encouraging suitable reclamation projects that are on-going or under planning in the territory to absorb more local public fill, such as the current Three-Runway System project and the Tung Chung New Town Extension project.

(5) Currently, glass containers collected locally will be, after treatment, mainly used for producing eco-pavers. Some will be exported for recycling. Besides, the Civil Engineering and Development Department has drawn up technical guidelines on the use of recycled glass materials as fill materials. The use of recycled glass materials in public works projects has already started. We envisage that the glass materials locally collected can be fully absorbed through these outlets. Meanwhile, we have encouraged the glass management contractors hired by the Government to proactively expand recycling outlets for recycled glass materials, such as using them as raw materials for producing eco-cement and decorative tiles, and exporting them for recycling into new glass products.

The overall quantity of glass materials recycled in 2016 was 9 300 tonnes. We do not have a breakdown by the use of such recycled glass materials.

LCQ17: Promotion of green bonds

Following is a question by the Hon Chan Chun-ying and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (May 9):

Question:

The Chief Executive stated in the Policy Address delivered in October last year that the Government would take the lead in the issuance of a green bond in the 2018-2019 financial year and would continue to encourage public sector bodies to issue green bonds in Hong Kong, and promote local entities' establishment of green bond certification schemes that meet with international standards. In this connection, will the Government inform this Council:

(1) whether it will promote the inclusion of the green bonds issued in Hong Kong in the scope of eligible securities for the southbound trading of the mutual bond market access between Hong Kong and the Mainland (commonly known as "Bond Connect") which will be implemented in future, so as to increase the number of potential investors of such bonds; if so, of the details; if not, the reasons for that;

(2) given that the Hong Kong Quality Assurance Agency started to provide third-party conformity assessments for green finance issuers early this year, whether it knows (i) the number of certificates issued so far, and (ii) the anticipated number of applications for certificates the vetting of which will be completed this year, by the Agency; and

(3) whether it has considered following the practice of other bond markets and preparing actively for the launch of a green bond index; if so, of the details; if not, the reasons for that?

Reply:

President,

Our replies to the three parts of the question are as follow:

(1) The Hong Kong Monetary Authority has been maintaining close dialogue with the People's Bank of China and the relevant Mainland institutions on enhancements to the Bond Connect, including introducing Southbound Trading, which aims to enable Mainland investors to invest in the Hong Kong bond market through mutual access between the financial infrastructure institutions of the two places. The suggestion of including green bonds issued in Hong Kong in the scope of tradable products of Bond Connect would be taken into account when the detailed proposal is explored.

(2) According to the public information available from the Hong Kong Quality Assurance Agency, the list of certification under its Green Finance Certification Scheme (GFCS) as of March 26, 2018 includes 3 Pre-issuance Stage Certificate issuances. The Government will continue to support GFCS's implementation and encourage local, Mainland and overseas enterprises to make use of the Scheme and our capital markets for financing their green projects.

(3) The green bond market, which is still in its development stage, is fast evolving. While focusing on the development of the green bond market in Hong Kong at present, we are open to further promoting the market development of other green financial products.

The Hong Kong Exchanges and Clearing Limited has been engaging with various stakeholders and academia to explore business initiatives regarding green finance, such as creating green bond/stock index. Provided that there is a sufficient market depth of green financial products, green bond/stock index may be developed in response to market needs.

LCQ14: Withdrawal of benefits by Mandatory Provident Fund scheme members

Following is a question by the Hon Chan Kin-por and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (May 9):

Question:

At present, Mandatory Provident Fund (MPF) scheme members may opt to withdraw their MPF accrued benefits (benefits) in their MPF accounts by instalments or in a lump sum upon their retirement or early retirement. Among those MPF scheme members who withdrew their benefits in 2016 and 2017 on grounds of retirement or early retirement, a vast majority (99 per cent) opted to withdraw their benefits in a lump sum (192 874 cases involving a total sum of \$15,884 million), and only 1 per cent opted to withdraw their benefits by instalments (2 169 cases involving a total sum of \$285 million). In this connection, will the Government inform this Council:

(1) whether it knows, among the MPF scheme members who reached the age of 65 in each of the past two years, the number and percentage of those who have not withdrawn any benefits so far;

(2) whether it knows, among the MPF scheme members who withdrew their benefits in a lump sum in the past three years, the number of those whose benefits received were less than the sum of the contributions made over the

years by themselves and their employers; and

(3) given that upon retirement at the age of 65, MPF scheme members generally still have years of post-retirement living, whether the Government will consider introducing measures to encourage soon-to-retire people to retain in their MPF accounts a portion of benefits which is not needed for immediate purpose, so that the retained portion of benefits can grow in value through investment, with a view to providing more ample funds to meet their needs in twilight years, thereby achieving the original purpose of establishing MPF System?

Reply:

President,

The replies to the questions raised by the Hon Chan are as follows:

(1) As at the end of December 2015 and December 2016 (Note), the numbers of accounts held by Mandatory Provident Fund (MPF) scheme members who are aged 65 or above were approximately 128 000 and 151 000 respectively. The balances of accrued benefits in these accounts were about \$7.47 billion and \$8.87 billion respectively.

The above figures include accounts of those scheme members who have reached the age of 65 but have never withdrawn their MPF accrued benefits and those who have made partial withdrawals. The Mandatory Provident Fund Schemes Authority (MPFA) does not have information on the number and percentage of eligible scheme members to withdraw their MPF accrued benefits who have reached age 65 but have never done so.

(2) The MPFA does not have information on the amount of contributions, investment return and balance of accrued benefits in respect of a MPF scheme member.

The MPF System is mandatory in nature. Employers and employees are required to make monthly contributions. Generally speaking, with the compounding effect of MPF returns, the longer the investment period, the more assets will be accumulated, and the accrued benefits of scheme members should increase gradually over time. Of course, the actual situation of each individual member is subject to the investment decisions made by the member throughout the accumulation period.

In fact, the total assets of the MPF System grew extensively by more than 22 times from about \$36 billion as at the end December 2001 (i.e. one year after the implementation of the System) to \$843.5 billion as at the end of December 2017 (i.e. 17 years after the implementation of the System), of which about \$267.4 billion is net investment return after deducting charges and expenses, representing about one-third of the total assets. The annualised return for the period from December 2000 to December 2017 was 4.8 per cent, which was higher than the 1.8 per cent inflation rate over the same period.

(3) To provide more flexibility in withdrawal options to facilitate scheme

members to better plan and manage their MPF accrued benefits to meet their needs after retirement, we have implemented phased withdrawal of MPF benefits in 2016. When scheme members retire or early retire, apart from withdrawing their MPF benefits in a lump sum, they can also choose to withdraw them by instalments. The accrued benefits retained in MPF schemes will continue to be invested.

The MPFA reminds scheme members from time to time that they may consider retaining their MPF accrued benefits in their personal accounts for rollover and continuous investment if there is no urgent need to withdraw them upon retirement for use. They may withdraw their benefits thereafter as needs arise.

Scheme members should consider whether or not to withdraw their MPF benefits by instalments, the number of withdrawals as well as the amount of MPF accrued benefits to be withdrawn each time in light of their personal needs and circumstances.

Note: Information as at the end of December 2017 is not yet available.

Red flag hoisted at Clear Water Bay First Beach

Attention TV/radio announcers:

Please broadcast the following as soon as possible:

Here is an item of interest to swimmers.

The Leisure and Cultural Services Department announced today (May 9) that due to big waves, red flag has been hoisted at Clear Water Bay First Beach in Sai Kung District. Beach-goers are advised not to swim at the beach.