

LCQ22: Prohibiting the trade of products containing ingredients from bear bile

Following is a question by the Dr Hon Elizabeth Quat and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (May 30):

Question:

At present, the import and export of Chinese herbal medicines, proprietary Chinese medicines and related products containing ingredients from bear gall bladders are regulated under the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586). Given that the practice of extracting bile from live bears is extremely cruel and inhumane, a number of international organisations which are concerned about animal welfare have in recent years actively called upon various countries to step up the regulation of the trade of products containing ingredients from bear gall bladders. In this connection, will the Government inform this Council:

(1) of the quantity of products containing ingredients from bear gall bladders which were legally imported into Hong Kong in each of the past five years (with a breakdown by place of origin); whether it knows, among such products, the respective quantities of those sold in Hong Kong and transshipped to the Mainland and to other places;

(2) given that the international activities of illegal hunting and killing of wild bears have all along remained rampant owing to the huge profits that may be generated by the sale of products containing ingredients from bear gall bladders, coupled with the report that the Huanggang customs and excise authorities on the Mainland have earlier on seized at the Huanggang Port 13 bear gall bladders with a total weight of 297.71 grams from a private car travelling to the Mainland, whether the authorities will step up the law enforcement efforts in Hong Kong and raise the relevant penalty level to combat the illegal import and export of products containing ingredients from bear gall bladders;

(3) whether the authorities will enact legislation expeditiously to impose a total ban on (i) the import and export of products containing ingredients from bear gall bladders and (ii) any form of trading in bear gall bladders; if so, of the details and the timetable; if not, the reasons for that; and

(4) as some Chinese medicine experts have pointed out that some clinical researches have proved that certain Chinese herbal medicines have the same efficacy as bear gall bladders, whether the authorities will step up their efforts in public education to avoid using bear gall bladders in medicine by members of the public; if so, of the details; if not, the reasons for that?

Reply:

President,

In consultation with the Department of Health and the Agriculture, Fisheries and Conservation Department (AFCD), a consolidated reply to the four parts of the question is as follows:

(1) The Hong Kong Special Administrative Region Government is committed to the protection of endangered species and implements the Protection of Endangered Species of Animals and Plants Ordinance (the Ordinance) (Cap. 586) to fulfill the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) requirements in regulating the trade in CITES-listed species. Currently, all bear species of the family Ursidae are listed in Appendix I or Appendix II of CITES and are regulated by the Ordinance. According to the Ordinance, commercial trade in Appendix I species of wild origin is prohibited. Import of Appendix II species, including traditional Chinese medicinal materials, proprietary Chinese medicines (pCms) and products, must first obtain a valid CITES export permit issued by the CITES management authority of the exporting place, and be inspected by authorised officer upon arrival in Hong Kong. In the past five years, the majority of bear bile or pCm/products containing bear bile imported into Hong Kong were originated from Russian brown bears, which is listed in CITES Appendix II. The bear bile and products re-exported from Hong Kong was shipped to Japan. As local possession of non-living Appendix II species for commercial purposes is exempted from the requirement of obtaining a License to Possess, we do not have information on the quantity of bear bile and its products that sold locally. The records of import and re-export of bear bile and its products over the past five years are tabulated below:

Import records:

	2013	2014	2015	2016	2017
Species	Brown Bear (App. II)	Brown Bear (App. II)	Brown Bear (App. II)	Brown bear, American black bear (App.II)	Brown Bear (App. II)
Product (Quantity)	Medicine (0.75 Kg)	Medicine (22.27 Kg) Bear bile(15.23 Kg)	Medicine (9.46 Kg) Bear bile (7.75 Kg)	Medicine (15.62 Kg+ 72,750 bottles) Bear bile (11.50 Kg)	Medicine (6.31Kg +117,450pcs) Bear bile (9.59 Kg)
Exporting place	Japan	Japan and Russia	Japan and Russia	Japan and Russia	Japan and Russia
Place of Origin	Russia	Russia	Russia	Russia and Canada	Russia

Re-export records:

	2013	2014	2015	2016	2017
Species	Brown Bear (App. II)	–	–	Brown Bear (App. II)	Brown Bear (App. II)
Product (Quantity)	Bear bile powder (11.06 Kg)	–	–	Bear bile powder (4.75 Kg)	Bear bile powder (4.80 Kg)
Destination	Japan	–	–	Japan	Japan
Place of origin	Russia	–	–	Russia	Russia

(2) to (3) The AFCD has been working closely with the Hong Kong Customs and Excise Department to combat the illegal import and export of endangered species and curb the smuggling of products containing or claiming to contain bear bile components. In order to provide a sufficiently strong deterrent against illicit wildlife trade, and to send a clear signal to the international and local communities that the Government is committed to the protection of endangered species and to combating endangered species smuggling, the penalties for offences under the Ordinance have been amended in early 2018 and the maximum penalty has been significantly increased to a fine of \$10 million and an imprisonment for 10 years. The objective of CITES is to strengthen trade controls through adoption of effective measures among governments of the contracting parties, so as to effectively protect the endangered species of wild fauna and flora and ensure that the sustainable use of wild fauna and flora will not be affected by international trade. CITES does not impose regulation on the methods of collecting specimens of endangered species. We will continue to pay attention to the international developments for whether we should enact legislation to ban the import of bear bile products and any form of bear bile sales and trading.

(4) It is generally considered in the Chinese medicine field that bear gall bladders have significant efficacy in the treatment of critical, acute, serious and rare or complex illnesses, playing an important role in Chinese medicine clinical treatment. The clinical effects of bear gall bladders in the treatment mentioned above cannot be substituted by other herbal medicines, and no artificially synthesised substitutes are available at the moment. The Chinese Medicines Board (CMB) under the Chinese Medicine Council of Hong Kong (note) has discussed the use of bear gall bladders in pCms. Having considered the uniqueness of the medicinal properties, functions and usage of bear gall bladders and the balance between animal rights and utilisation of natural resources, the CMB currently accepts the use of bear gall bladders as active ingredients of pCms for medical treatment, provided that the products meet the requirements of the Chinese Medicine Ordinance (Cap. 549) (CMO), the Ordinance and CITES.

The CMB will continue to closely keep in view international developments about the medicinal value and use of bear gall bladders, and continue to

require the medicine traders concerned to comply with the CMO and other laws in Hong Kong.

Note: The Chinese Medicine Council of Hong Kong is a statutory body established under the Chinese Medicine Ordinance. The Council is responsible for implementing regulatory measures for Chinese medicine. The main purpose for regulation of Chinese medicine is to protect public health and consumers' rights and to ensure the professional standard of Chinese medicine practice and the trade of Chinese medicines through "self-regulation".

[HAD to open temporary night heat shelters](#)

The Home Affairs Department will open 15 temporary night heat shelters tonight (May 30) for people in need of the service.

The shelters will be open from 10.30pm until 8am tomorrow.

For further information, please call the department's enquiry hotline before midnight on 2835 1473.

The 15 temporary night heat shelters are located at:

Hong Kong Districts:

Central and Western –
Sai Ying Pun Community Complex Community Hall
3/F, Sai Ying Pun Community Complex,
2 High Street, Sai Ying Pun

Eastern/Wan Chai –
Causeway Bay Community Centre
7 Fook Yum Road, Causeway Bay

Kowloon Districts:

Kowloon City –
Hung Hom Community Hall
1/F, Kowloon City Government Offices,
42 Bailey Street, Hung Hom

Kwun Tong –
Lam Tin (West) Estate Community Centre
71 Kai Tin Road, Lam Tin

Sham Shui Po –
Shek Kip Mei Community Hall
G/F, Block 42, Shek Kip Mei Estate, Sham Shui Po

Wong Tai Sin –
Tsz Wan Shan (South) Estate Community Centre
45 Wan Wah Street, Tsz Wan Shan

Yau Tsim Mong –
Henry G Leong Yaumatei Community Centre
60 Public Square Street, Yau Ma Tei

New Territories Districts:

Kwai Tsing –
Kwai Shing Community Hall
Podium, Block 6, Kwai Shing West Estate, Kwai Chung

North –
Cheung Wah Community Hall
Cheung Wah Estate, Fanling

Sha Tin –
Lung Hang Estate Community Centre
Lung Hang Estate, Sha Tin

Tai Po –
Tai Po Community Centre
2 Heung Sze Wui Street, Tai Po

Tsuen Wan –
Lei Muk Shue Community Hall
G/F, Hong Shue House, Lei Muk Shue Estate, Tsuen Wan

Tuen Mun –
Butterfly Bay Community Centre
Butterfly Estate (near Tip Sum House), Tuen Mun

Yuen Long –
Long Ping Community Hall
Long Ping Estate, Yuen Long

Yuen Long –
Tin Yiu Community Centre
Tin Yiu Estate, Tin Shui Wai

LCQ5: Issuance of cryptocurrency

Following is a question by the Hon Dennis Kwok and a reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (May 30):

Question:

It has been reported that the development of financial technology has been feverish in recent years globally. Quite a number of people raise funds through initial coin offering to exchange for a widely used cryptocurrency or cash in order to raise money to fund the research and development of a particular blockchain-related project. It has also been reported that the People's Bank of China (PBoC) will issue a statutory digital currency, and such a move will bring mammoth changes to both the Hong Kong and global economies. In this connection, will the Government inform this Council:

(1) whether the authorities will consider afresh enacting legislation to regulate the issuance, trading and storage of cryptocurrencies; if so, of the details and the timetable; if not, the reasons for that;

(2) whether the authorities have taken measures to ride on the opportunities arising from PBoC's issuance of a statutory digital currency to develop Hong Kong into an offshore or international trading hub for the digital currencies concerned; if so, of the details; if not, the reasons for that; and

(3) whether the Hong Kong Monetary Authority will, by making reference to the practices of overseas countries, explore the issuance of a free-circulating statutory digital currency and make it a means of payment that has legal backing, as well as enacting legislation to regulate the relevant trading platforms, so that the Government may monitor the relevant transactions systematically to prevent lawbreakers from using such currencies and platforms for conducting illegal activities including but not limited to money laundering?

Reply:

President,

My reply to the questions raised by the Hon Dennis Kwok is as follows:

(1) In promoting financial technologies (Fintech), the Government strives to facilitate financial innovation on the one hand and to protect the investing public in accordance with existing laws on the other.

The regulatory approaches towards initial coin offerings (ICOs) and "cryptocurrencies" vary across jurisdictions. Some regulators impose a ban, while other regulators leverage on existing regimes to regulate. The G20 meeting held in end March 2018 discussed the risks and related issues brought about by "cryptocurrencies". The meeting agreed that there was a need to closely monitor the situation. We will continue to monitor the development of

ICOs and "cryptocurrencies" in Hong Kong, and maintain close contacts with regulators in other jurisdictions through active participation in meetings of relevant international organisations, such as the International Organization of Securities Commissions and the Financial Stability Board.

Our financial regulators are closely monitoring the development of ICOs and "cryptocurrencies" in Hong Kong. They are also taking appropriate measures to safeguard the interest of the investing public.

In September 2017, the Securities and Futures Commission (SFC) published a statement which pointed out that if digital tokens offered in an ICO were "shares", "debentures", or interests in a "collective investment scheme (CIS)", they would fall under the definition of "securities". In such cases, dealing in or advising on the digital tokens, or managing or marketing a fund investing in such digital tokens, might constitute a "regulated activity" and would require registration or a licence from the SFC.

The SFC also noted that futures and commodities exchanges in the United States had launched Bitcoin futures contracts. The SFC issued a reminder in December 2017 that dealing in such contracts for investors in Hong Kong and engaging in related services, including relaying or routing orders, constituted regulated activities and required a licence from the SFC regardless of whether the business was located in Hong Kong.

In February 2018, the SFC issued an announcement that it had taken regulatory actions against a number of "cryptocurrency" exchanges and issuers of ICOs. The SFC had sent letters to "cryptocurrency" exchanges and issuers of ICOs in Hong Kong or with connections to Hong Kong, cautioning them that they should not trade "cryptocurrencies" which were "securities" without a licence. Most of these "cryptocurrency" exchanges either confirmed that they did not provide trading services for such "cryptocurrencies" or took immediate rectification measures, including removing such "cryptocurrencies" from their platforms. Issuers of ICOs also confirmed compliance with SFC's regulatory regime or immediately ceased to offer tokens to investors in Hong Kong.

(2) Central Bank Digital Currency (CBDC) has been an important subject within the central banking community. The Committee on Payments and Market Infrastructures (CPMI) and the Markets Committee (MC) of the Bank for International Settlements have formed a working group comprising all major central banks to conduct an in-depth study on the subject. The Committee members include the People's Bank of China (PBoC) and the Hong Kong Monetary Authority (HKMA).

The CPMI and the MC have recently issued a CBDC study report which sets out the general consensus among the central banking community. The overall finding is that while currently proposed implementations of CBDC for wholesale payments look broadly similar to, and not clearly superior to, existing infrastructures; CBDC that could be made widely available to the general public and serve as an alternative safe, robust and convenient payment instrument raises important questions and challenges that would need to be addressed. Most importantly, benefits of a widely accessible CBDC may

be limited if efficient private retail payment products are already in place or in development. As a result, CBDC remains a subject which requires further study and more proof-of-concept work to ascertain its feasibility for payment applications.

The HKMA will continue to engage with the central banking community, including the PBoC, to study the potential and the costs and benefits of implementing CBDC.

(3) The HKMA has carried out research on CBDC. At the same time, the HKMA notes that the benefits of CBDC and its efficiency gains will depend on the actual circumstances of a jurisdiction. In the context of Hong Kong, the already efficient payment infrastructure and services make CBDC a less attractive proposition. The HKMA has no plan to issue CBDC at this stage but will continue to monitor the international development.

The anonymous nature of holding and transacting "cryptocurrencies" poses potential money laundering or terrorist financing risks. Financial institutions and related persons must comply continuously with the statutory customer due diligence and record keeping requirements under the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance and relevant guidelines when establishing or maintaining business relationships with customers who are operators of any schemes or businesses relating to "cryptocurrencies".

Overall, the Government will continue to closely monitor the development of ICOs and "cryptocurrencies". While promoting financial innovation, we will also strive to protect the interest of the investing public. The Government, relevant regulators and the Investor Education Centre have rolled out a series of measure to remind investors of the associated risks.

LCQ21: Safety of lifts in old buildings

Following is a question by the Hon Paul Tse and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (May 30):

Question:

A number of accidents resulting in casualties caused by failures of lifts in old buildings have occurred one after another in recent years. Widely known cases include: in February this year, a lift mechanic was crushed to death by a lift at On Yam Estate, Kwai Chung; on the 8th of last month, a lift in Waterside Plaza, Tsuen Wan, ascended at a high speed and then smashed the top of the lift shaft, causing injury to a couple; and on

the 11th of this month, a woman died after getting her leg trapped by the closing doors of a lift and then falling to the bottom of the shaft in Sheungshui Town Centre, Sheung Shui. Quite a number of members of the public are extremely concerned about the proper repair and maintenance of the lifts in their residences. In this connection, will the Government inform this Council:

(1) whether it has compiled statistics on the total number of lifts in buildings which are more than 30 years old; among them, of the number of lifts situated in Kwun Tong and Wong Tai Sin Districts;

(2) of the policies in place to monitor the repair and maintenance of lifts in old buildings; whether it has stepped up monitoring efforts in response to the frequent occurrence of lift accidents in old buildings in recent years;

(3) of the respective brands and models of lifts, as far as the authorities know, among the many lifts in old buildings, (i) the supply of parts for which from the original manufacturers is no longer available and (ii) the manufacturers of which no longer provide the relevant lift repair and maintenance services in Hong Kong;

(4) of the current manpower in the Electrical and Mechanical Services Department (EMSD) responsible for the work of monitoring lift safety; among which, the manpower responsible for Kwun Tong and Wong Tai Sin Districts;

(5) whether it will consider implementing the proposal from a member of the Kwun Tong District Council (To Tai constituency) that a fund be set up by the Government to subsidise owners of buildings which are more than 30 years old for carrying out inspection, repair and replacement of old-model lifts therein, so as to safeguard public safety; if so, of the details; if not, the reasons for that;

(6) whether it will establish a contingency mechanism for lifts which are more than 30 years old so that when an emergency lift incident or accident has occurred, or when members of the public have noticed any anomalies or signs of danger on lifts, the contingency mechanism may be activated immediately to cope with the situation;

(7) as it has been reported that the Registered Lift Contractors' Performance Rating Scheme established by EMSD is virtually non-existent as quite a number of contractors with no safety star or quality star may still undertake works, whether the authorities have reviewed the loopholes in the existing mechanism; if so, of the details; if not, whether a review will be conducted immediately; and

(8) of the respective numbers of registered lift contractors (i) whose performance was rated as substandard, (ii) who were issued warning letters, and (iii) who were fined or had their registration revoked due to contravention of regulation, in the past three years?

Reply:

President,

The operation of lifts in Hong Kong is regulated by the Lifts and Escalators Ordinance (Cap. 618) (the Ordinance), which was put into operation on December 17, 2012, to replace the repealed Lifts and Escalators (Safety) Ordinance (Cap. 327). The Ordinance introduces a series of new and enhanced regulatory measures including stipulating clearly the responsibilities of the Responsible Person (i.e. owner of the lift/escalator and any person who has the management or control of the lift/escalator), the Registered Contractor, the Registered Engineer and the Registered Worker. Since the Ordinance has come into operation, the average annual number of incidents (Note) involving failure of lift and escalator equipment has been remarkably reduced as compared with that before the Ordinance was put in effect, with a reduction of 72 per cent from an average of 28 cases per year in 2010 to 2012 to an average of 7.8 cases per year in 2013 to 2017. The Electrical and Mechanical Services Department (EMSD) will continue to strictly enforce the Ordinance and is committed to introducing various measures to enhance the safety of aged lifts, so as to ensure that the public can enjoy safe lift services.

Our reply to the question raised by the Hon Paul Tse is as follows:

(1) As of the end of 2017, there were about 66 200 lifts in Hong Kong, of which about 20 430 were more than 30 years old. There were about 1 570 and 450 of lifts of more than 30 years old in Kwun Tong and Wong Tai Sin Districts respectively;

(2 and 5) The Ordinance stipulates the Responsible Person for a lift must ensure that the lift and all its associated equipment or machinery are kept in a proper state of repair and in safe working order. The Responsible Person shall engage a Registered Contractor to undertake the maintenance works of the lift and ensure that periodic maintenance is carried out in respect of the lift at intervals not exceeding one month. The Responsible Person shall also ensure the lift to be thoroughly examined by a Registered Engineer at intervals not exceeding 12 months. The EMSD adopts a risk-based approach and strengthens surveillance checks of those lifts with higher risk factors, such as with longer in-service years and frequent complaints or failures, so as to monitor the maintenance works and check for contraventions of the Ordinance.

In general, lifts are safe to use with proper periodic examination and maintenance. Owing to rapid technological advancement in recent years, modern lifts are equipped with more comprehensive safety devices than the aged ones. Therefore, aged lifts have room for improvement and enhancement. In view of this, the EMSD promulgated in 2011 "the Guidelines for Modernising Existing Lifts", which aims at recommending the Responsible Persons install safety devices (including the unintended car movement protection device) for their aged lifts to make the lifts safer, more reliable and comfortable.

As of the end of 2017, there were about 66 200 lifts in Hong Kong, of which about 80 per cent were not equipped with safety devices of the latest standard. Owing to the fact that the lift modernisation is carried out on a

voluntary basis, modernisation works of different level have been carried out to about 5 200 lifts since 2011. The progress is not remarkable.

In view of the above, the Development Bureau and the EMSD are actively formulating new measures in short term, medium term and medium-to-long term to enhance the safety of aged lifts, thereby further protecting public safety.

(3) In general, lift manufacturers will design and manufacture their products in accordance with relevant international guidelines or standards. Many parts can be compatible with those produced by other manufacturers. Some manufacturers may even adopt parts produced by other manufacturers in manufacturing their products. Therefore, discontinuation of production of certain manufacturers or of certain models does not imply that the relevant parts and components cannot be purchased from the market.

However, with time we believe it will become more and more difficult to acquire compatible parts after cessation of production. As a result, it is probable that the time required for maintenance and repair will be affected and the usage rate of lifts reduced. Eventually, it may be impossible to purchase compatible parts in the market.

Therefore, the Responsible Person for a lift should find out from his Registered Contractor the actual situation and decide whether his lift should be replaced or modernised. The EMSD does not have the information regarding the brands and models of lifts of which the genuine parts are no longer supplied by the respective manufacturers or the respective manufacturers no longer provide maintenance services in Hong Kong.

(4) At present, there is a dedicated team comprising 43 staff members in the EMSD responsible for carrying out various regulating work on lift and escalator safety in Hong Kong. The department will deploy its manpower flexibly to carry out the regulatory work according to actual needs, and hence no dedicated manpower is assigned to be responsible for individual districts.

(6) Lifts in Hong Kong are equipped with different safety components and devices to ensure passenger safety. With proper periodic maintenance and examination, normal operation of lifts can be safeguarded. Notwithstanding this, if passengers notice any abnormalities of the lift, such as movement of the lift car before complete closure of the lift door, they should immediately notify the lift's Responsible Person (including the building management office, the owners' corporation and the owners' committee) to follow up. The Responsible Person should suspend the operation of the lift before ascertaining its safety, and should also contact the Registered Contractor for inspection and follow up as soon as possible. The Registered Contractor has the responsibility to follow up the fault call received in a serious manner to ensure safe operation of the lift.

Upon receiving a notification of the occurrence of a lift incident, the EMSD will arrange duty officers to arrive at the scene as soon as possible

for an investigation. If the incident is found involving contravention of the Ordinance, the EMSD will strictly enforce the law.

(7 and 8) During the daily surveillance checks and incident investigations, if the EMSD discovers that a contractor has performed unsatisfactorily or even contravened the Ordinance, the EMSD will take appropriate action according to the seriousness of the case. For serious cases, prosecution will be taken in accordance with the Ordinance and/or the cases will be submitted to the Disciplinary Board Panel for hearing. The contractor may be subject to cancellation or suspension of registration eventually. As the relevant procedures will take time, the EMSD has introduced the "Registered Lift and Escalator Contractors' Performance Rating System", as an administrative measure other than enforcement under the Ordinance. This will enable the EMSD to deduct the score of a contractor immediately according to the seriousness of the incident. The scores will be uploaded to the EMSD's website so that the public can know the performance of each contractor in a timely manner, thus enabling them to choose a suitable contractor to provide maintenance services for their lifts. The EMSD will also make remarks in the said website promptly when a contractor is involved in a serious incident under investigation, so that the public can make a holistic assessment when choosing their lift contractors.

The "Registered Lift and Escalator Contractors' Performance Rating System" uses a "Star Rating" system to present the safety and services quality performance of contractors in carrying out lift/escalator works. There is no "pass" or "fail" under the system. If a contractor does not have the "Safety Star", it means that in the preceding 12 months' inspections by the EMSD, the contractor has had its score on safety items deducted, received warning letters from the EMSD and was under the department's further investigation. As mentioned above, the EMSD will examine the safety issues in each case in accordance with the established criteria and procedures to decide on appropriate enforcement actions, including the need for cancellation or suspension of registration. Unless the registration of the contractor has been cancelled or suspended, they can still provide lift maintenance services, including those under the ongoing services contracts.

From 2015 to 2017, a total of 17 Registered Contractors were issued with warning letters. In addition, since 2015, there have been four Registered Contractors convicted and fined by the court for contravention of the Ordinance, while there has been one Registered Contractor each ruled and fined by the Disciplinary Board Panel as a result of having committed a disciplinary offence under the "Lifts and Escalators (General) Regulation" and the "Code of Practice for Lift Works and Escalator Works" respectively. In the past three years, no Registered Contractor had been cancelled of registration.

The EMSD will continue to listen to the views of various stakeholders on the "Registered Lift and Escalator Contractors' Performance Rating System" and will timely review and improve the system.

Note: In accordance with the Ordinance, the Responsible Person for a lift

must notify the Director of Electrical and Mechanical Services of the following lift incident:

- (i) A person dies or is injured and the death or injury involves a lift or any associated equipment or machinery of a lift;
- (ii) A failure of the main drive system of a lift;
- (iii) A breakage of any suspension rope of a lift;
- (iv) A failure of any brake, overload device, safety component or safety equipment of a lift; or
- (v) A failure of any interlocking device for any door of the lift-way of a lift.

LCQ4: Short-term tenancy sites for lease by recyclers

Following is a question by the Hon Yung Hoi-yan and a reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council today (May 30):

Question:

The Government currently provides long-term sites at the EcoPark in Tuen Mun for lease by the recycling industry at an affordable cost. The Government has also set aside a number of short-term tenancy sites in various districts for lease by the recycling industry. However, some recyclers have relayed that each time when their tenancies for short-term tenancy sites are not renewed upon expiry, they need to look for sites for relocation, or else they need to make layoffs or even close down business. This situation is not only unfavourable to the long-term development of the recycling industry, but it also affects the operation of the small and medium enterprises concerned and the livelihood of the practitioners. In this connection, will the Government inform this Council:

(1) of the current number of short-term tenancy sites for lease by recyclers and, in respect of each site, set out by District Council district the location, area, planned use, the year in which the first tenancy was granted, the number of times for which the tenancy has been renewed so far, the cumulative years of tenancy, as well as the dates on which the existing tenancies commenced and will expire, the name of the tenant and the types of waste recycled; whether the Government will provide more short-term tenancy sites for lease by the recycling industry; if so, in respect of those sites, of their locations, areas, planned uses, the number of years for which they are available for leasing, restrictions on the types of waste to be recycled, the respective expected dates on which tenders will be invited and tenancies will commence;

(2) whether the Government will formulate measures to address the problem of unstable business environments faced by the tenants of short-term tenancy sites, e.g. granting longer tenures, providing long-term sites at the EcoPark, on the periphery of landfills, restored landfills and other suitable locations for them to lease at an affordable cost, and assisting them in finding suitable sites on the Mainland; of the tenancies of the sites at the EcoPark in the past five years; whether it will comprehensively review matters concerning the EcoPark such as the management, grant of sites for lease and the provision of facilities; if so, of the details; and

(3) whether it has formulated long-term goals and promotional strategies for the development of the recycling industry, such as offering land and tax concessions in order to assist the industry in upgrading and restructuring operations, as well as seizing the opportunities brought about by the nation's development of the Guangdong-Hong Kong-Macao Bay Area; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government attaches importance to supporting the sustainable development of the recycling industry, and one of the key supportive initiatives is to provide suitable land and infrastructure. Regarding the questions raised by the Hon Yung, my responses are as follows:

(1) To support the development of the recycling industry, the Government has all along been identifying sites under short-term tenancy (STT) for exclusive bidding and use by the recycling sector, in addition to the 20 hectares of land provided in the EcoPark. Currently, 32 STT sites have been dedicated for use by the sector, amounting to a total area of about 4.8 hectares. Relevant information on these STT sites, broken down by District Council district, is set out at the Annex.

On identifying suitable STT sites for exclusive use by recyclers, we continue to collaborate with the government departments concerned, such as the Lands Department (LandsD) and Planning Department, and have initially identified STT sites with a total area of 0.7 hectares. We will consult community stakeholders in due course to ascertain the suitability of these sites for recycling uses. Besides, we have commissioned a consultancy study on the land requirements of the recycling industry, which will facilitate the Government to formulate land support measures for waste recovery and recycling activities.

We have also enhanced the arrangements under the Recycling Fund (the Fund) where a portion of the rental expenses required for carrying out additional recycling business or activities is counted as a fundable item under the Fund.

(2) To optimise the use of invaluable land resources, the Government normally puts vacant government sites with no imminent development needs into

temporary gainful uses, such as letting these sites to recyclers by way of STTs. The fixed term of such an STT ranges from six months to seven years, and the STT may then be renewed on a monthly or quarterly basis by the LandsD with due consideration given to the long-term development plan for the site concerned. Besides, berths at public cargo working areas have also been made available for exclusive bidding by paper recyclers.

The existing 13 restored landfills are zoned for different land uses and have been gradually developed into various public recreational facilities. Formerly used as waste disposal facilities, restored landfills are very different from ordinary land pieces as restored landfills consist of numerous waste slopes and are subject to continuous ground settlement. Moreover, after-use developments of restored landfills have to overcome many constraints and technical difficulties, such as the restrictions on ground loading and the necessary technical risk management including risk assessments on slope, natural terrain and landfill gas hazards to ensure that the aftercare work will not be affected. We do not rule out the possibility that a few suitable land pieces in some restored landfills might be considered for use by recycling developments. That said, any such development will have to overcome the abovementioned technical constraints and difficulties, subject to consultation of the Steering Committee on Restored Landfill Revitalisation Funding Scheme and local stakeholders.

Through the EcoPark in Tuen Mun, the Government has been providing long-term affordable land for the recycling sector, and tenants of the EcoPark processed some 180 000 tonnes of recyclables in 2017. Currently, a total of 11 land lots in the EcoPark have been let to private recyclers. The Environmental Protection Department (EPD) has been closely monitoring the use of lots in the EcoPark, and will arrange for timely letting of these lots whenever their tenancies expire in accordance with established principles and procedures. Tender terms will also be enhanced where necessary to meet market needs and policy objectives. Recently, a lot with an area of about two hectares has been consolidated in the EcoPark for the development of recycling facilities to process local waste paper. Open tender was invited for the lot in late March. Apart from the lot under tender, the EPD will also commence the open tender procedures for other lots in the EcoPark in due course.

The Government will continue to identify suitable sites to support the development of the local recycling industry, with a view to providing more diverse outlets for our recyclables.

(3) The Government supports community recycling and promotes development of the industry on various fronts. We are actively preparing for the implementation of the municipal solid waste charging to offer economic incentives that will drive the public to reduce our waste disposal amount and actively participate in source separation and recycling. Apart from full implementation of the two producer responsibility schemes on waste electrical and electronic equipment and glass beverage bottles in a progressive manner, we have also commissioned a study on how to introduce a producer responsibility scheme for suitable plastic containers. These measures not

only promote recycling and proper disposal of the materials concerned but also facilitate the development and operational upgrading of the recycling industry, thereby enhancing circular economy.

Regarding the support to community recycling, apart from launching a new round of the clean recycling publicity campaign, the EPD will set up an outreach team to strengthen on-site recycling support through outreaching services. Meanwhile, the service areas of the 18 community recycling centres have been expanded to collect waste plastic bottles from different private housing estates and residential buildings. The EPD will also introduce a new pilot district collection service for waste plastic bottles to enhance the cost effectiveness of handling the relevant recyclables. Besides, the Government will continue to provide financial support through the Fund to facilitate the upgrading of the operational capabilities and efficiency of the recycling sector. The EPD and the Advisory Committee on Recycling Fund will keep up their efforts in enhancing the operation of the Fund so that it will better address the needs of the industry and support its development.

By liaising closely with relevant Mainland authorities, the EPD relays latest information about Mainland import policies on recyclables to local recyclers through various means such as seminars and site visits, enabling them to keep abreast of latest market situation and seize business opportunities in a timely manner. We will continue to communicate closely with the sector and enhance various existing supportive measures, and consider launching new ones as and when necessary.

Thank you, President.