

TAC briefed on findings of MTRCL's comprehensive review of asset management and maintenance regime, latest progress of proposed measures for enhancing personalised point-to-point transport services and proposed regulatory framework for electric mobility devices

The following is issued on behalf of the Transport Advisory Committee:

The Transport Advisory Committee (TAC) was briefed today (July 25) on the findings of the comprehensive review of railway assets and maintenance regime conducted by the MTR Corporation Limited (MTRCL), the latest progress of the series of proposed measures for enhancing personalised point-to-point transport services and the proposed regulatory framework for the use of electric mobility devices (EMDs) in Hong Kong.

To ensure that railway assets are managed to a high standard, the MTRCL appointed an Expert Panel to conduct a comprehensive review of its railway asset management and maintenance regime, while the Government established an Independent Monitoring Panel (IMP) to closely monitor the review. The review by the MTRCL was completed on June 21. Following the recommendations of the Expert Panel and the Government's IMP, the MTRCL has formulated various follow-up measures to enhance its railway asset management and maintenance regime, and ensure that it would continue to provide safe and reliable railway services to the public.

The TAC Chairman, Professor Stephen Cheung, said, "Members support the five action areas formulated by the MTRCL following the comprehensive review, especially on the use of innovation and technology to overcome resource constraints and enhance services as well as railway asset maintenance. Further improvement in risk identification and mitigation is of paramount importance as the MTRCL is duty-bound to provide safe and reliable railway services to the public. Members look forward to the timely implementation of the follow-up measures so as to further enhance the railway asset management and maintenance regime, and meet the public's expectations."

At the meeting, members were briefed by the Government on the latest progress of the series of proposed measures to enhance personalised point-to-point transport services. These measures include introducing a taxi fleet regime, increasing the maximum passenger seating capacity of taxis from five

to six, introducing a Taxi-Driver-Offence Points System and a two-tier penalty system for certain taxi-driver-related offences, as well as increasing the penalties for illegal carriage of passengers for hire or reward by motor vehicles.

Professor Cheung said, "Members noted that the Government had submitted the relevant bills into the Legislative Council for scrutiny on July 12. Members welcomed the Government's proposals which should help address the public demand for taxi services of higher quality and promote the healthy development of taxi trade in the long run, while enhancing the protection of passengers and other road users."

Members were also briefed by the Government at the meeting on the proposed formulation of a regulatory framework and associated legislative amendments on EMDs, with a view to allowing the use of EMDs in a gradual and prudent manner. Currently, as EMDs are mechanically propelled, they fall within the definition of "motor vehicles" under the Road Traffic Ordinance (Cap. 374). Therefore, the use of unregistered or unlicensed EMDs on roads or private roads (including footpaths) may contravene relevant laws. Nevertheless, with the advancement of technology, the design and production technology of EMDs have been enhanced and their production costs reduced, giving rise to their prevalence. The use of EMDs has also been increasingly accepted and regulated in various jurisdictions.

In order to gain actual operating experience in the regulation of EMDs, the Transport Department conducted a series of site trials on sections of cycle tracks and questionnaire surveys. The Government proposed that consideration may be given to allow the use of certain EMDs on designated cycle tracks, where technical and safety requirements are met, to promote green and low-carbon modes of commuting. Given the dense population and high vehicular traffic flow in Hong Kong, EMDs should not be used on footpaths or carriageways.

Professor Cheung said, "Members acknowledged the Government's proposed formulation of an EMD certification scheme to label compliant devices, phased implementation for allowing the use of EMDs with labels on designated cycle tracks and introduction of a fixed penalty regime to enhance the effectiveness of enforcement actions, as well as imposition of requirements on the minimum age of EMD users and mandatory helmet wearing to enhance safety. Members welcomed the Government's proposal on the regulatory framework for the use of EMDs and the associated legislative amendment exercise. They also gave their views on the details of the proposed regulatory framework."

Exchange Fund Position at end-June 2023

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

The Hong Kong Monetary Authority (HKMA) today (July 25) published the unaudited financial position of the Exchange Fund at end-June 2023.

The Exchange Fund recorded an investment income of HK\$110.0 billion in the first half of 2023. The main components were:

- gains on bonds of HK\$58.0 billion;
- losses on Hong Kong equities of HK\$4.8 billion;
- gains on other equities of HK\$48.5 billion;
- negative currency translation effect of HK\$1.8 billion on non-Hong Kong dollar assets (Note 1); and
- gains on other investments of HK\$10.1 billion (Note 2).

Fees on placements by the Fiscal Reserves and placements by Hong Kong Special Administrative Region Government funds and statutory bodies were HK\$10.0 billion (Note 3) and HK\$7.9 billion respectively in the first half of 2023, with the rate of fee payment at 3.7 per cent for 2023.

Total assets of the Exchange Fund stood at HK\$3,983.9 billion at end-June 2023, a decrease of HK\$24.1 billion from the end of 2022. Accumulated surplus stood at HK\$606.2 billion at end-June 2023.

The Chief Executive of the HKMA, Mr Eddie Yue, said, "There have been signs that inflation in the US has peaked since last year, and the downward trend has continued into the first half of 2023. Investor sentiment has turned positive as the market generally anticipated a slower pace of US rate hikes, coupled with economic data indicating resilience in the US economy. Despite the emergence of market risks arising from the banking crisis in the US and Europe, as well as the US debt ceiling debate, major equity markets maintained their upward momentum, as evidenced by the 15.9 per cent increase in the S&P 500 Index in the first half of this year. On the other hand, with yields of major Government bonds at multi-year high levels, the Exchange Fund has earned decent interest income on its bond holdings. With the reversal of last year's significant decline both in equity and bond markets, the Exchange Fund registered an overall investment income of HK\$110 billion in the first half of 2023."

He added, "Looking ahead, we are not overly optimistic about the investment outlook for the rest of the year. Although global economy has demonstrated resilience to the rapid rate hikes of major central banks, the possibility of continued monetary and credit tightening in the banking sector leading to economic recession is still uncertain. Furthermore, uncertainties

surrounding the path of inflation and peak policy rates set by major central banks remain high, presenting challenges to the investment environment. Geopolitical instability, including the ongoing Russia-Ukraine conflict, along with tensions among major economies, may also trigger asset market corrections and volatilities at any time.

"In face of these challenges, the HKMA will remain prudent and flexible in its management of the Exchange Fund. We will continue to strengthen the Exchange Fund's ability to withstand market fluctuations through defensive measures. Moreover, we will continue to diversify investments to strive for more stable returns for the Exchange Fund and to achieve its long-term investment objectives."

Note 1: This is primarily the effect of translating foreign currency assets into Hong Kong dollar after deducting the portion for currency hedging.

Note 2: This is the valuation change of investments held by investment holding subsidiaries of the Exchange Fund. This figure reflects the valuations at the end of March 2023. Valuation changes of these investments from April to June are not yet available.

Note 3: This does not include the 2023 fee payment to the Future Fund because such amount will only be disclosed when the composite rate for 2023 is available.

HAD opens temporary heat shelters

â€‹ The Home Affairs Department will continue to open 19 community halls/community centres as temporary heat shelters today (July 25).

The temporary heat shelters will remain open for people to take refuge from the heat when the Very Hot Weather Warning is in force. From 10.30pm to 8am the next day, the temporary heat shelters will also provide bedding and a sleeping place for people in need. The shelters are manned by duty attendants.

For further information, please call the department's hotline before midnight on 2572 8427.

The heat shelters are located at:

Hong Kong Island:

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

2 High Street, Sai Ying Pun

Eastern –

Causeway Bay Community Centre
3/F, 7 Fook Yum Road, Causeway Bay

Southern –

Wah Kwai Community Centre
Wah Kwai Estate, Kellett Bay

Wan Chai –

Wan Chai Activities Centre
LG/F, Wan Chai Market, 258 Queen's Road East, Wan Chai

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 –

Nam Cheong District Community Centre
1 Cheong San Lane, 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:

Islands –

Tung Chung Community Hall
G/F, Tung Chung Municipal Services Building, 39 Man Tung Road, Tung Chung

Kwai Tsing –

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

North –

Cheung Wah Community Hall

Cheung Wah Estate, Fanling

Sai Kung –

Hang Hau Community Hall

G/F, Sai Kung Tseung Kwan O Government Complex, 38 Pui Shing Road, Hang Hau, Tseung Kwan O

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

In addition to the above heat shelters, a number of community halls/community centres can also be used for taking refuge from the heat during their operating hours. For their address details, please browse the following

document: www.had.gov.hk/file_manager/en/documents/public_services/emergency_services/List_CH_CC_Day_E.pdf.

External merchandise trade statistics for June 2023

The Census and Statistics Department (C&SD) released today (July 25) the external merchandise trade statistics for June 2023. In June 2023, the values of Hong Kong's total exports and imports of goods both recorded year-on-year decreases, at 11.4% and 12.3% respectively.

In June 2023, the value of total exports of goods decreased by 11.4% over a year earlier to \$337.4 billion, after a year-on-year decrease of 15.6% in May 2023. Concurrently, the value of imports of goods decreased by 12.3% over a year earlier to \$393.9 billion in June 2023, after a year-on-year decrease of 16.7% in May 2023. A visible trade deficit of \$56.6 billion, equivalent to 14.4% of the value of imports of goods, was recorded in June 2023.

For the first half of 2023 as a whole, the value of total exports of goods decreased by 15.5% over the same period in 2022. Concurrently, the value of imports of goods decreased by 13.2%. A visible trade deficit of \$231.6 billion, equivalent to 10.6% of the value of imports of goods, was recorded in the first half of 2023.

Comparing the second quarter of 2023 with the preceding quarter on a seasonally adjusted basis, the value of total exports of goods increased by 0.4%. Meanwhile, the value of imports of goods decreased by 0.7%.

Analysis by country/territory

Comparing June 2023 with June 2022, total exports to Asia as a whole dropped by 12.0%. In this region, decreases were registered in the values of total exports to most major destinations, in particular Malaysia (-31.9%), Singapore (-26.2%), Japan (-16.8%), the Philippines (-15.8%) and the mainland of China (the Mainland) (-13.1%).

Apart from destinations in Asia, decreases were registered in the values of total exports to most major destinations in other regions, in particular Germany (-29.0%), the USA (-22.1%) and the United Kingdom (-14.6%).

Over the same period of comparison, decreases were registered in the values of imports from most major suppliers, in particular Singapore (-31.9%), Thailand (-30.4%), Vietnam (-22.7%), Malaysia (-20.1%), the Philippines (-18.4%) and the Mainland (-13.1%).

For the first half of 2023 as a whole, year-on-year decreases were registered in the values of total exports to most major destinations, in particular Japan (-24.0%), Singapore (-23.5%), Taiwan (-19.2%), the Mainland (-19.2%) and India (-17.3%). On the other hand, increases were recorded in the values of total exports to Netherlands (+10.8%) and the United Arab Emirates (+8.8%).

Over the same period of comparison, year-on-year decreases were registered in the values of imports from most major suppliers, in particular Korea (-35.3%), Singapore (-30.9%), Thailand (-24.1%), Vietnam (-20.7%), Taiwan (-17.5%) and the Mainland (-9.6%).

Analysis by major commodity

Comparing June 2023 with June 2022, decreases were registered in the

values of total exports of most principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$20.4 billion or -10.6%) and "office machines and automatic data processing machines" (by \$9.8 billion or -23.5%).

Over the same period of comparison, decreases were registered in the values of imports of some principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$28.0 billion or -13.3%) and "office machines and automatic data processing machines" (by \$14.4 billion or -36.4%).

For the first half of 2023 as a whole, year-on-year decreases were registered in the values of total exports of some principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$210.1 billion or -18.5%), "office machines and automatic data processing machines" (by \$70.2 billion or -27.3%) and "telecommunications and sound recording and reproducing apparatus and equipment" (by \$27.3 billion or -10.3%).

Over the same period of comparison, year-on-year decreases were registered in the values of imports of some principal commodity divisions, in particular "electrical machinery, apparatus and appliances, and electrical parts thereof" (by \$215.2 billion or -18.5%), "office machines and automatic data processing machines" (by \$68.2 billion or -31.2%) and "telecommunications and sound recording and reproducing apparatus and equipment" (by \$33.8 billion or -12.4%).

Commentary

A Government spokesman said that the value of merchandise exports fell further in June 2023 from a year earlier amid the weak external environment. Exports to the Mainland, the United States and the European Union all shrank. Exports to most other major Asian markets continued to fall by varying degrees.

Looking ahead, with slower global economic growth, Hong Kong's export performance will continue to face intense pressure in the near term. The Government will monitor the situation closely.

Further information

Table 1 presents the analysis of external merchandise trade statistics for June 2023. Table 2 presents the original monthly trade statistics from January 2020 to June 2023, and Table 3 gives the seasonally adjusted series for the same period.

The values of total exports of goods to 10 main destinations for June 2023 are shown in Table 4, whereas the values of imports of goods from 10 main suppliers are given in Table 5.

Tables 6 and 7 show the values of total exports and imports of 10

principal commodity divisions for June 2023.

All the merchandise trade statistics described here are measured at current prices and no account has been taken of changes in prices between the periods of comparison. A separate analysis of the volume and price movements of external merchandise trade for June 2023 will be released in mid-August 2023.

The June 2023 issue of "Hong Kong External Merchandise Trade" contains detailed analysis on the performance of Hong Kong's external merchandise trade in June 2023 and will be available in early August 2023. Users can browse and download the report at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1020005&scode=230).

Enquiries on merchandise trade statistics may be directed to the Trade Analysis Section of the C&SD (Tel: 2582 4691).

Red flag hoisted at Clear Water Bay Second 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 (July 25) that due to big waves, the red flag has been hoisted at Clear Water Bay Second Beach in Sai Kung District. Beachgoers are advised not to swim at the beach.