

LCQ10: Power supply incidents

Following is a question by the Hon Starry Lee and a written reply by the Secretary for Environment and Ecology, Mr Tse Chin-wan, in the Legislative Council today (July 3):

Question:

CLP Power Hong Kong Limited (CLP) experienced a cable fault in the Wong Tai Sin district on the evening of the 12th of last month, which reportedly caused extensive power outage in Lung Kwong House of Lower Wong Tai Sin Estate, Lions Rise, Mei Tak House of Mei Tung Estate and Temple Mall South, etc., and CLP experienced seven voltage dip and power interruption incidents in the first half of this year. In this connection, will the Government inform this Council:

(1) given that in the reply to a question raised by a Member of this Council on the Estimates of Expenditure 2024-2025, the Government has indicated that CLP experienced 10, 19 and 16 incidents of voltage dip and power interruption in 2021, 2022 and 2023 respectively, whether it knows the location, the number of customers affected and the duration of the power interruption of each incident;

(2) whether it knows, in the incident on the 12th of last month, if the affected area was powered by the ring power distribution system; if it was, why CLP failed to maintain the power supply by other cables after the incident occurred; if not, whether CLP will consider introducing the ring power distribution system into the area, so as to enhance the reliability of the power supply;

(3) whether it knows if CLP will offer compensation to its customers affected by the incident on the 12th of last month by modelling on its practice of giving out Appreciation Vouchers to the affected customers following the major power outage in Yuen Long, Tin Shui Wai and Tuen Mun in June 2022; if CLP will, of the details; if not, the reasons for that;

(4) given that the Environment and Ecology Bureau has, in the light of the incident on the 12th of last month, requested CLP to offer funds for the engagement of an independent consultant by the Electrical and Mechanical Services Department to re-examine past power interruption incidents, conduct a comprehensive review of the power supply system, and make holistic recommendations to minimize the occurrence of power interruptions, of the details of the progress of the various tasks;

(5) as there are views that the demand for power consumption surges as Hong Kong is heading into the scorching summer, whether it knows if CLP will conduct risk assessments and expedite the inspection of high-risk areas (including the cables, substations and other power supply installations in old districts and areas powered by the radial power distribution system), so

as to ensure that there are no potential safety hazards during the peak power consumption periods, and modernize obsolete facilities when necessary; if CLP will, of the details; if not, the reasons for that; and

(6) whether it will review the new penalty scheme introduced under the 2023 interim review on the Scheme of Control Agreements, so as to include incidents of a scale similar to that on the 12th of last month in the scope of the penalty system; if so, of the details; if not, the reasons for that?

Reply:

President,

A stable and reliable power supply is very important to the daily lives of the public and every level of economic activities in Hong Kong. The Government is very concerned about a number of power outage and voltage dip incidents of CLP Power Hong Kong Limited (CLP) occurring one after another in the recent half year, leading to public concerns about whether CLP's service quality is on the decline. The Environment and Ecology Bureau (EEB) earlier indicated that it was necessary for CLP to examine its company culture and management system for the entire power supply system to identify the root causes of the problem, make fundamental improvements to reduce the chances of similar incidents in the future, and maintain the stable and reliable power supply that Hong Kong has always been proud of.

Regarding the various parts of the question raised by Hon Starry Lee Wai-king, our reply is as follows:

(1) According to the records of incidents reported under the prevailing reporting mechanism, voltage dip and power outage incidents of CLP's power supply system from 2021 to 2023 are detailed in Annex.

(2) and (4) As regards the power outage incident occurred in Wong Tai Sin area on June 12, 2024, CLP preliminarily suggested that there were two 11kV ring circuit underground cables supplying power in the area and the incident was related to the fault of the two underground cables one after the other that day. Upon receipt of CLP's notification, the Electrical and Mechanical Services Department (EMSD) immediately deployed staff to the site to investigate and follow up on the incident, as well as requested CLP to identify the cause of the incident as soon as possible and to submit a detailed report within four weeks (i.e. on or before July 10, 2024) to explain the cause of the incident and the necessary remedial measures to be taken, in accordance with the Electricity Ordinance (Cap. 406). Upon receipt of the incident report, the EMSD will review the investigation findings and improvement measures as well as closely monitor CLP's implementation of various measures to prevent recurrence of similar incidents. If needed, the EMSD will request CLP to make clarifications or provide further information and additional improvement measures.

On the day following the incident, the Secretary for Environment and Ecology (SEE) met with the Managing Director of CLP and requested CLP to

allocate resources for an independent consultant. The EMSD will be responsible for engaging the independent consultant, who will report to Director of Electrical and Mechanical Services (DEMS) after:

- (i) Conducting a re-examination of all voltage dips and power supply interruption incidents that occurred in the past three years, listing the causes, improvement measures, implementation status of the measures, and their effectiveness;
- (ii) Conducting a comprehensive review of the safety design of the power supply system, its capability to withstand the impact of external factors, the arrangements for maintenance and preventive maintenance, the procurement and inspection system for materials, the supervision and quality assurance standards, as well as personnel qualification, training and retraining requirements; and
- (iii) Providing comprehensive recommendations on how to enhance the stability and reliability of the power supply, and reduce the chances of similar incidents in the future.

In response to the above request, the EMSD and CLP have formed the "Task Force on Review of CLP's Power Supply System" (Task Force) and has commenced relevant work. The EMSD is currently following up on the recruitment of an independent consultant, with a view to completing the review and submitting a report within 12 months. The EMSD is also preparing for the establishment of the "Steering Group on Review of CLP's Power Supply System" (Steering Group). DEMS will invite local experts and scholars to join the Steering Group to supervise the work of the independent consultant and advise on the report. The first meeting of the Steering Group is tentatively scheduled in August 2024.

Subsequently, a voltage dip incident occurred in CLP's 400kV overhead line power supply system connecting Yuen Long and Shenzhen in the early morning on June 23, 2024. While there were no extreme weather conditions that night, CLP suspected that the incident was related to the inclement weather as Thunderstorm Warning was issued by the Hong Kong Observatory. The EEB is extremely concerned about the electrical incidents occurred under such circumstances and was of the view that CLP should not wait until the completion of the review for its result, but should enhance the capability of the power supply system to withstand inclement weather as soon as possible. The EMSD also shortly followed up with CLP on how to enhance the lightning protection capability of power supply system, with a view to reducing the risk brought about by the high frequency of Thunderstorm Warnings during these few months. In addition, the EMSD has established a task force to solemnly follow up on the improvement measures proposed by CLP, including various short, medium and long term measures, with an aim to mitigating the impact of extreme weather on the power supply system, such as increasing manpower and adopting innovative technology to conduct inspections and maintenance of key facilities, and installing more lightning protection systems on some outdoor power facilities, to minimise the impacts of lightning, etc. Apart from ensuring CLP's implementation of various measures, the task force will also examine whether CLP's timetable for implementation of measures can be accelerated, and if there are any additional measures which can assist to enhance the capability of power supply system to

withstand the impact of inclement weather.

(3) During the meeting with the Managing Director of CLP on June 13, SEE suggested that CLP offers "Appreciation Vouchers" to the affected customers, making reference to the power outage incident after the Cable Bridge Fire Incident in Yuen Long in June 2022. We believe that, CLP, as a socially responsible company, would carefully consider the suggestion.

(5) CLP stated that with a view to ensuring a reliable power supply during peak demand periods, particularly during scorching summer days with sharply increased demand, CLP had been continuously monitoring the demand of the power supply system and promptly identifying areas with higher growth of power demand to formulate necessary mitigation measures (including the replacement of aging equipment when necessary). When any potential overload conditions are forecasted, CLP will prioritise resources to conduct reinforcement work. As regards the enhancement of inspections for high-risk areas, CLP has already strengthened inspections of critical power supply facilities to reduce the risk of impacts on the power supply system before entering the scorching summer.

(6) Upon the completion of the Interim Review of the Scheme of Control Agreements (SCAs) in 2023, a new penalty scheme for large-scale electricity supply interruptions, such as CLP's Cable Bridge Fire Incident happened in June 2022, was established under the SCAs. The permitted return will be adjusted, according to the level of "Customer Interruption Duration" of individual serious incidents that year.

In view of the recent frequent voltage dip incidents of CLP and taking into account views from various sectors of the community considering that CLP should bear responsibility for voltage dip incidents, EEB previously proposed to CLP that a penalty scheme should be established for significant voltage dip incidents and included in the existing SCA with CLP. According to the SCAs, all proposed modifications will not take effect unless an agreement is made by the Government and CLP on the modifications. CLP is still considering the proposal suggested by the Government.

LCQ18: Measures to improve the operation of the financial sector

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

Question:

Some members of the sector are of the view that there is room for further improvement in both the implementation details and regulatory requirements of the financial measures recently introduced by the Government. In this connection, will the Government inform this Council:

(1) in respect of the new Capital Investment Entrant Scheme, whether Invest Hong Kong will consider increasing the flexibility of the relevant asset test by, for example, (i) accepting that the applicant's net worth of \$30 million in assets are held in the form of a company or otherwise, and (ii) not strictly requiring the applicant's daily net asset balance to be \$30 million, and instead allowing the applicant to provide a monthly statement showing a month-end balance equivalent to the net asset value as proof;

(2) in respect of the Cross-boundary Wealth Management Connect Scheme 2.0, whether the relevant regulatory bodies will further discuss with the relevant Mainland regulatory authorities the lowering of the entry thresholds for eligible Hong Kong brokerage firms (e.g. the requirement of a transaction volume of not less than \$500 million within a specified period of time); and

(3) in respect of virtual asset-related measures, whether the relevant regulatory bodies will expedite the vetting and approval of the upgrading of the relevant licences, and suitably relax the requirements for the distribution of virtual assets by intermediaries (e.g. the requirements to provide warning statements to clients in relation to the relevant products and to conduct a virtual asset knowledge test on clients)?

Reply:

President,

In consultation with Invest Hong Kong (InvestHK), the Immigration Department (ImmD), the Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC), the consolidated reply to the various parts of the question is as follows:

(1) The New Capital Investment Entrant Scheme (New CIES) has been launched for application from March 1 this year with a view to further enriching the talent pool and attracting more new capital to Hong Kong. Since the launch of the New CIES up to June 21, InvestHK received over 300 applications, and approved the Net Asset Assessment for over 160 applications and the Assessment for Investment Requirements for three applications. Meanwhile, ImmD also granted "approval-in-principle" for 80 applications, enabling the applicants to enter Hong Kong as visitors to make the committed investment, and granted "formal approval" for one application.

According to the Rules for the New CIES, an applicant should demonstrate to the satisfaction of the Director-General of Investment Promotion that he/she has net assets or net equity to which he/she is absolutely beneficially entitled with a market value of not less than HK\$30 million net (or equivalent in foreign currencies) throughout the two years preceding the date on which he/she lodges his/her application for Net Asset Assessment

under the New CIES. To facilitate applicants' understanding of the application details, InvestHK has published on the New CIES website a reference guide for completing the net assets statement. Supporting documents that will be accepted include monthly statements and letters issued by banks or securities companies to demonstrate an applicant's fulfillment of the above-mentioned requirement. In addition, the Hong Kong Institute of Certified Public Accountants has issued a circular on reporting relating to the net asset requirement and investment requirements of the New CIES, with details uploaded to the New CIES website for applicants' and service providers' reference.

The requirement for an applicant to demonstrate that he/she has net assets to which he/she is absolutely beneficially entitled with a market value of not less than HK\$30 million net mainly seeks to clearly demonstrate his/her ability to meet the investment requirements under the New CIES. Since the launch of the New CIES, InvestHK also considers accepting proof of net assets owned by an applicant through wholly-owned private companies, subject to the circumstances of individual cases. If an applicant holds assets through other non-wholly-owned entities, his/her share of absolutely beneficial entitlement cannot be clearly determined. The New CIES therefore presently does not accept information on assets owned through non-wholly-owned companies or other means as the proof of net assets under the Net Asset Assessment stage. We will continue to listen to the views of the industry and examine relevant arrangements as appropriate, thereby enabling asset owners to deploy and manage their wealth and fully realise the diversified investment opportunities in Hong Kong.

(2) Cross-boundary Wealth Management Connect (WMC) in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) has seen continuous and steady development since its launch in September 2021. "WMC 2.0" commenced operation on February 26, 2024, with enhancement measures including increasing the individual investor quota from RMB1 million to RMB3 million, lowering the threshold for participating in the Southbound Scheme to support more GBA residents to join the scheme, expanding the scope of participating institutions to include eligible securities firms, expanding the scope of eligible investment products, and further enhancing the promotion and sales arrangements.

The SFC and the China Securities Regulatory Commission are working together to facilitate eligible and interested brokers in the Mainland and Hong Kong to commence their WMC services as soon as practicable. Licensed corporations (LCs) should be licensed for Type 1 regulated activity; have paid-up capital and shareholders' funds of not less than HK\$100 million; have at least three years of experience in distributing funds and/or bonds and transaction volume of not less than HK\$500 million during any 12-month period in the past three years; and adequate systems of control. In addition, similar to the current arrangement applicable to banks, LCs should partner with one or more eligible Mainland brokers when providing WMC services.

As an innovative financial co-operation measure in the GBA involving three different regulatory systems, WMC has been implemented under a pilot approach in a gradual and incremental manner. We will continue to closely

communicate with the industry and Mainland authorities, keep abreast of market developments and monitor the implementation of "WMC 2.0", with a view to jointly fostering the smooth implementation of WMC and continuously exploring further enhancement measures.

(3) To effectively supervise Hong Kong's virtual asset (VA) industry and facilitate its sustainable development, the SFC and the HKMA issued the "Joint circular on intermediaries' virtual asset-related activities" (Joint Circular) in January 2022, and updated the Joint Circular in October and December 2023 respectively to refine the requirements applicable to SFC-regulated intermediaries involved in the distribution of VA-related investment products.

According to the requirements, LCs intending to engage in any VA-related activities shall notify the SFC in advance, while registered institutions shall notify both the SFC and the HKMA. Generally, after notifying the relevant regulatory authority, intermediaries that are licensed or registered for relevant regulated activity can distribute VA-related products and do not need to apply for modification of licensing conditions.

The purpose of the investor protection measures set out in the Joint Circular (e.g. conducting VA knowledge tests on customers, and providing information and warnings on products to customers) is to enhance investor protection by ensuring that customers make informed investment decisions upon fully understanding the characteristics and risks of the products. For VA funds authorised by the SFC for listing and trading on the Stock Exchange of Hong Kong where intermediaries do not engage in solicitation or recommendation activities, intermediaries are not required to follow the suitability requirement or the requirements on the provision of minimum information and warning statements. Sophisticated investors (including institutional professional investors and qualified corporate professional investors) are exempted from certain investor protection measures.

The HKMA and the SFC will keep in view market developments, and review the requirements on VA-related activities as appropriate.

LCQ11: Enhancing the facilities of the Pak Shek Kok waterfront

Following is a question by the Hon Dominic Lee and a written reply by the Secretary for Culture, Sports and Tourism, Mr Kevin Yeung, in the Legislative Council today (July 3):

Question:

It is learnt that Tolo Harbour is one of the local hotspots for water sports, which is particularly vibrant on Saturdays, Sundays and public holidays. On the other hand, while many water sports participants embark and disembark at the public landing steps at the Pak Shek Kok promenade, the promenade lacks relevant ancillary facilities. Regarding enhancing the facilities of the Pak Shek Kok waterfront, will the Government inform this Council:

(1) whether it has plans to add shower facilities and lockers at the Pak Shek Kok promenade in the near future, so as to facilitate the public to engage in water sports activities in the vicinity; if so, of the details; if not, the reasons for that;

(2) whether it has long-term plans to establish a water sports centre in Pak Shek Kok to provide water sports facilities for the public; if so, of the details; if not, the reasons for that;

(3) whether it will arrange water sports training courses or hold water sports competitions at Tolo Harbour near the Pak Shek Kok waterfront to enhance the appeal of Tolo Harbour as a regional water sports hub; if so, of the details; if not, the reasons for that;

(4) whether it will introduce innovation and technology and water sports elements at the Pak Shek Kok promenade, such as adding a smart park and smart fitness equipment next to the promenade; if so, of the details; if not, the reasons for that; and

(5) whether it will increase the number and types of shops and restaurants at the Pak Shek Kok promenade, and allow food trucks to operate at the promenade on Saturdays, Sundays and public holidays; if so, of the details; if not, the reasons for that?

Reply:

President,

Having consulted the Food and Environmental Hygiene Department (FEHD), my reply to the questions raised by the Hon Dominic Lee is as follows:

(1) Pak Shek Kok Promenade (the Promenade), managed by the Leisure and Cultural Services Department (LCSD), has been opened for use since February 2008. Connecting Sha Tin District and Tai Po District along the waterfront, the Promenade is about two kilometres long with facilities such as arbours and benches provided for public enjoyment. It also serves as an "Inclusive Park for Pets", allowing members of the public to have fun with their pets.

At present, citizens usually engage in leisure activities such as jogging and strolling along the Promenade, as well as cycling on the adjacent cycling track. Regarding the suggestion of adding shower facilities and storage lockers at the Promenade, the LCSD will take into consideration the public's views and actual needs, as well as conduct on-site inspection with

relevant departments in due course to explore the feasibility of installing such facilities.

(2) and (3) At present, the LCSD manages five water sports centres on the Hong Kong Island and in the New Territories, namely St. Stephen's Beach Water Sports Centre and Stanley Main Beach Water Sports Centre in Southern District, Chong Hing Water Sports Centre in Sai Kung District as well as the Jockey Club Wong Shek Water Sports Centre and Tai Mei Tuk Water Sports Centre in Tai Po District. These water sports centres provide the public with year-round water sports training courses, fun day programmes and competitions in sailing, windsurfing and canoeing, as well as craft rental services. A total of over 5 000 activities are provided for public participation every year.

In order to further promote the development of water sports and meet the public's demand for water sports, the LCSD is planning two water sports centres in Tseung Kwan O Area 77 and within the White Head Sports Park in Ma On Shan respectively. These projects have been included in the "10-Year Development Blueprint for Sports and Recreation Facilities" announced in the 2022 Policy Address. Among them, the water sports centre within the White Head Sports Park in Ma On Shan and the existing Tai Mei Tuk Water Sports Centre are located in the waters of Tolo Harbour.

(4) The Government has been committed to introducing innovation and technology elements into various facilities. The Chief Executive mentioned in the 2023 Policy Address that the Government would introduce smart fitness equipment at four outdoor recreation venues of LCSD in 2024. The LCSD is currently implementing a pilot scheme which allows users to store and access personal exercise data and health information after using the smart fitness equipment. This helps users better manage their personal health, monitor their fitness and increase the fun of exercising with a view to encouraging members of the public to exercise regularly. The current trial locations include Victoria Park in Wan Chai District, Hoi Fai Road Promenade in Yau Tsim Mong District, Kowloon Tsai Park in Kowloon City District and Hoi Chu Road Playground in Tuen Mun District. The LCSD will continue to assess and review the effectiveness of the pilot scheme and consider extending its implementation to other venues.

The Pak Shek Kok Public Toilet (located near the roundabout of Fo Yin Road) managed by the FEHD is the first themed smart public toilet in Hong Kong, providing an array of people-oriented smart features and innovative technological designs, including real-time remote monitoring of the public toilet conditions, the use of Air Improvement Photovoltaic glass panels to provide partial power supply for the public toilet and the provision of mobile phone charging stations. The design and installations of the public toilet are bicycle-themed, thereby complementing the neighbouring cycling track.

(5) The LCSD has set up a fast food and light refreshment kiosk at the Promenade which provides catering services for members of the public by a contractor. In addition, there are various restaurants and shops in the adjacent Science Park and shopping malls of the nearby residential estates. Therefore, the LCSD has no plan to provide additional catering facilities or

introduce food trucks at the Promenade at present. That said, the LCSD will continue to closely monitor the situation, take into account the public's views and conduct on-site inspections with relevant departments as necessary to explore the addition of suitable catering facilities.

LCQ16: Combating illegal motor racing

Following is a question by the Hon Lee Chun-keung and a written reply by the Acting Secretary for Transport and Logistics, Mr Liu Chun-san, in the Legislative Council today (July 3):

Question:

It has been reported that residents living in the vicinity of illegal motor racing black spots have been plagued by the rumble of engines emitted by the motor vehicles over the years. In this connection, will the Government inform this Council:

(1) whether it will compile statistics on the number of complaints involving illegal motor racing received by the law enforcement agencies concerned in each of the past five years, with a breakdown by the 18 districts across the territory;

(2) of the number of persons arrested by the law enforcement agencies concerned in each of the past five years for allegedly engaging in illegal motor racing and, among them, the number of those convicted;

(3) whether it knows the illegal motor racing black spots in various districts; if so, of the measures currently adopted by the authorities to combat illegal motor racing at such black spots, and whether they have assessed the effectiveness of such measures; if so, of the details; if not, the reasons for that; and

(4) how it will step up efforts to combat illegal motor racing, for example, whether it will make good use of technology to assist in law enforcement and increase the relevant penalties; if so, of the details; if not, the reasons for that?

Reply:

President,

Having consulted the Hong Kong Police Force (Police) in respect of combating illegal motor racing, my reply to various parts of the question raised by the Hon Lee Chun-keung is as follows:

(1) The number of complaints about illegal motor racing received by the Police in the past five years is set out in the table below:

Year	2019	2020	2021	2022	2023
Number of complaints	99	152	103	24	2

â€‹The Police does not maintain statistics of complaints about illegal motor racing by district.

(2) The figures for enforcement actions taken by the Police against speeding or illegal motor racing (Note) (including the issuance of fixed penalty tickets, summonses and arrests) by Police Region from 2021 to 2023 is tabulated below:

Police Region	Year 2021	Year 2022	Year 2023
Hong Kong Island	24 563	29 380	19 793
Kowloon East	47 728	43 132	50 576
Kowloon West	49 005	70 508	58 089
New Territories South	50 114	47 211	53 898
New Territories North	94 923	75 052	71 215
Total	266 333	265 283	253 571

â€‹The Police does not maintain records of convictions for speeding or illegal motor racing.

Note: In accordance with section 55(1) of the Road Traffic Ordinance (Cap. 374), a person who takes part in a race or trial of speed on any road between vehicles to which the Commissioner of Police has not given his consent in writing, or in contravention of any conditions imposed on the granting of such consent, commits an offence and is liable to a fine at level 3 and to imprisonment for 12 months.

(3) and (4) While the Police does not maintain records of illegal motor racing blackspots, it will take enforcement actions against speeding or illegal motor racing based on complaints and intelligence received, including sentinel enforcement with the use of various types of speed detectors and mobile enforcement with police vehicles equipped with speed detection and automatic number plate recognition systems. In addition, if an intercepted vehicle is suspected to have been illegally altered (including emission of loud noise as a result of illegal alterations), it will be sent to a Police Vehicle Pound for further examination by a Motor Vehicle Examiner. If an offence is proven to have been committed, the Police will initiate prosecution.

Speeding or illegal motor racing is a very serious traffic offence that poses significant risks to drivers and other road users. Combating speeding or illegal motor racing is one of the Police's Selected Traffic Enforcement Priorities. The Police will continue to launch operations from time to time to take stringent enforcement action against speeding, illegal motor racing as well as other dangerous driving behaviours; and will follow up on the relevant reports promptly in order to combat unsafe and irresponsible driving behaviour of motorists, to ensure the safety of their own as well as other road users.

Between 2021 and 2023, the number of speeding enforcement cases handled by the Police decreased slightly by 4.8 per cent, while the number of complaints against illegal motor racing decreased by 98 per cent during the same period. The above figures reflect the effectiveness of the Police's enforcement against speeding or illegal motor racing, and that the penalties of the existing legislation maintain their deterrent effect. The Police will continue the relevant enforcement work and keep reviewing the number of offences and related matters.

LCQ8: HKIA Dongguan Logistics Park

Following is a question by the Hon Sunny Tan and a written reply by the Acting Secretary for Transport and Logistics, Mr Liu Chun-san, in the Legislative Council today (July 3):

Question:

In the 2024-2025 Budget, the Government has stated that the Airport Authority Hong Kong is taking forward the development of a sea-air intermodal cargo transshipment mode in collaboration with Dongguan, and will actively expand air cargo services, including the handling of cold chain cargo at the "HKIA Dongguan Logistics Park" (Logistics Park). In this connection, will the Government inform this Council:

(1) of the number of airlines and freight forwarders participating in the Logistics Park pilot scheme since its launch in April last year, and the freight volume and total value of goods handled by the Logistics Park so far;

(2) whether it will seek to expand the Logistics Park, both in scale and size, for the additional provision of better and more diversified logistics facilities and strengthening its logistics support services, including logistics facilities related to cold chain goods, temperature-controlled, high-value goods and goods with relatively short life cycles, and assist the admission of more Hong Kong enterprises into the Logistics Park, so as to further strengthen Hong Kong's positioning and competitiveness as a maritime hub in the Guangdong-Hong Kong-Macao Greater Bay Area; and

(3) of the future plans and measures to proactively encourage different industries to actively dovetail with and seize the opportunities of the Logistics Park, including the use of relevant logistics facilities to develop cross-border e-commerce and import and export businesses?

Reply:

President,

Hong Kong is an international aviation hub. With regard to air cargo, Hong Kong International Airport (HKIA) is the world's busiest cargo airport. The Government and the Airport Authority Hong Kong (AAHK) have been adopting various measures to consolidate Hong Kong's leading position in respect of air cargo.

In this regard, to fully capitalise on HKIA's advantages in handling high-value, temperature-controlled air cargo and to seize the opportunities brought by cross-border e-commerce, the AAHK is taking forward the sea-air intermodal cargo transshipment mode in collaboration with Dongguan. Under this mode, export cargo from the Mainland can go through security screening, palletisation and cargo acceptance in advance in the upstream logistics park set up in Dongguan. It will then be transported seamlessly by sea to the cargo pier on the airside of HKIA for direct transshipment to overseas destinations through Hong Kong's international aviation network. International air cargo may also be imported into the Mainland through the reverse process. This mode will provide a more seamless and convenient international air network for the cargo in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), improve the efficiency of cross-border air cargo transshipment, and further leverage Hong Kong's function as an air cargo transshipment hub.

With regard to the question raised by the Hon Sunny Tan, my reply is as follows:

(1) The AAHK has launched a pilot scheme of the sea-air intermodal cargo transshipment mode by utilising the temporary facilities in Dongguan and HKIA since end 2021 and established the full set of export and import operation procedures in April and December 2023 respectively. Currently, a total of 17 airlines and about 100 freight forwarders are participating in the pilot scheme. Since April 2023, nearly 8 300 tonnes of cargo, with a value of more than \$5.8 billion, have been handled under the pilot scheme.

(2) and (3) The AAHK and the Dongguan Municipal Government signed a co-operation framework agreement in February 2023 to foster the further development of the sea-air intermodal cargo transshipment mode, including the development of the permanent facility of HKIA Logistics Park in Dongguan (now named as "HKIA Dongguan Logistics Park"). The AAHK plans to complete the first-phase construction of the permanent facility of the logistics park by the end of next year, gradually bringing its cargo handling capacity to one million tonnes per annum.

In order to maximise the benefits of the sea-air intermodal cargo transshipment mode, the AAHK is working with the Dongguan Municipal Government to explore the feasibility of handling different types of cargo in the logistics park, including the development of cold-chain cargo services. At the same time, the AAHK will continue to promote the sea-air intermodal cargo transshipment mode and adopt measures to encourage more airlines and freight forwarders to join. Depending on the progress of the first-phase construction of the logistics park, the AAHK will proceed with the further development of the whole project in an orderly manner, with a view to continuously enhancing the overall handling capacity and functions of the logistics park to meet the international cargo demand in the GBA and enhance Hong Kong's status as an international aviation hub.