

SB's response to Ombudsman's direct investigation report

Regarding a report released by the Ombudsman today (December 23) on its direct investigation into the Government's control of illicit fuelling activities (the investigation report), the Security Bureau (SB)'s response is as follows:

The Ombudsman has made in the investigation report five recommendations. We welcome four of those recommendations, which are, the Fire Services Department (FSD) to review the staff establishment of the Anti-illicit Fuelling Activities Task Force, to consider increasing the frequency of surprise inspections and joint operations with the Customs and Excise Department and/or the Hong Kong Police Force, to review the related penalties for greater deterrence against the relevant persons participating in illicit fuelling activities, and to explore ways for diversifying publicity and public education. The FSD has implemented or is implementing the relevant measures as mentioned above, and will continue to strengthen enforcement and publicity from the fire safety perspective with a view to combatting illicit fuelling activities.

The fifth recommendation made by the Ombudsman suggests that the Government explore the feasibility of introducing control-at-source improvement measures, so as to combat illicit fuelling activities at the source of supply. As pointed out by the Ombudsman in the investigation report, the diesel market involves many operators and stakeholders in the sector, and to implement the recommendation with a view to achieving the effect of combatting illicit fuelling activities at source, the impact on the sector needs to be minimised at the same time. The Ombudsman also pointed out in the report that the formulation of related improvement measures would be complex.

Under the regulatory system of dangerous goods under the Dangerous Goods Ordinance (Cap. 295), the intent of the Ordinance is to control the manufacture, storage, conveyance and use of dangerous goods by means of a licensing system for the purpose of ensuring fire safety during the processes, rather than imposing restrictions on the supply and sale of dangerous goods. If control-at-source measures are introduced in accordance with the fifth recommendation of the investigation report, for example by imposing restrictions on the supply and sale of dangerous goods, it will not be in line with the legislative intent and purpose of the Dangerous Goods Ordinance. It will also go beyond its regulatory scope. Moreover, it will involve significant changes to the entire regulatory regime of dangerous goods, causing extensive impacts.

The substances regulated by the Dangerous Goods Ordinance are of a wide variety, including many consumer goods widely used by the public in daily life. Therefore, the recommendation to restrict the supply and sale of

dangerous goods may cause inconvenience to the public's daily lives, business operations, and more. It would not be in line with the Government's principle of facilitating the business sector and the general public.

Separately, the scale, operation and mode of operation of diesel distributors and retailers are complex, involving multi-layeredness, diversity and variability. The idea of combatting illicit fuelling activities at source is impracticable and its effect of curbing illicit fuelling activities is limited. In addition, the relevant recommendation goes beyond the intent and purpose of the Dangerous Goods Ordinance in regulating dangerous goods, and would possibly affect the daily lives of the public and operation of the business sector. The SB, after careful consideration, cannot accept the fifth recommendation of the investigation report.

The FSD has all along adopted a multi-pronged approach to specifically address the potential fire safety hazards associated with illicit fuelling activities, including carrying out inspections, investigations and taking enforcement actions from the fire safety perspective, and co-operating closely with other law enforcement agencies in conducting surprise joint operations from time to time to combat illicit fuelling activities. As with other policy initiatives, the SB will closely monitor the effectiveness of the work of the relevant departments in this regard, and will conduct a review in due course.

Special traffic and transport arrangements for Christmas Eve and Christmas holidays

The Transport Department (TD) today (December 23) reminded the public to take note of the special traffic and transport arrangements to be implemented for Christmas Eve and the Christmas holidays (December 24 to 27) to facilitate holiday celebrations.

Road closures will be implemented from 2pm tomorrow (December 24) to 5am the following day in the vicinity of Lan Kwai Fong in Central.

MTR services will maintain normal operating hours and no overnight train service will be provided tomorrow. Eight MTR railway lines (other than Disneyland Resort Line and Airport Express) will enhance service frequency in the afternoon. Island Line, Tsuen Wan Line, Kwun Tong Line, East Rail Line (Hung Hom – Sheung Shui) and Tuen Ma Line will enhance services from December 25 to 27.

Some bus and minibus routes will be adjusted, enhanced or extend their

operating hours tomorrow. The operating hours of tram services will be extended tomorrow. The operating hours of the Central-Mid-Levels Escalator and Walkway System tomorrow and on December 25 will also be extended to 1am of the following day. Members of the public are advised to pay attention to the passenger notices issued by the public transport service operators concerned.

The TD advised the public to make use of public transport and avoid driving to busy areas. If driving is necessary, motorists are advised to drive with care and patience and should be aware that on-street parking spaces will be suspended due to road closure arrangements. Pedestrians are advised to walk on the pavement, pay attention to road safety, be considerate and patient, observe traffic lights and follow advice and instructions given by the Police on-site.

It is expected that a large number of passengers will take public transport services during the holiday period and the waiting time for public transport services may be longer than usual. The TD reminded passengers to plan their journeys in advance, observe order and heed advice on-site from the Police and staff of the public transport service operators concerned when waiting for the services.

The TD and the Police will closely monitor the traffic situation and implement appropriate measures whenever necessary. Motorists and the public are advised to pay attention to the latest traffic news as announced on radio, television, the TD's website (www.td.gov.hk) or mobile application "HKeMobility".

Details of the special traffic and transport arrangements are available on the TD's website and mobile application "HKeMobility".

[HKMA Quarterly Bulletin \(December 2021 Issue\)](#)

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

The Hong Kong Monetary Authority (HKMA) today (December 23) published the December 2021 issue of its Quarterly Bulletin. This issue of Quarterly Bulletin carries a regular article on the banking environment.

The Quarterly Bulletin can be viewed on and downloaded from the [HKMA website](#).

Statistics on innovation activities for 2020

According to the statistics on Hong Kong innovation activities released today (December 23) by the Census and Statistics Department (C&SD), the gross domestic expenditure on research and development (GERD) of Hong Kong in 2020 amounted to \$26,554 million, representing an increase of 1% when compared to the corresponding figure of 2019 (\$26,333 million). The GERD as a ratio to the Gross Domestic Product in 2020 was 0.99%. Analysed by performing sector, the expenditure on research and development (R&D) activities performed in the business, higher education and government sectors amounted to \$11,044 million, \$14,129 million and \$1,380 million respectively in 2020.

R&D activities refer to creative and systematic work undertaken so as to increase the stock of knowledge for devising new and improved products/processes/applications and to improve the existing products/processes/applications.

More detailed statistics on Hong Kong innovation activities, together with the concepts and methodology, are given in the report "Hong Kong Innovation Activities Statistics 2020". Users can download this report at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1110010&scode=580). The report presents the latest statistics on R&D activities in Hong Kong, with analyses on R&D activities performed in the business, higher education and government sectors. It also contains detailed statistics on innovation activities (including product and business process innovations) in the business sector.

Enquiries about the statistics on Hong Kong innovation activities can be directed to the Science and Technology Statistics Section of the C&SD (Tel: 3903 7290 or email: stb1@censtatd.gov.hk).

Rebased series of Effective Exchange Rate Index for Hong Kong Dollar

The Census and Statistics Department (C&SD) announced today (December 23) that the series of Effective Exchange Rate Index (EERI) for the Hong Kong Dollar will be rebased following existing practice. The new series will be published as from January 3, 2022, replacing the existing series of EERI.

The weights for each currency in the existing series of EERI have been based on the average merchandise trade pattern of Hong Kong from 2009 to 2010. To reflect the more up-to-date situation, the weights in the rebased series are updated based on the average merchandise trade pattern from 2019 to 2020. The weights used in the existing and rebased series are shown in the Annex. The rebased EERI series will include the following 18 currencies, with Macao Pataca, Indonesian Rupiah and South African Rand added:

| | | |
|---------------------|---------------------|----------------------|
| * Australian Dollar | * Japanese Yen | * Korean Won |
| * Canadian Dollar | * Macao Pataca | * Singapore Dollar |
| * Chinese Renminbi | * Malaysian Ringgit | * South African Rand |
| * Euro | * New Taiwan Dollar | * Swiss Franc |
| * Indian Rupee | * Philippine Peso | * Thai Baht |
| * Indonesian Rupiah | * Pound Sterling | * U.S. Dollar |

The rebased series of EERI, with the base period January 2020 as 100 (i.e. using the daily average exchange rate of January 2020 as basis for comparison), will replace the existing series (with the base period January 2010 as 100) as from January 3, 2022. Same as the existing series, the rebased series of EERI will be released on a daily basis except for non-trading days (i.e. public holidays and when banks close for business for reasons such as typhoon).

In the rebased EERI series, figures dating back to January 2, 2020, are recompiled using the new currency weights, while those for earlier periods are derived based on movements in the old series and using a conversion factor obtained from the values of the two index series in an overlapping period.

Further information

More details on the rebased series of EERI will be provided in a feature article in the January 2022 issue of "Hong Kong Monthly Digest of Statistics" which will be available in mid-January 2022. Users can download the publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1010002&scode=460).

Enquiries on EERI may be directed to the Trade Analysis Section (1) of the C&SD (Tel: 2582 4914).