

LCQ1: Clearance capacity of ports of Hong Kong-Zhuhai-Macao Bridge

Following is a question by the Hon Luk Chung-hung and a written reply by the Secretary for Security, Mr Tang Ping-keung, in the Legislative Council today (April 24):

Question:

It has been reported that since the implementation of the Quota-free Scheme for Hong Kong Private Cars Travelling to Guangdong via the Hong Kong-Zhuhai-Macao Bridge (the Scheme), the number of trips by Hong Kong single-plate private cars entering and leaving the territory via the Hong Kong-Zhuhai-Macao Bridge (HZMB) Zhuhai Port has exceeded 500 000. However, there are views pointing out that at present, congestion occurs invariably at the HZMB Hong Kong Port and Zhuhai Port during long holidays or even weekends, underscoring the ports' insufficient clearance capacity to maximise the benefits of HZMB. In this connection, will the Government inform this Council:

(1) of the design capacity of HZMB and the estimated traffic flow of private cars at HZMB;

(2) whether it has assessed, based on the existing manpower and facilities at the HZMB Hong Kong Port, the maximum numbers of outbound and inbound private cars that the port can handle per day; of the respective daily average numbers of (i) outbound and (ii) inbound private cars handled by the port since the implementation of the Scheme, and whether such numbers have reached the port's maximum handling capacity; if not, whether it has examined the reasons for the port's congestion at present;

(3) whether it has compiled statistics on the respective (a) average time and (b) longest time taken (with the relevant dates) for (i) outbound and (ii) inbound private cars to complete the clearance process at the HZMB Hong Kong Port from the time of entering the clearance plaza since the implementation of the Scheme (set out in the table below);

Outbound and inbound private cars	(a)	(b)
(i)		
(ii)		

(4) whether the authorities have studied how to increase the clearance capacity of the HZMB Hong Kong Port; if so, of the specific measures and the relevant implementation timetable; if not, the reasons for that; and

(5) whether the authorities have held discussions with the Zhuhai municipal

authorities on increasing the clearance capacity of the HZMB Zhuhai Port; if so, of the specific measures and the relevant implementation timetable; if not, the reasons for that?

Reply:

President,

The Quota-free Scheme for Hong Kong Private Cars Travelling to Guangdong via the Hong Kong-Zhuhai-Macao Bridge (the Scheme) has been well received by the public since its implementation on July 1 last year. Cross-boundary passengers and vehicles using the Hong Kong-Zhuhai-Macao Bridge (HZMB) Hong Kong Port have been on the rise. In view of the increasing service demand for the HZMB Hong Kong Port brought by the Scheme, the Government has been closely monitoring the passenger flow and vehicular flow at the control point to make necessary arrangements.

In consultation with the Transport and Logistics Bureau, my reply to the question raised by Hon Luk Chung-hung is as follows:

(1) The design handling capacity of HZMB Hong Kong Port is around 60 000 vehicles per day. For private cars, the estimate in 2008 expected that 8 000 private cars would be crossing the HZMB per day.

(2) The number of cross-boundary private cars using the HZMB Hong Kong Port has been growing since the implementation of the Scheme on July 1 last year. In March 2024, the daily average of private cars crossing the HZMB Hong Kong Port was about 9 620 (including 5 010 outbound and 4 610 inbound private cars). If we take into account other cross-boundary vehicles (including shuttle buses, coaches and goods vehicles), the total daily average traffic flow was about 12 200 vehicles, yet to meet the design handling capacity.

It is noted that more cross-boundary private cars travel via the HZMB Hong Kong Port in weekends and holiday periods. During weekends and holiday periods in March this year, there were about 11 900 private cars crossing the HZMB Hong Kong Port on average per day (including 6 250 outbound and 5 650 inbound private cars). As observed by the relevant departments at the control point, queuing of departing private cars during peak periods was in order, without affecting other roads of the Port or traffic in the proximity.

(3) Since the implementation of the Scheme, relevant departments of the HZMB Hong Kong Port have endeavoured to provide quality clearance services to cross-boundary passengers and vehicles. Except those selected for customs examination, arrival and departure clearance for cross-boundary vehicles can be completed within a few minutes in general. Although vehicles need to queue up for clearance at the vehicle clearance plaza of the HZMB Hong Kong Port when the traffic is relatively busy at peak periods during holidays, normally it takes less than 30 minutes to complete the arrival and departure clearance.

(4) In view of the increasing passenger and vehicular flow, the relevant departments of the HZMB Hong Kong Port have been taking various measures to

enhance the control points' handling capacity, such as deploying manpower flexibly, optimising workflow, making effective use of information technology, and operating more private car clearance kiosks during peak periods to meet the cross-boundary demand.

In order for the public to get familiarised with the arrival and departure clearance procedures of private cars at the HZMB Hong Kong Port in advance, relevant department has prepared short videos and leaflets to introduce the routes leading to the arrival and departure clearance kiosks, clearance processes at the HZMB Hong Kong Port and points to note, with an aim to expedite the clearance processes at the HZMB Hong Kong Port.

In addition, the Hong Kong Special Administrative Region Government has been maintaining close liaison with relevant Mainland and Macao authorities in respect of clearance and enforcement matters at HZMB Hong Kong Port. A hotline and notification mechanism for sharing the latest situation of passenger flow and vehicular flow of Hong Kong, Macao and Zhuhai ports have been established among the three parties such that necessary arrangements could be made to cope with any emergencies that may arise at the control points.

In view of the surge in passenger and vehicular flow during holiday periods, the Inter-departmental Joint Command Centre, composed of relevant departments including Customs and Excise Department, the Hong Kong Police Force, and the Immigration Department, etc, will be activated during the periods to monitor the situation at each boundary control point (BCP) and take contingency actions where necessary to ensure the smooth operation of BCPs.

(5) Since the commissioning of the HZMB, the governments of Guangdong, Hong Kong and Macao have been working closely to take forward various new cross-boundary transport measures having regard to the capacity of relevant BCPs and the respective connecting roads, with a view to increasing the number of vehicles using the HZMB in a progressive and orderly manner; as well as closely monitor the operation of the HZMB and continue to explore and introduce feasible enhancement measures to ensure smooth traffic flow at the HZMB for better utilisation.

LCQ14: Family offices set up in Hong Kong

Following is a question by the Hon Adrian Ho and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (April 24):

Question:

Regarding family offices set up in Hong Kong, will the Government inform this Council:

(1) of the current number of family offices operating in Hong Kong (with a tabulated breakdown by country or region from which they came), as well as the amount of funds invested and the professional services engaged by each family office in Hong Kong; the aforesaid information in respect of family offices which are making preparations to operate in Hong Kong;

(2) of the following information in respect of each family office operating in Hong Kong mentioned in (1): (i) the number of qualified full-time employees, (ii) the amount of operating expenditure and (iii) the amount of tax concessions granted (set out in a table);

(3) whether the authorities and Government officials have formulated standards of hospitality for family offices established in Hong Kong; if so, of the details; if not, the reasons for that; and

(4) given that Invest Hong Kong set up a dedicated FamilyOfficeHK team in June 2021, whether, apart from attracting global clients to set up family offices in Hong Kong, the team's functions include conducting due diligence on target clients; if so, of the details; if not, the arrangements for such work?

Reply:

President,

In consultation with Invest Hong Kong (InvestHK), the consolidated reply to the various parts of the question is as follows:

(1) and (2) According to the research findings of the consultant commissioned by InvestHK and publicised in March this year, there were around 2 700 single family offices operating in Hong Kong as of end-2023, with over half of them set up by ultra-high-net-worth individuals having a wealth of US\$50 million or above. The dedicated FamilyOfficeHK team (the dedicated team) of InvestHK provides one-stop support services to family offices (FOs) and ultra-high-net-worth individuals interested in pursuing development in Hong Kong. Since its establishment in June 2021 up to end-March 2024, the dedicated team received more than 650 enquiries on setting up FOs in Hong Kong, mainly from the Mainland, ASEAN (Association of Southeast Asian Nations) countries, the Middle East, Europe and the Americas.

The number of FOs set up or expanded business in Hong Kong as assisted by the dedicated team, and the number of FOs having indicated that they are preparing or have decided to set up or expand in Hong Kong are tabulated below by geographical region:

Region	F0s assisted by the dedicated team to set up or expand business in Hong Kong	F0s preparing or having decided to set up or expand business in Hong Kong
Mainland	49	82
Asia	8	13
North America	4	–
Europe	3	27
Middle East	–	9
Oceania	–	4
North Africa	–	1
Total	64	136

The Legislative Council passed the Inland Revenue (Amendment) (Tax Concessions for Family-owned Investment Holding Vehicles) Bill 2022 in May 2023, under which family-owned investment holding vehicles managed by single family offices in Hong Kong fulfilling the minimum asset threshold of HK\$240 million and substantial activities requirement can enjoy profits tax exemption for qualifying transactions. As F0s in Hong Kong are not required to disclose their assets under management and operating expenses to the Government, the Government does not maintain relevant figures. The amount of tax exemption for individual F0s will not be disclosed.

(3) and (4) The Government welcomes all lawful and rule-compliant F0s to set up in Hong Kong and will provide them with necessary and appropriate assistance, thereby promoting local financial, professional services and economic development.

InvestHK is committed to attracting and assisting overseas and Mainland companies to set up, maintain and expand their operations in Hong Kong, and provides assistance and support services based on their needs. Hong Kong is a highly developed free-market economy and an international financial centre. It is up to F0s to decide on the investment projects and investment amount they will undertake in Hong Kong. The procedures of establishing a F0 are no different from those of establishing a company in Hong Kong. Professionals of various sectors providing services concerned to F0s will conduct necessary due diligence in compliance with the statutory requirements and relevant guidelines.

Different F0s have different operating styles and external communication arrangements. For F0s interested in setting up or expanding their businesses in Hong Kong, InvestHK will continue to provide one-stop customised support services based on their needs.

LCQ20: Strengthening Physical Education and Arts Education in schools

Following is a question by the Hon Stanley Ng and a written reply by the Secretary for Education, Dr Choi Yuk-lin, in the Legislative Council today (April 24):

It has been reported that according to the figures from the Education Bureau, a total of 31 suspected fatal student suicide cases were recorded from January to November last year, which was the highest in the past five years, and even represented an increase of more than one-fold as compared to the 14 cases in the whole year of 2018. There are views that while robust Physical Education (PE) and Arts Education (AE) are conducive to the physical and mental health of primary and secondary students, there is still much room for improvement in PE and AE locally. In this connection, will the Government inform this Council:

(1) whether the relevant government departments will review the overall effectiveness of local PE and AE; if so, of the details (including the method and mechanism of the review, as well as the specific timetable); if not, the reasons for that;

(2) whether the relevant government departments will conduct a survey based on the situation of all students in Hong Kong to make an analysis of the number of PE and AE lessons as well as the time for extra-curricular activities needed in a week for most students in order to relieve their stress and enable them to keep a healthy body, and based on the outcome of the analysis, set indicators for implementation in all schools in Hong Kong; if not, of the reasons for that; and

(3) as it is learnt that the Education Bureau of Shenzhen Municipality has put into practice since January 1 this year the Implementation Opinions of Shenzhen on Strengthening and Improving the Work on Physical Exercise in Schools, which proposes that schools offering compulsory education should provide one PE lesson per day, while senior secondary schools (including secondary vocational schools) should provide three PE lessons per week, and that PE activities during recess in primary and secondary schools should last no less than 30 minutes per day, whether the relevant government departments will consider drawing reference from the practices in the Shenzhen Municipality and require schools to provide one PE lesson per day and incorporate activities such as physical activities between lessons, and require that activities between lessons should last no less than 30 minutes, so as to increase the time students spend on exercise every day?

Reply:

President,

The Education Bureau (EDB) has attached great importance to students' physical and mental well-being. Establishing a healthy lifestyle is one of the seven learning goals of the school curriculum and relevant learning elements have been integrated into some subjects. The EDB has all along been committed to supporting schools in the promotion of school Physical Education (PE) and Arts Education (AE) through the life-wide learning approach, including providing curriculum guides, developing learning and teaching resources, offering training for teachers, and organising territory-wide physical and aesthetic learning activities or assisting schools in flexibly arranging activities, fully supporting schools in planning and implementing PE and AE within and beyond the classroom. The EDB's strategies to support schools in the implementation of PE and AE and the related details are set out in Paper [No. CB\(4\)123/2024\(03\)](#) of the Legislative Council Panel on Education dated February 2, 2024.

Our reply to the question raised by the Hon Stanley Ng is as follows:

(1) and (2) In terms of curriculum, schools have to plan their PE and AE curricula according to the requirements in the respective curriculum guides, including the provision of PE, Music and Visual Arts lessons, taking into account their school contexts as well as the needs, interests and abilities of students, etc. Currently, primary and secondary schools should arrange at least two PE lessons per week (i.e. approximately 80 minutes per week) for students, while those taking the PE elective subject for the Hong Kong Diploma of Secondary Education have the opportunity to learn sports theory and engage in sports training for around 250 hours in total. As for AE, the Music and Visual Arts subjects are generally offered in schools. The respective curriculum guides of the two subjects specify that schools must arrange for students no less than 9 per cent of the lesson time (primary level), 8 per cent to 10 per cent of the lesson time (junior secondary level), 250 hours (as senior secondary elective subjects) and no less than 10 per cent of the lesson time at the senior secondary level for Other Learning Experiences related to arts. The EDB will review the implementation of the curriculum from time to time and update the relevant content in a timely manner to facilitate the development of school PE and AE through a life-wide learning approach.

The EDB announced the updated Primary Education Curriculum Guide in September 2022. Schools are encouraged to make good use of flexible lesson time and organise students' learning time within and beyond the classroom, thereby enriching their diverse learning experiences and promoting a balanced development. The EDB has also issued the circular titled "Developing an Active and Healthy Lifestyle Through Promoting Physical Activities" (Note 1) in February, 2024 to provide strategies, specific recommendations as well as information on relevant curriculum resources and support measures to schools, and guide students to integrate the habit of exercising into daily lives beyond PE lessons.

On the other hand, the EDB has been supporting or organising major PE

and AE student activities to allow students with different talents and interests to unleash their potential. For instance, the EDB subsidises organisations such as the Schools Sports Federation of Hong Kong, China and the Hong Kong Schools Music and Speech Association to organise various primary and secondary inter-school sports competitions, music festival, speech festival and dance festival every year, among others. The EDB has also launched the "Active Students, Active People" Campaign (also known as "ASAP" Campaign) and MVPA60 (Note 2) Award Scheme to encourage students to develop a habit of regular participation in physical activities as soon as possible. Moreover, the EDB has been collaborating with various departments, tertiary institutions, organisations and groups to promote a variety of PE and AE activities. For instance, the Leisure and Cultural Services Department's (LCSD) School Sports Programme and iSmart Fitness Scheme have been well-received by schools, allowing students of primary, secondary and special schools in Hong Kong to participate regularly in diverse sports activities during leisure time, fostering a sporting culture on school campuses, developing an active and healthy lifestyle, enhancing the standard of sports performance among students, and helping identify student athletes with potential for further training. The scheme on A Journey on Learning the Arts for Senior Secondary Students launched by the EDB and supported by the LCSD and various arts groups aims at encouraging secondary school students to participate in and appreciate arts programmes in authentic contexts outside the classroom, including performances of Chinese and Western music, Chinese operas, dramas and dances as well as visual arts exhibitions and film shows. Some of these programmes also include activities such as guided tours or seminars.

Different departments of the EDB regularly review the implementation and effectiveness of the PE and AE curricula in schools through inspections, curriculum visits and school visits, looking into aspects including whether the PE and AE curriculum guides have been implemented effectively with a view to helping students acquire relevant knowledge, generic skills, values and attitudes, and providing feedback to schools in a timely manner.

Schools are generally making good use of in-house and external resources to arrange school PE and AE activities for students within and beyond the classroom according to their interests and abilities. For instance, having regard to school contexts, a variety of PE and AE activities may be arranged for students before morning assemblies, during recess or lunch break, and after school hours; organising PE and AE-related extra-curricular activities; conducting sports days, swimming galas, music competitions, school team and orchestra trainings; arranging students to participate in various off-campus PE and AE competitions and art appreciation, to increase opportunities for students to engage in PE and AE activities.

Rather than setting hard indicators, schools are currently allowed to plan the learning and teaching within and beyond the classroom flexibly according to their own circumstances so that schools can better cater for learner diversity and facilitate students' development needs as a whole. Such arrangement has been running smoothly and is widely supported by the educator sector.

On the other hand, to promote mental health in schools in a more comprehensive and systematic manner, the EDB has recently launched the 4Rs Mental Health Charter (the Charter) in April. It calls for all schools to join the Charter, thereby working together to set practical and feasible goals and take concrete actions to promote students' physical and psychological health. The 4Rs in the Charter cover four elements and objectives for promoting mental health, including "Rest", helping students cultivate healthy habits from an early age as well as including having enough rest, adequate sleep and leisure activities; and "Relaxation", teaching students to take the time to relax, take care of their mental health and practise self-compassion, as well as encouraging them to do more exercise, such as arranging morning exercises/exercises between lessons for students, providing appropriate sports equipment for students to use, and participating in different activities under the EDB's ASAP Campaign, to cultivate the habit of regular exercise among students. We firmly believe that schools participating in the Charter, through implementing various measures and organising activities for the promotion of student mental health, will help students develop healthy living habits, provide more opportunities for them to relax and reduce stress, help them build positive interpersonal relationships, and enhance their well-being and resilience, thereby enhancing an overall healthy culture in schools.

(3) The education systems, curriculum frameworks, teaching and assessment policies in different regions are developed based on factors such as their unique social culture, background, physical environment, history and economy. In formulating the PE curriculum in Hong Kong, the EDB and the Curriculum Development Council have taken into account students' development needs as a whole and have sought to balance the diverse expectations of Hong Kong society regarding student learning. Currently, primary and secondary schools are providing at least two PE lessons per week for students in accordance with the curriculum guides and, through a wide range of physical activities, foster students' interest in sports, develop their motor skills and improve their physical fitness. These initiatives aim to develop students' habit of doing regular exercise and cultivate their positive values and attitudes.

To effectively increase students' physical activity level, offering subject lessons alone is not adequate. In fact, many schools currently make arrangements for students to participate in different types and levels of physical activities within and beyond the classroom apart from PE lessons by, for example, arranging morning exercise/exercise between class periods before, during and after school, and setting up an exercise corner during recess/lunch break. The EDB has issued the EDBC No. 5/2024 titled "Developing an Active and Healthy Lifestyle Through Promoting Physical Activities" in February 2024 to provide strategies, specific recommendations as well as information on relevant curriculum resources and support measures to schools to help increase students' physical activity level, with a view to achieving the World Health Organization's recommendation that children and adolescents aged 5 to 17 should accumulate at least an average of 60 minutes daily of moderate- to vigorous-intensity physical activities (i.e. MVPA60) across the week as well as the direction for the development of the PE curriculum.

Besides, in line with the development of the PE curriculum, the EDB provides a one-off grant of \$150,000 (Note 3) for each public sector school and schools under the Direct Subsidy Scheme in the 2023/24 school year. Schools may deploy the grant to organise or subsidise students to participate in diversified PE activities, purchase or upgrade PE/sports equipment in schools, etc, to create a better sports ambience and further promote MVPA60, thereby increasing the daily exercise time of students and helping them develop a healthy lifestyle.

Note 1: applications.edb.gov.hk/circular/upload/EDBC/EDBC24005E.pdf

Note 2: An accumulation of at least an average of 60 minutes daily of moderate- to vigorous-intensity physical activities across the week

Note 3: applications.edb.gov.hk/circular/upload/EDBCM/EDBCM24073e.pdf

LCQ22: Privacy protection for consumer credit data

Following is a question by the Hon Carmen Kan and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (April 24):

Question:

Regarding privacy protection for consumer credit data, will the Government inform this Council:

(1) whether it knows the number of cases in the past six years in which the Office of the Privacy Commissioner for Personal Data, Hong Kong (PCPD) issued enforcement notices to credit reference agencies (CRAs) for breaching the Personal Data (Privacy) Ordinance (Cap. 486), as well as the organisations involved in such cases, the number of people affected, compliance with the enforcement notices, and the number of organisations which have been prosecuted for contravention of enforcement notices (set out in a table);

(2) given that Cap. 486 does not provide for a mandatory data breach notification mechanism, and that the Privacy Commissioner for Personal Data indicated at the meeting of the Panel on Constitutional Affairs of this Council on February 19 this year that PCPD and the Government were jointly examining the proposed legislative amendments to establish such mechanism, of the progress of the relevant work;

(3) as it has been reported that the website of TransUnion Limited, a CRA, which provided access to personal credit reports, had information security loopholes as revealed in 2018, whether the authorities have continuously monitored the level of its information security and compliance thereafter; if

so, of the details; if not, the reasons for that;

(4) given that the Hong Kong Monetary Authority (HKMA) has been working with industry associations to introduce more than one consumer CRA in Hong Kong through the Credit Reference Platform, and has supported the development of the relevant platform, "Credit Data Smart" (CDS), by industry associations, but it is learnt that the platform, which was originally scheduled to be launched in December last year, has not yet been launched, of the latest progress of such platform;

(5) as it is learnt that industry associations have established the Code of Practice for the Multiple Credit Reference Agencies Model setting out the standards and requirements for Selected CRAs and Subscribed Members of CDS to comply on various aspects including the use and protection of personal data, what measures the authorities have put in place to monitor CRAs' compliance with the Code of Practice on Consumer Credit Data and Cap. 486 when CDS has not yet been launched; and

(6) given that the People's Bank of China and the HKMA have agreed to enter into a memorandum of understanding on the pilot programme of interconnection business for cross-boundary credit referencing, what regulatory measures the authorities have put in place to ensure that cross-boundary credit referencing data will only circulate within the Guangdong-Hong Kong-Macao Greater Bay Area in a safe and orderly manner, as well as when the authorities will proceed to launch the pilot tests and implementation work?

Reply:

President,

Having consulted the Constitutional and Mainland Affairs Bureau and the Hong Kong Monetary Authority (HKMA), the consolidated reply is as follows:

(1) Regarding the incidents of unauthorised access to personal data held by credit reference agencies in recent years, the Office of the Privacy Commissioner for Personal Data (PCPD) issued enforcement notices to TransUnion Limited (TransUnion) and Softmedia Technology Company Limited (Softmedia) in 2019 and 2023 respectively. The enforcement notices directed the relevant organisations to rectify the vulnerabilities in the security of their credit databases, which included directing TransUnion to devise clear procedures on identity authentication, and directing Softmedia to change the password settings to safeguard the security of its information system that contained personal data, etc. The consumer credit data held by these two organisations involved around 5.4 million and 180 000 individuals respectively. TransUnion and Softmedia had implemented the relevant security measures according to the above enforcement notices to protect personal data privacy.

(2) At present, the PCPD is comprehensively reviewing the Personal Data (Privacy) Ordinance (Ordinance) and formulating concrete proposals for legislative amendments, which include establishing a mandatory personal data

breach notification mechanism, requiring data users to formulate policies on personal data retention period, empowering the Privacy Commissioner to impose administrative fines, direct regulation of data processors, and clarifying the definition of personal data, etc. The PCPD is studying in detail relevant laws and experience of other jurisdictions, while taking account of the actual situation in Hong Kong so as to put forward practicable legislative amendment proposals to align with international developments in privacy protection and strengthen the protection of personal data privacy. In regard to the mandatory personal data breach notification mechanism, the definition of personal data breach incident, the threshold and timeframe for notification, etc need to be considered. Such relevant work is being proactively taken forward at the moment. Once specific legislative amendment proposals are firmed up, the PCPD will consult the Government and the Legislative Council, after which a legislative amendment timetable will be drawn up having regard to actual circumstances.

(3) In an effort to continuously monitor the personal data security standards and compliance situation of TransUnion, the PCPD took the initiative to carry out an inspection of the personal data system of TransUnion in 2021, and subsequently published an investigation report. Inspection results revealed that TransUnion had complied with the requirements of the Ordinance with regard to the security of personal data held, such as adopting appropriate system access control measures through contractual means with credit providers.

In addition, in June 2023, the PCPD also proactively commenced compliance checks of credit reference agencies in Hong Kong, including the three credit reference agencies selected under the "Credit Data Smart" Model (namely TransUnion, Nova Credit and PingAn OneConnect), to ascertain whether the security measures and retention periods adopted by the relevant organisations regarding the consumer credit data of borrowers comply with the requirements of the Ordinance. The PCPD found no contravention of the requirements of the Ordinance in the compliance check of the relevant organisations.

(4) The HKMA has been working closely with Hong Kong Association of Banks, the Hong Kong Association of Restricted Licence Banks and Deposit-taking Companies, and the Hong Kong S.A.R. Licensed Money Lenders Association Limited (collectively "the Industry Associations") to introduce more than one consumer credit reference agency (CRA) in Hong Kong through the Credit Reference Platform (this model referred to as "Credit Data Smart"), with a view to enhancing the service quality of consumer CRAs in Hong Kong and reducing the operational risk of having only one commercially run service provider in the market, particularly the risk of single point of failure.

"Credit Data Smart" has been progressing in an orderly manner as planned. The Industry Associations launched the "Credit Data Smart" pilot programme on November 20, 2023, with the expectation that the selected CRAs would officially offer to the public secure and reliable consumer credit reference services upon successful completion of the pilot programme. According to the information provided by the Industry Associations, over 1

000 employees from nearly 20 institutions including banks, licensed money lenders, platform operator, the Industry Associations and governmental institutions participated in the pilot programme since its launch. The results indicated that the data accuracy of the credit reports and overall service performance of the three CRAs met the requirements set by the Industry Associations.

Accordingly, the Industry Associations announced on April 18 this year the commencement of service of "Credit Data Smart" with effect from April 26.

(5) According to the information provided by the Industry Associations, the three CRAs are required to comply with the industry's rigorous requirements on information security, system and data management, etc as set out in the "Code of Practice for the Multiple Credit Reference Agencies Model" since their selection in November 2022. These CRAs are also required to submit regularly their compliance assessment reports on personal data protection, information and network security etc to the Industry Associations, in order to ensure their compliance with the Personal Data (Privacy) Ordinance, "Code of Practice on Consumer Credit Data" and "Code of Practice for the Multiple Credit Reference Agencies Model". The Industry Associations will continue to review the operations of the three CRAs after the commencement of service of "Credit Data Smart".

(6) Ensuring the security of customer information is the top priority, and the primary consideration of the HKMA underlying any data connectivity initiative is to ensure that any information involved in the process will be processed in a safe and efficient manner and that any information transfer is in compliance with relevant legal and regulatory requirements. In terms of supervision, the HKMA has put in place strict regulatory requirements and guidelines in respect of protection of information security for banks to follow, to ensure the security, confidentiality and integrity of information of businesses and to prevent such information from being accessed or used without proper authorisation. In this regard, the HKMA is planning to issue regulatory circulars to remind the Hong Kong banking industry to comply with all relevant legal and regulatory requirements when handling cross-boundary transfers of credit information, so as to ensure information security and effective risk management.

The People's Bank of China (PBoC) and the HKMA announced on January 24 this year the "three measures on connectivity" and "three measures on facilitation" to deepen the financial co-operation between Hong Kong and the Mainland, and signed a Memorandum of Understanding on Cross-Boundary Credit Referencing (CBCR) pilots. This is to establish co-operative arrangements to, starting out from the Greater Bay Area, jointly promote the co-operation on CBCR pilots, foster cross-boundary transfer of credit information between Hong Kong and the Mainland, and facilitate cross-boundary financing for Shenzhen and Hong Kong enterprises. Under the CBCR pilot scheme, a number of Hong Kong banks and CRAs have expressed interest in participating in the pilots. At the same time, some CBCR pilots have already entered the processes of the relevant Mainland authorities. Relevant institutions will continue to work closely with each other, and facilitate the implementation of the pilots

and the conduct of relevant tests in a step by step manner.

LCQ19: Supply of workforce

Following is a question by the Hon Tang Fei and a written reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (April 24):

Question:

According to the latest data published by the Census and Statistics Department, the provisional estimate of the Hong Kong population was approximately 7.5 million at end-2023. While the population registered an increase for two consecutive years since normalcy resumed in Hong Kong, the population of Usual Residents has dropped by nearly 140 000 over the past three years, and there is also a drop in the labour force in the 20-39 age group. Regarding the supply of workforce, will the Government inform this Council:

(1) of the specific measures in place to attract and retain young or middle-aged workforce in Hong Kong, especially professional talents in the technology and financial industries as well as other high value-added industries, so as to ensure the long-term prosperity of Hong Kong;

(2) of the long-term plan in place to promote population growth, and the measures in place to prevent the labour market from shrinking as a result of changes in the demographic structure;

(3) as there are views that despite various talent-trawling measures adopted by the Government in recent years, the population of Usual Residents in Hong Kong still decreases, how the Government assesses the effectiveness of those measures, and of the new strategies to be put in place in the future to attract high-quality talents from outside Hong Kong to fill the vacancies in the local labour market; and

(4) how it will upgrade the skills of local young people, so as to help them adapt to the requirements of future economic development?

Reply:

President,

Hong Kong is facing challenges posed by ageing population and manpower shortages. Various policy bureaux have been closely monitoring changes in the local demography and manpower situation in different industries, and will review and enhance relevant strategies and initiatives under their purview in a timely manner to meet Hong Kong's economic and social development needs.

On the Member's question, after consolidation of the responses by the Deputy Chief Secretary for Administration's Private Office, the Education Bureau, the Innovation, Technology and Industry Bureau, the Financial Services and the Treasury Bureau, the Transport and Logistics Bureau, and the Labour and Welfare Bureau (LWB), I reply on behalf of the Government as follows:

(1) and (4) Workforce is the prime resource to drive sustainable economic development of Hong Kong. In light of the sustained economic growth after the pandemic, the labour market is anticipated to remain tight for some time in future. The main thrust of the Government's manpower policy is to nurture local talents and unleash local workforce. We launched a series of training initiatives covering different industries and professions and local young people are the main targets for some of them. In addition, the Government devotes great efforts to boost the economy and develop emerging industries so as to provide quality job opportunities with prospects to the local labour force, particularly young people and to attract them to stay in the local labour market to realise their full potentials and contribute to Hong Kong.

The Government makes significant investment in education to provide students with diversified and quality education and promote whole-person development, thereby allowing students to choose their own articulation pathways and join different industries according to their interests and abilities. The Government has been encouraging the University Grants Committee (UGC)-funded universities to offer programmes which cater for Hong Kong's development needs and expand the talent pool in important areas such as innovation and technology. The UGC's strategic directions of the upcoming triennial planning exercise cover the support to strengthen growth impetus for Hong Kong and prepare talents for development, transformation and future challenges.

Meanwhile, Vocational and Professional Education and Training (VPET) has long been an integral part of the education system in Hong Kong. The Government adopts the strategy of fostering industry's institution collaboration and diversified development, with further promotion of VPET under a multi-pronged approach to nurture more high-quality talents equipped with applied skills as well as provide young persons with diversified learning and employment opportunities. These will enable them to acquire the skills and knowledge as need in the society and the workplace. To further elevate the status of VPET at degree level, the 2023 Policy Address announced that the Government would press ahead with the establishment of universities of applied sciences (UAS), providing a pathway to success for young people who aspire to pursue a career in professional skilled sectors. The Government announced on March 21, 2024, that the Hong Kong Metropolitan University was qualified as the first UAS in Hong Kong.

The Government has also supported the Vocational Training Council (VTC) to provide a comprehensive system of education and training services so as to further strengthen VPET. The VTC offers more than a thousand in-service training short courses annually for upgrading skills and knowledge with over hundred thousand of student enrolments. The Apprenticeship Scheme each year provides on-the-job training and vocational education in different technical

trades to more than a thousand registered apprentices. With the objective to attract more young people to participate in the scheme and work in relevant trades, each registered apprentice will, for a period of three years starting from 2024/25, receive an additional monthly training allowance of \$1,000, and, after commencing employment upon graduation, continue to be subsidised to undertake training courses in relevant trades. Furthermore, the Employees Retraining Board (ERB) provides eligible trainees with market-driven and employment-oriented courses to assist them in joining or re-joining the labour market. The ERB currently offers more than 700 training courses straddling 28 industry areas and on different generic skills, with more than hundred thousand of training places annually.

The Labour Department (LD) has also implemented various employment programmes to assist job seekers in employment, including the Employment Programme for the Elderly and Middle-aged to encourage employers to engage job seekers aged 40 or above and provide them with on-the-job training; and the Re-employment Allowance Pilot Scheme to increase the incentives for persons aged 40 or above who have not been at paid employment for three consecutive months or more to re-join the labour market to unleash potential workforce. In addition, the LD has implemented the Youth Employment and Training Programme and run the youth employment resource centres to assist young people in better understanding themselves and their work aptitudes while enriching their job skills and experience so as to enhance employability.

Specifically for the pillar and priority industries of Hong Kong, relevant policy bureaux have implemented different measures to attract, train and retain talents. For example, in the sectors of banking, asset and wealth management, insurance, finance, etc, the Government has in recent years launched programmes such as the Pilot Programme to Enhance Talent Training for the Insurance Sector and the Asset and Wealth Management Sector to provide training and subsidies to tertiary students, graduates and practitioners. The Government has also sponsored exchange activities of relevant professionals.

In the innovation and technology sector, the Government, through the STEM Internship Scheme, encourages university students taking STEM (Science, Technology, Engineering and Mathematics)-related programmes to gain experience in I&T-related work during their studies. In addition, the Government sponsors the Innovation and Technology Scholarship to subsidise university students to participate in I&T-related exchange activities. The Government also funds eligible companies or organisations through the Research Talent Hub (RTH) to engage university graduates in STEM-related disciplines to conduct research and development work. In 2023, the Government increased the allowance for engaging research talents under RTH and provided additional living allowance to research talents with doctoral degrees.

Regarding the aviation sector, the Government has all along been collaborating with the Airport Authority Hong Kong (AA) and the aviation sector to introduce various measures to attract new blood. The Hong Kong International Aviation Academy (Academy), set up by the AA, is committed to training local and regional air transport talents. For instance, the Academy

launched a cadet pilot programme in September 2023 and introduced in collaboration with a university Hong Kong's first Bachelor of Administration (Honours) degree programme with pilot training, thereby nurturing more quality local pilots for Hong Kong's aviation industry.

Different policy bureaux will continue to closely liaise with their industries, and formulate corresponding measures in response to the latest industry development and manpower situation so as to attract and train sufficient talents to maintain the competitiveness of relevant industries.

(2) and (3) The most fundamental way to drive population growth is to raise fertility rate. Therefore, the Chief Executive announced in the 2023 Policy Address an array of measures to promote fertility. These measures, including giving families newborns priority on flat selection and allocation, enhancing child care support, increasing tax concessions and providing Newborn Baby Bonus, etc. These are to encourage fertility by creating a conducive environment for childbearing to provide the manpower required for the long-term economic development of Hong Kong and to alleviate the problem of an ageing population.

In addition, it is most direct and efficient to replenish the local population and workforce by admission of quality outside talents. Since the Government's implementation of a series of talent attraction measures at end-2022 up to end-March 2024, more than 110 000 talents under various talent admission schemes have arrived in Hong Kong with their dependants.

From end-2022 to end-2023, there was a net inflow of 51 700 Hong Kong residents, with signs of reversing the population decline since 2020. According to the statistics released by the Census and Statistics Department, the Hong Kong population was 7.5 million at end-2023, representing an increase of 0.4 per cent from that at end-2022, which registered an increase in the population for the second consecutive year since Hong Kong's resumption of normalcy. Most of the immigrants are at working age. The local labour force (excluding foreign domestic helpers) also rebounded from the lowest of 3.43 million in 2022 to 3.48 million in the fourth quarter of 2023.

In addition to the positive responses of various talent admission schemes, incoming talents can enhance the local talent pool to cope with the manpower shortage in Hong Kong. For instance, the employment-tied schemes such as the General Employment Policy (GEP) and the Admission Scheme for Mainland Talents and Professionals (ASMP) aim to enable enterprises to engage outside talents to fill job vacancies. In 2023, around 26 000 and 20 000 applications under the GEP and the ASMP were approved respectively. Amongst which, about 500 approved cases involved talents falling under the industry segments and professions on the Talent List whom enterprises could directly employ without the need to prove difficulties in local recruitment. Furthermore, many talents admitted to Hong Kong under the Top Talent Pass Scheme (TTPS), which targets high-income talents and graduates from the world's top universities to come to Hong Kong for development, have been in employment. In November 2023, the LWB conducted follow-up surveys with the TTPS entrants having arrived in Hong Kong for more than six months. Results showed that more than half of the talents under the TTPS had entered

the local labour market and that more than 10 per cent of the accompanying spouses were in employment. The Hong Kong Talent Engage, established last year, will also formulate targeted recruitment and publicity strategies for different talent groups and provide support services to talents who arrived in Hong Kong in order to assist them in adapting to the new environment as early as possible and integrating into the community.

In anticipation that the local workforce will remain tight in the future, the Government will continue to trawl for outside talents to fill vacancies in the local market. The LWB will review the TTPS and other enhanced talent admission arrangements in the middle of this year to ensure the competitiveness of relevant measures and their effectiveness in addressing Hong Kong's manpower demand.

In addition, the LWB is conducting the manpower projection to assess the manpower needs and shortage in 2028 in key industries driving economic growth in Hong Kong and main services supporting city operation. Key findings will be available in the third quarter of this year, followed by a detailed report to be released in early 2025. The projection findings will guide the Government in adjusting the policies relevant to manpower and training to meet the needs of economic and industries developments in Hong Kong.