

LCQ12: Impacts of social disturbances on economy

Following is a question by the Hon Holden Chow and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (November 20):

Question:

Since June this year, the controversies arising from the proposals to amend the law concerning surrender of fugitive offenders have eventually turned into social disturbances. Radical demonstrators have wantonly vandalised buildings and public facilities, with quite a number of shops being "renovated" (the code word for "vandalised"), and persons with different views being "doxxed" and "settled privately" (the code words for "subject to vigilante attacks"). Such acts have seriously affected the business environment, operation of society and the daily living of members of the public. In this connection, will the Government inform this Council:

(1) of the respective numbers of reports, received by the Police from shop operators since June this year, of alleged (i) intimidation, (ii) blackmail and (iii) property being destroyed/damaged (including arson) on account of reasons relating to social disturbances, as well as the latest progress of investigations into such cases; the number of requests for assistance received by the Government from shop operators who experienced operating difficulties, as well as the specific follow-up work;

(2) whether it knows the number of sports, cultural, arts, entertainment and tourism events originally scheduled to be held in Hong Kong in the latter half of this year or next year that have been cancelled or rescheduled since June this year on account of reasons relating to social disturbances, and set out by name of event: (i) the event organiser, (ii) the estimated manpower deployment, (iii) the expected economic benefits that may be brought to Hong Kong (e.g. the number of visitor arrivals that may be attracted), (iv) originally scheduled event date, and (v) newly scheduled event date (if available);

(3) whether it knows the respective monthly attendances of Ocean Park Hong Kong and Hong Kong Disneyland since June this year, and how such figures compare with the figures for the same period last year; the special promotion plans to be put in place by the operators of these two theme parks this year and next year in a bid to attract visits by local residents and tourists; and

(4) whether it has assessed the damage caused to Hong Kong's business environment and international reputation by the social disturbances since June this year; if so, of the indicators adopted and the assessment outcome; of the measures put in place to restore the confidence of the international community in the stability and business environment of Hong Kong?

Reply:

President,

In recent months, there have been persisting protests and unrest in Hong Kong with some radical protesters setting fire wantonly, damaging shops and public facilities, blocking roads, and disrupting transport services. These illegal acts have seriously breached public harmony and threatened the safety of members of the public as well as their properties. They have also dealt a blow to Hong Kong's economy and tarnished our international image.

Having consulted the relevant Bureaux and Departments, the reply to the question raised by the Hon Holden Chow is as follows:

(1) Numbers of reported crime cases of criminal damage, arson, blackmail and criminal intimidation received by the Police between June and September 2019 as compared with the same period last year are set out in the table below:

	June – September 2018	June – September 2019	Comparison	
			Numerical	Percentage
Criminal damage	1 657	2 148	+491	+29.6%
Arson	94	148	+54	+57.4%
Blackmail	240	134	-106	-44.2%
Criminal intimidation	533	376	-157	-29.5%

For any cases of suspected offence, Police will conduct comprehensive investigation and follow up in stringent manner. Police had not maintained any breakdown of the above cases on account of reasons relating to social disturbances. The Government also had not maintained any record on the number of requests for assistance received from shop operators who experienced operating difficulties.

The Government had been keeping closely in view the impact of social unrest on different sectors and had been maintaining close communication with relevant sectors to provide appropriate assistance. Since mid-August, the Government had announced several rounds of support measures including those which would benefit industries that are more directly hit by the recent incidents, such as retail, catering, and tourism industries. Examples include the waiver of Government fees which can benefit the catering industry, reduction of rentals for catering establishments and retail stores leased by the Government, provision of cash incentive to travel agents, as well as multiple measures which help small and medium enterprises secure financing, etc. The Government will continue to monitor closely the economic situation, maintain communication with relevant sectors, and introduce additional support measures when appropriate.

(2) The Government notes that a number of events of various scale had been postponed or cancelled. Examples of relevant major events include the National Day Fireworks Display, Hong Kong Tennis Open, Hong Kong Wine & Dine

Festival, and Hong Kong E-Prix. Some of the affected events which had been postponed or cancelled are summarised at the Annex. These events had been very successful and popular among local residents and visitors when they were held in Hong Kong in the past. As they could no longer be held as scheduled, this had cast a negative impact on Hong Kong's economy, especially our tourism industry.

Meanwhile, through careful arrangements by the organisers, some events were held smoothly. Examples include the World Rowing Coastal Championships, Hong Kong Open Badminton Championships, and Hong Kong Great November Feast, etc. The Government hopes that calmness would be restored in society as soon as possible such that different activities could be held smoothly, thereby maintaining our position as the Events Capital of Asia.

(3) The Government attaches great importance to the business performance of Ocean Park Hong Kong and Hong Kong Disneyland Resort, and has been keeping a close watch on their attendance situation. In view of the challenges faced by Hong Kong's inbound tourism in recent months, the two theme parks had recorded considerable drop in their overall attendance. In this regard, the two theme parks will strive to increase income and reduce cost, roll out products tailored for the local market, and launch promotion in other visitor source markets at opportune junctures. Meanwhile, the two theme parks will continue to launch new attractions so as to enhance their attractiveness and competitiveness. In this regard, Hong Kong Disneyland Resort is taking forward its expansion and development plan, with new attractions to commission progressively in the coming few years including the transformed castle with entirely new daytime and night time shows next year. Ocean Park Hong Kong will roll out a night time multi-media light show within this year, and it is establishing a technology-driven and highly interactive STEAM (Science, Technology, Engineering, Arts and Mathematics) Hub which is expected to open next year.

(4) Protests and rallies in recent months had often ended up in violence. They had drawn the attention of various countries and had been widely reported by overseas media. So far at least 40 countries had issued advice on travelling to Hong Kong. This had affected our international image. The business sector had also been closely monitoring the impact of recent incidents on Hong Kong's business environment as well as law and order. The persisting protests as well as some radical, violent and illegal acts had caused many to raise concerns on their personal safety in Hong Kong and had dampened the interest in visiting, making investment or seeking development here.

The Government had been resorting to various channels (e.g. mutual visits by officials and business leaders, international conferences, our overseas Economic and Trade Offices (ETOs), overseas media, as well as consulates and chambers of commerce in Hong Kong) to provide clarifications to the international community. The Government had also been closely monitoring the comments raised in different places in relation to Hong Kong and would provide updates to the international community in a timely manner so as to enable them to have a more accurate understanding of the actual

situation in Hong Kong. For instance, the Financial Secretary had visited the United States and the United Kingdom in October and November this year respectively and I had visited the United States for three times in September 2018 as well as in June and September 2019. Through meetings with government officials, members of Parliament/Congress, think tanks as well as the business community, we had explained clearly Hong Kong's unique status and strengths under the Basic Law, and our important role in helping our global trading partners in developing markets. We had also provided clarifications on the situation in Hong Kong, and actively rectified any misunderstanding. Our ETOs had also been maintaining regular communication with relevant parties and disseminating the latest information to interested parties through different means such as meetings, emails, conventional media, and social media, etc. to explain Hong Kong's situation and dispel any misunderstanding.

While peace is being restored gradually in society, the Government will, in collaboration with the relevant organisations, chambers of commerce and professional bodies, step up efforts and resources to rolling out overseas promotional work and other effective measures to rebuild confidence in Hong Kong as soon as practicable.