

## LCQ2: Measures to improve reception of visitors to Hong Kong

Following is a question by the Hon Shiu Ka-fai and a reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (May 23):

Question:

Since 2017, there has been a continued rebound in visitor arrivals to Hong Kong, reversing the downward trend since 2015 and bringing economic benefits to the local tourism and related sectors (including the retailing, catering and transport sectors). The visitor flows in districts frequented by visitors have also increased consequently. In this connection, will the Government inform this Council:

(1) whether the authorities have, since 2017, stepped up the relevant efforts in districts frequented by visitors to Hong Kong in response to the rebound in visitor arrivals, including deploying additional manpower to clean the streets more frequently and assigning additional patrolling police officers to maintain law and order; if so, of the details; if not, the reasons for that;

(2) whether it will comprehensively review and improve the current measure of deploying District Tourism Ambassadors (DTAs) to station in Kowloon City District, including selecting candidates more stringently in the recruitment of DTAs, strengthening the training, supervision and management of those recruited, expanding their duties (e.g. answering visitors' enquiries in addition to calling upon the visitors to keep places clean and maintain smooth passages), as well as extending the measure to other districts frequented by visitors, with a view to reducing the inconvenience caused by visitors to the residents; and

(3) whether it has drawn up plans that may effectively divert visitors to various districts throughout the territory (e.g. by distributing at boundary control points leaflets on the characteristics of places in Hong Kong other than those tourist hot spots, so as to attract visitors to those places), thereby allowing tourism to bring benefits to local economy and, at the same time, minimising the inconvenience caused to certain districts by over-concentration of visitors?

Reply:

President,

The tourism industry, accounting for 5 per cent of our Gross Domestic Product and providing nearly 260 000 employment opportunities for people at different levels, is one of the important industries of Hong Kong. In recent

years, thanks to the concerted efforts of the Government and various parties, coupled with the improvement in the external environment, the tourism industry has regained growth. In 2017, total visitor arrivals to Hong Kong rose by 3.2 per cent year-on-year. We are glad to see a rebound in visitor arrivals, but at the same time will continue to steadfastly enhance the infrastructures and services of Hong Kong's tourism industry.

As regards the question raised by the Hon Shiu Ka-fai, with the relevant bureaux and departments consulted, my reply is as follows:

(1) The Hon Shiu Ka-fai asked whether the Government has strengthened district work in response to the rebound in visitor arrivals. My answer is affirmative, particularly with various arrangements already made to co-ordinate departments' efforts. Before peak periods of Mainland visitor arrivals, including the Chinese New Year and National Day Golden Weeks, the Tourism Commission convenes inter-departmental meetings to remind the departments concerned to strengthen visitor crowd control measures. It also maintains close liaison with District Offices to understand the situation of visitors' activities in different districts so as to make deployment and respond accordingly.

The Food and Environmental Hygiene Department enhances the cleansing of streets and public facilities such as public toilets at popular gathering spots for visitors to keep the cityscape clean. It also calls upon members of the public and visitors to maintain environmental hygiene through various channels, including its website and public transport.

The Police deploys additional manpower to ensure smooth traffic flow and maintain public order at boundary control points, major tourist spots and shopping hotspots. During major festivals and holidays, departments including the Police, the Immigration Department, the Customs and Excise Department, etc strengthen the monitoring of land boundary control points, maintain liaison with the relevant authorities of the Mainland and, when necessary, implement contingency measures.

Furthermore, the Government has adopted various targeted measures to minimise the impact brought about by inbound tour groups to the community. Such measures include encouraging coaches to use legal parking spaces, urging the trade to maintain order when receiving tour groups as well as make good use of information technology to strengthen visitor and vehicular flow control, etc. From time to time, the Travel Industry Council of Hong Kong (TIC) also conducts on-site inspections, and issues circulars to and holds talks for the trade to appeal for their proper management of tour groups.

(2) To alleviate the impact brought about by inbound tour groups to Kowloon City, the Kowloon City District Office (KCDO) has recruited District Tourism Ambassadors (DTAs), progressively increased to 60, on a part-time basis with the funding from the District-led Actions Scheme since October 2016. DTAs remind visitors to keep the environment clean and passage clear, and advise coach drivers not to pick up, drop off or park illegally, at popular

gathering spots for visitors. When necessary, they call upon law enforcement agencies to take follow-up actions on-site. The KCDO has also invited the Police and TIC to provide DTAs with safety instructions and practical information about inbound travel to strengthen training by enhancing their skills of handling different situations.

(3) Last October, the Government published the Development Blueprint for Hong Kong's Tourism Industry. One of the strategies is to nurture and develop tourism products and initiatives with local and international characteristics to cater for the preferences of different visitor segments. The aim is essentially to divert visitors to different districts of Hong Kong, thereby alleviating the congestion at tourist hotspots. For instance, last month, the Government finished the revitalisation works of the Dr Sun Yat-sen Historical Trail. The Trail, together with the PMQ, "Old Town Central" campaign launched by the Hong Kong Tourism Board (HKTb), as well as "Tai Kwun" to be opened later this month, will help promote the Central and Western District as a district of cultural and heritage tourism. In addition, the Government is planning to take forward different initiatives of cultural, creative and green tourism in Sham Shui Po, Wan Chai, Yim Tin Tsai of Sai Kung, etc.

Every year, the HKTb organises major events including the International Chinese New Year Night Parade, Hong Kong Dragon Boat Carnival, etc, and promotes to visitors various traditional festivals including the Yu Lan Ghost Festival, Cheung Chau Jiao Festival, the Tai O dragon boat water parade, Tai Hang fire dragon dance, etc, with a view to attracting visitors to experience Hong Kong as an events capital in different districts.

Furthermore, the Hong Kong Disneyland Resort is taking forward the expansion and development plan, of which the first new attraction "Moana: A Homecoming Celebration" stage show will be launched soon. The waterpark and two new hotels of the Ocean Park will be completed progressively from this year onwards until 2021. The various facilities of the West Kowloon Cultural District, including Xiqu Centre, M+ Museum, etc, will also be completed by phase in the years ahead.

The Government and HKTb have also been promoting the tourism offerings and specialties of various areas of Hong Kong through different channels, such as guidebooks, digital media platforms and public relations campaigns. Early this year, the HKTb revamped the website featuring travel information about the 18 districts of Hong Kong into a new thematic one called "Hong Kong Neighbourhoods" to showcase the history, local culture, tourist spots and culinary delights of different districts of Hong Kong, with a view to attracting visitors to travel and spend there.

Looking ahead, the Government will continue to join hands with the HKTb and the trade to nurture and develop diversified tourism products and initiatives to entice visitors to patronise different districts of Hong Kong, while supporting the development of local economy at the same time.

Thank you.

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## LCQ22: Supply of first-hand private residential units

Following is a question by the Hon James To and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (May 23):

Question:

Regarding the supply of first-hand private residential units, will the Government inform this Council:

- (1) of the number of unsold first-hand private residential units on December 31 in each year from 2008 to 2017 which had been issued with occupation permits ("OPs");
- (2) of the number of unsold first-hand private residential units on March 31, 2018 which had been issued with OPs, broken down by the number of years (e.g. one, two or three years) for which OPs had been issued;
- (3) of the number of first-hand private residential units under construction on December 31 in each year from 2008 to 2017 and on March 31, 2018 which had been sold;
- (4) whether it has set the following target: keeping the number of unsold first-hand private residential units which have been issued with OPs at a low level; if so, of the details; if not, the reasons for that;
- (5) whether the Government implemented the following measure in the past 25 years: including in the pre-sale consents a provision requiring the developers to put the residential units concerned on the market for sale within a specified period; if so, of the details of the measure (including the implementation date, content and effectiveness); and
- (6) whether the Government will study the implementation of the measure mentioned in (5) in the near future, in order to reduce the number of first-hand private residential units hoarded by developers; if so, of the details; if not, the reasons for that and the alternative measures?

Reply:

President,

After consulting the Lands Department (LandsD), my reply to various parts of the question raised by the Hon James To is as follows:

- (1), (2) and (3) The Government releases statistics on private housing supply in the primary market on the website of the Transport and Housing Bureau on a

quarterly basis. The statistics include the number of unsold units in completed projects and the number of units under construction that have been sold.

The statistics requested by Hon James To in parts (1), (2) and (3) of his question are set out in Annex 1, Annex 2 and Annex 3 respectively.

(4), (5) and (6) In the face of the current housing demand-supply imbalance, the Government has been striving to increase land and housing supply through a multi-pronged approach. The Government has all along been closely monitoring the development of the private residential property market and the supply of first-hand private residential units. The Government is also aware that the number of unsold first-hand private residential units in completed projects has been increasing in recent years. We are exploring ways to address the situation.

In March 1997, the Government announced that LandsD would impose a new term in issuing pre-sale consent letters, specifying that the consent given would be valid for six months and that developers would have to offer for sale all residential units covered by the relevant consent letter within the validity period. If the developers concerned failed to sell all the residential units within the validity period but wished to continue offering the units for pre-sale, they would need to apply to LandsD for an extension of the validity period. Subsequently, with the significant drop in housing prices, the Government considered that developers were inclined to sell their units as early as possible. There was hence no longer the need to continue implementing the measure under the prevailing circumstances. The Government announced the cancellation of the measure in May 1998.

According to LandsD's records, the department issued altogether 32 pre-sale consent letters for residential properties during the implementation of the measure. In five of these 32 cases, the developers concerned failed to sell all the residential units before the expiry of the relevant consent letters. LandsD subsequently granted an extension such that the developers concerned could continue offering the remaining units for sale.

As regards whether the above-mentioned measure should be reinstated, the Government has to carefully consider the justifications, feasibility and effectiveness of various proposals before making a decision.

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## **LCQ8: Sponsored Visitors Programme**

Following is a question by the Hon Claudia Mo and a written reply by the Secretary for Home Affairs, Mr Lau Kong-wah, in the Legislative Council today (May 23):

Question:

The Government regularly invites, under the Sponsored Visitors Programme, political leaders as well as prominent members of the political and business sectors from various countries all over the world to visit Hong Kong. Last month, the Government invited the retired Chairman of the Law Committee of the 12th National People's Congress to visit Hong Kong under the Programme. In this connection, will the Government inform this Council:

(1) of the time when the Government decided to invite the retired official to Hong Kong; the details of his visit to Hong Kong (including the major activities during the visit and the amounts of public expenditure on various items); the standard of the hospitality provided;

(2) of the following details of the visits to Hong Kong arranged by the Government under the Sponsored Visitors Programme in each of the past five financial years: (i) dates of visits to Hong Kong, (ii) names of visitors, (iii) main purposes and other details of the visits to Hong Kong, and (iv) amounts of public expenditures (set out in tables of the same format as the table below);

Financial year: \_\_\_\_\_

(i)	(ii)	(iii)	(iv)

(3) of the total expenditure incurred by the Sponsored Visitors Programme in the past five financial years and the estimated expenditure for the current financial year;

(4) whether the Government has formulated standards of hospitality for receiving visitors under the Sponsored Visitors Programme; if so, of the details; if not, the reasons for that; and

(5) of the principles based on which the Government determines the persons to be invited to visit Hong Kong; if there is no such principles, of the reasons for that?

Reply:

President,

The Hong Kong Special Administrative Region Government runs a Sponsored Visitors Programme to invite key opinion-formers outside Hong Kong (including government officials, political and business personalities, think-tank members, opinion leaders and academics, etc) to visit Hong Kong to gain some experience at first hand and to understand our latest developments.

The reply to the Hon Claudia Mo's question is as follows:

When drawing up the guest invitations under the Sponsored Visitors Programme, the Government mainly takes into consideration the expertise and influence of the proposed visitors in their respective sectors or fields, as well as the Government's major policy focuses. We will arrange meetings and visits to introduce the invited guests to the latest developments of Hong Kong in key areas such as economic and urban construction. Specific visit programmes are refined according to the background and interests of the invited guests. The standard level of hospitality for the invited guests includes business class return airfare, accommodation in a five-star hotel, in-town transportation, and accountable non-cash allowance to cover guests' expenses such as meals at the hotel, etc.

The expenditure on the Sponsored Visitors Programme over the past five years is as follows: 110 guests for 2013-14 with an expenditure of \$5.73 million; 115 guests for 2014-15 with an expenditure of \$6.97 million; 159 guests for 2015-16 with an expenditure of \$9.28 million; 96 guests for 2016-17 with an expenditure of \$5.96 million; and 91 guests for 2017-18 with an expenditure of \$4.70 million. The estimated number of sponsored visitors in 2018-19 is around 110 with an expenditure estimated to be around \$7 million. The above expenditure mainly covers costs for air fares/transport to and from Hong Kong, in-town transportation, and accommodation, etc.

Upon the invitation of the Government, Mr Qiao Xiaoyang, Chairman of the Law Committee of the 12th National People's Congress, visited Hong Kong in April this year under the Sponsored Visitors Programme. During the visit, Mr Qiao attended a seminar for government officials as a guest speaker and met with a number of senior government officials. He also visited a number of major infrastructure projects in Hong Kong to understand more about the latest developments of Hong Kong.

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## **LCQ1: Collection of handling charges for URBIX online ticketing**

Following is a question by the Hon Kwong Chun-yu and a reply by the Secretary for Innovation and Technology, Mr Nicholas W Yang, in the Legislative Council today (May 23):

Question:

Currently, members of the public are required to pay a handling charge ranging from \$6 to \$10 when purchasing event or movie tickets through the websites or mobile phone applications of ticketing agencies, a majority of cinema circuits and the Urban Ticketing System (URBIX) under the Leisure and

Cultural Services Department. However, they are not required to pay such a handling charge when purchasing tickets in person at the box offices. Some members of the public are of the view that the ratio of the relevant handling charge to ticket price is rather high, and the practice of collecting handling charge impedes the development of Hong Kong into a smart city. In this connection, will the Government inform this Council:

(1) of the justifications for the URBIX for not collecting a handling charge at present from persons who purchase tickets through their counters, but collecting a handling charge of \$8 per ticket from those who purchase tickets through its website, mobile phone application and telephone booking hotline, and whether the authorities will consider ceasing the collection of such charge;

(2) whether it will consider regulating the practice of ticketing agencies, cinema circuits, etc. collecting a handling charge from persons who purchase tickets online, such as stipulating the ceiling on the ratio of the handling charge to the ticket price; and

(3) whether it will consider introducing measures to reduce traders' costs for providing electronic ticketing services, so that they do not have to pass on the relevant costs to the consumers, as well as to promote the development of Hong Kong into a smart city?

Reply:

President,

After consulting the Home Affairs Bureau, the Commerce and Economic Development Bureau, the Leisure and Cultural Services Department (LCSD), we set out our response to the three parts of the question as below:

(1) The Urban Ticketing System (URBIX) is the ticketing system under the LCSD to provide ticketing services mainly for hirers or event presenters, and audiences of performance venues under the purview of the LCSD. Hirers or event presenters are free to choose the URBIX or other ticketing systems for sale of tickets. The LCSD does not oblige them to use the URBIX.

The URBIX operates on a Public Private Partnership (PPP) approach. Based on the LCSD's study and practical experience in the past, as well as drawing reference to the mode of operation of ticketing services elsewhere, the LCSD considers PPP a more flexible and effective mode of service delivery. For ticket purchasers, even if the ticketing system is operated by the LCSD, they still need to bear a certain amount of cost, in accordance with the Government's well-established "user pays" principle. Moreover, quite a number of initiatives under the smart city concept are implemented as a PPP.

The current system of the URBIX was developed and owned by the contractor at its own cost under a contract awarded through open tender by the LCSD. During the contract period, the contractor is responsible for



system operation and maintenance as well as provision of online booking, mobile ticketing application and telephone booking services. According to the terms of the contract, the contractor can collect a handling charge of \$8 per ticket from customers who purchase tickets through such services. Such a charge is only equivalent to a small portion of the ticket price for many events.

The contract between the LCSD and the incumbent the URBIX contractor will expire in 2021. Before its expiry, the LCSD cannot change the charges by the contractor under the contract. The LCSD is examining measures to improve and develop the system in future, and will consider the views of various stakeholders and draw reference to the latest technology trends and applications of local and international ticketing markets in formulating appropriate requirements for the ticketing system and determining service charges. The LCSD expects to commence the open tendering process for the new ticketing system and related services in the third quarter of 2019.

(2) and (3) As for ticketing agencies or other online services (including sale of tickets) operated by commercial entities, different organisations or agencies adopt different sale arrangements and charges having regard to the market situation and cost considerations. For ticket purchasers, they can also make their own choices having regard to the service levels of various purchase channels, for examples, whether purchase can be made any time, time required to complete the purchase, and whether purchasers can flexibly select preferred ticket types and seats, etc.

Apart from the URBIX, there are at present other ticketing agencies available in Hong Kong, such as HK Ticketing, Cityline, etc. They provide similar online and conventional ticketing services. No matter in Hong Kong and other places, collection of handling charges for online ticketing is a common practice of the trade, with charges ranging from several dollars to over a hundred dollar. The gist of the issue is whether the market operation is smooth and transparent, so that ticket purchasers can make their choices over different purchasing channels. Given the rationale behind the current commercial operation and business practices, we do not see the need for the Government to regulate the collection of handling charges for online transactions by legislative means or administrative measures. Indeed, outside Hong Kong, such handling charges are also mostly determined by ticketing agencies or related commercial operators based on market situation.

The Government is committed to developing Hong Kong into a world-class smart city and published the Smart City Blueprint for Hong Kong (Blueprint) in December 2017, outlining the smart city development plans under six major areas, namely "Smart Mobility", "Smart Living", "Smart Environment", "Smart People", "Smart Government" and "Smart Economy". Under "Smart Economy", we have put forth a number of initiatives to promote the development of Internet-driven economy, e.g. the Faster Payment System and the introduction of new technologies in Fintech. These initiatives not only enhance Hong Kong's economic competitiveness and provide businesses with a business friendly environment for fostering innovations, but also bring convenience to residents in their daily living. Moreover, smart city development requires

close collaboration of public and private organisations, the academia and the public at large.

As regards the smart city infrastructure, the Office of the Government Chief Information Officer is taking steps to develop a one-stop online system to provide an electronic identity (eID) for all Hong Kong residents from 2020, facilitating them to use a single digital identity and authentication to conduct government and commercial transactions online. The eID system will also provide Application Programming Interfaces for application by different sectors and businesses, especially small and medium enterprises. These measures can help lower the cost for businesses to develop and operate their online sales and other electronic services.

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## **LCQ16: Development of high-tier data centres and cross-boundary transmission of data**

Following is a question by the Hon Charles Mok and a written reply by the Secretary for Innovation and Technology, Mr Nicholas W Yang, in the Legislative Council today (May 23):

Question:

â€‹ Regarding the development of high-tier data centres and cross-boundary transmission of data, will the Government inform this Council:

(1) of the Government's timetable for putting up sites for sale by tender for the development of high-tier data centres, and the estimated time needed from the disposal of sites by the Government to the completion of the data centres concerned;

(2) given that the Agreement on Economic and Technical Cooperation (which was signed in June last year between the Government and the Mainland authorities under the framework of the Mainland and Hong Kong Closer Economic Partnership Arrangement) includes the work to "strengthen exchanges between the two places regarding cross-boundary data flow, and form a joint working group to study feasible policy measures and arrangements" in respect of co-operation in electronic commerce, of the details and progress of this work; and

(3) whether, in tandem with strengthening the exchanges between the two places regarding cross-boundary data flow, the authorities have formulated policies and guidelines on the arrangements for cross-boundary transfer of personal data, so as to safeguard the privacy of Hong Kong people; if so, of the details and progress of the relevant work; if not, the reasons for that?

Reply:

President,

My reply to the question raised by the Hon Charles Mok is as follows:

(1) The Government is committed to promoting the development of data centres in Hong Kong and, in 2012, set aside three sites in Tseung Kwan O for high-tier data centre use. The first site was sold in October 2013. The Government is taking active steps to prepare for disposing the remaining two sites by open bidding in the second half of 2018. The lease conditions will require the new data centre to be completed within a specified timeline. Drawing on the experience in developing the first site, it takes about four years from site disposal to completion and commissioning of the data centre.

(2) and (3) After the signing of the Agreement on Economic and Technical Cooperation in June 2017, the Joint Working Group comprising members from the Office of the Government Chief Information Officer, the Cyberspace Administration of China and experts from Hong Kong and the Mainland has held two meetings. In formulating specific measures, the Joint Working Group will consider the importance of protecting personal data and relevant regulatory requirements, including Hong Kong's Personal Data (Privacy) Ordinance.