<u>Local pig samples test positive for</u> ASF virus

The Agriculture, Fisheries and Conservation Department (AFCD) yesterday (January 10) announced that samples taken from a pig farm in Yuen Long had tested positive for the African Swine Fever (ASF) virus. The present ASF case has been discovered with the implementation of the new proactive emergency measure on handling dead pigs on local pig farms since January 3.

AFCD staff inspected a licensed pig farm in San Tin, Yuen Long on January 9 and collected 32 samples from pigs. Upon testing, one of the samples was found positive for the ASF virus. The AFCD has immediately suspended transportation of any pigs from the farm concerned until further notice according to the contingency plan on ASF. The AFCD is arranging culling of all pigs, totalling over 1 700 on the farm concerned, for the sake of prudence. The culling operation will commence this week.

Located within the 3-kilometre monitoring zone of a Yuen Long pig farm where ASF was previously detected, the index pig farm is adjacent to the farm where pig samples tested positive for the ASF virus in the end of last month. Upon AFCD's preliminary investigation and consultation with the international veterinary expert, it is believed that the pigs of the index farm were infected with the ASF virus earlier and now succumb to the disease as the incubation period can last up to 19 days.

The AFCD has implemented an emergency measure on handling dead pigs on local pig farms on the advice of an international veterinary expert since January 3. All farms are required to collect and submit to the AFCD nasal swab samples from pig carcasses for ASF virus testing. Disposal of carcasses can only be arranged by the farms upon confirmation of a negative result. The discovery of pigs infected with ASF on the index pig farm through the implementation of the new measure demonstrates that the measure can proactively curb the spread of the virus and effectively stop pigs infected with the ASF virus from leaving the farm, thereby interrupting the transmission of the virus among local pig farms.

An AFCD spokesman said, "Since the implementation of the enhanced measure, the situation of ASF on local pig farms has somewhat been alleviated. However, as the incubation period of the ASF virus can last up to 19 days, other pig farms locating within the 3-kilometre monitoring zone still present a higher risk of outbreaks. The AFCD will continue to closely monitor the situation of the pig farms and offer recommendations to enhance their biosecurity measures."

The spokesman further said, "The AFCD collaborated with the international veterinary expert to provide guidelines on biosecurity measures for local pig farms earlier. The AFCD will further explain and provide training to the industry to facilitate prompt implementation and strict observation of the biosecurity measures specific to their pig farms, thereby

effectively containing the spread of ASF on local pig farms on different levels. Meanwhile, in order to strengthen the knowledge of local pig farmers of the clinical signs of ASF for early detection and reporting of abnormality of pigs, the AFCD has launched the Guidelines for Reporting Cases of African Swine Fever to assist pig farmers in identifying suspected cases for early reporting and to take appropriate follow-up. Sampling materials and protective clothing have been distributed to all local pig farms. Close communication is kept with pig farmers to update them on the latest situation of ASF via SMS groups."

The spokesman also said that positive cases should be seriously and promptly handled as the effect of ASF is very lethal to pigs. If the spread is not contained, a large number of pigs will die and hence seriously impacting pig farmers and the pig rearing industry. AFCD staff immediately notified all local pig farmers of this incident and reminded them to alert the AFCD immediately if abnormal health condition is observed in pigs.

The AFCD has sent staff to inspect the eight pig farms within 3 kilometres of the index farm. Five pig farms among these have no pigs currently. As for the remaining three pig farms, pig samples have been collected for ASF virus testing with negative test results. For the sake of prudence, the AFCD has temporarily suspended movements of pigs on those pig farms until further notice. No reports of abnormalities from pig farms outside the 3-kilometre zone have been received so far. AFCD staff are conducting visits in phases to all local licensed pig farms to ensure good biosecurity measures have been properly implemented; and continued close surveillance to detect pigs with abnormalities and if a farm is infected as early as possible. Surveillance of wild pig activities in the vicinity of the index farm has also been stepped up.

The spokesman stressed that ASF is not a zoonotic disease and will not infect humans, hence does not present any human health and food safety risk. Regardless of whether the pigs are infected with ASF, pork cooked thoroughly is safe for consumption. Members of the public do not need to be concerned.

The present case does not affect the operation of local slaughterhouses nor the overall supply of live pigs. Since June 2019, a daily clearance arrangement whereby live pigs will be slaughtered within 24 hours upon admittance has been imposed in Sheung Shui and Tsuen Wan slaughterhouses. Under the arrangement, lairages in different areas of the slaughterhouses will be cleared out and undergo thorough cleaning and disinfection every day to further enhance the biosecurity and minimise the risk of infection among pigs in the slaughterhouses.

The Food and Environmental Hygiene Department and the AFCD will continue to stringently conduct cleaning and disinfection of Mainland live pig transportation vehicles and their counterparts for local pigs at slaughterhouses to minimise the risk of cross-infection of ASF. Mainland live pig vehicles and local ones should be thoroughly cleaned and disinfected every time they leave the Sheung Shui Slaughterhouse (SSSH), and the respective designated positions for their cleaning and disinfection are separated. Manpower and equipment of the SSSH have been strengthened

immediately for cleaning and disinfection of the vehicles. In light of these stepped-up measures, the slaughterhouses need not be closed and other pigs need not be culled.

As culling operation takes time, the AFCD will release updated operation information every day later on the departmental web page, www.afcd.gov.hk, for the public.

LCQ12: Expanding the global economic and trade networks

Following is a question by the Hon Jeffrey Lam and a written reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (January 10):

Question:

The Government has indicated in the latest Policy Address that it will expand the global economic and trade networks, promote regional co-operation, and expand the reach to the Belt and Road (B&R) markets, including those of the Association of Southeast Asian Nations (ASEAN), the Middle East, Central Asia and Africa. On the other hand, the Government set up the Belt and Road Office (BRO) in 2016, and established the Steering Group on Integration into National Development in 2022, with a sub-group on B&R development (B&R sub-group) set up thereunder. In addition, the Government has also organised the annual B&R Summit, exchange seminars for enterprises and project interfacing meetings, as well as business missions to visit the B&R related economies. In this connection, will the Government inform this Council:

- (1) of the resources (including expenditure and manpower) allocated respectively to BRO and the B&R sub-group by the Government for taking forward the B&R Initiative in each of the past three years; whether the Government will increase the manpower and estimated expenditure for these departments in the future; if so, of the details; if not, the reasons for that;
- (2) whether it has assessed the effectiveness of the work of the departments mentioned in (1) in taking forward the B&R Initiative in the past three years; if so, of the details; if not, the reasons for that; given that the Government has indicated in the latest Policy Address that it will set up additional offices for business and trade along B&R, of the relevant details (including their number, regions, locations, as well as the manpower and expenditure involved), and whether it will set performance indicators for the work of such offices; if so, of the details; if not, the reasons for that; and

(3) given that Hong Kong has signed free trade agreements (FTAs) with 20 economies (including ASEAN member states, Georgia and Australia), whether the Government has compiled statistics on the economic benefits brought by such FTAs to Hong Kong in the past three years, as well as the number of enterprises and capital brought in; if so, of the details; if not, the reasons for that?

Reply:

President,

Hong Kong is an active participant, contributor and beneficiary of the Belt and Road Initiative (B&RI). We have been fully participating and contributing to the B&RI, and serve as the functional platform for the Belt and Road (B&R). On the occasion of the 10th anniversary of the B&RI in 2023, President Xi Jinping announced the eight major steps to bring B&R cooperation to a new stage of high-quality development, namely building a multidimensional B&R connectivity network; supporting an open world economy; carrying out practical co-operation; promoting green development; advancing scientific and technological innovation; supporting people-to-people exchanges; promoting integrity-based B&R co-operation and strengthening institutional building for international B&R co-operation.

Hong Kong has the unique advantage of enjoying strong support of the motherland and being closely connected to the world to play its role as a functional platform and make the best use of its experience accumulated in high-quality development to actively contribute towards these eight major steps. Apart from serving as a "super connector", we will also leverage our strengths to be the "super value-adder" for the next stage of our country's B&R development.

Our reply to the three parts of the question is as follows:

(1) Since the set-up of the Belt and Road Office (BRO) in August 2016 and its establishment as a permanent full-fledged office under the Commerce and Economic Development Bureau (CEDB) in April 2018, the Government of the Hong Kong Special Administrative Region (HKSAR) has been adopting a whole-government approach, under which the BRO is tasked with formulating policies and measures, as well as leading and co-ordinating the relevant work of the HKSAR Government to promote Hong Kong's participation in the B&RI, including working to strengthen the close liaison and co-operation with relevant Mainland authorities in respect of enhancing policy co-ordination.

Also, since December 2022, the Chief Executive (CE) has established the Steering Group on Integration into National Development (Steering Group) under his chairmanship to provide steer to bureaux and departments to actively dovetail with the national strategies including the B&RI. Under the Steering Group, the Working Group on Belt and Road Development (Working Group) was set up with the Secretary for Justice (SJ) and the Secretary for Commerce and Economic Development serving as its Chairperson and its Secretary respectively, while the BRO is responsible for its secretariat work.

In the past three years, the total expenditure and establishment of the BRO are tabulated as follows:

∥⊨inanciai i	HAVNANGITHRA (Ç'AMA)	Establishment (number of posts)
2020-21	26,018	20
2021-22	23,497	21
2022-23	29,413	21

The relevant bureaux and departments of the HKSAR Government will continue to utilise existing funds and manpower to promote B&R development, with relevant resources already absorbed in the overall estimated expenditure and establishment of relevant bureaux and departments.

(2) The Arrangement between the National Development and Reform Commission (NDRC) and the HKSAR Government for Advancing Hong Kong's Full Participation in and Contribution to the B&RI signed between the HKSAR Government and the NDRC in 2017 provides the direction and a blueprint for Hong Kong's full participation in and contribution to the B&RI. The Joint Conference mechanism was also set up to follow up on the implementation of the Arrangement, with meetings being convened at least once a year. Through the annual Joint Conference meetings, the HKSAR Government and relevant Mainland authorities will review the work in promoting Hong Kong's participation in and contribution to the B&RI in the previous year and discuss the HKSAR Government's strategies and future work priorities for the coming year. The sixth Joint Conference was held in July 2023 in Beijing. Mainland officials attending the meeting included representatives from the NDRC and 12 other ministries.

In addition, the SJ-led Working Group reviews the strategies and work progress of bureaux and departments in promoting Hong Kong's participation in and contribution to the B&RI, as well as reports to the CE-led Steering Group. Since its establishment in December 2022, the Working Group has convened a total of four meetings in February, May and August 2023, and January 2024.

In October 2023, the third Belt and Road Forum for International Cooperation was held in high prestige in Beijing. In the Lists of Deliverables published thereof, the eighth Belt and Road Summit organised by the HKSAR Government was published as the first deliverable under the "International Conferences in 2023 and 2024" section of the List of Multilateral Cooperation Deliverables. The Summit attracted nearly 6 000 government and business leaders and representatives of enterprises from over 70 B&R-related countries and regions, including over 100 delegations, a record high over past editions; and signed/exchanged 21 Memoranda of Understanding (MOUs), also a record high over past editions. In addition, there were another six outcomes from Hong Kong being included in the country's Lists of Deliverables (Note 2).

The 2023 Policy Address announced that Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) will set up consultant offices along the B&R. Currently, InvestHK initially plans to open consultant offices in Egypt and Türkiye to strengthen efforts in attracting enterprises and investment in high-potential emerging countries in the Middle East and North Africa. InvestHK and the HKTDC will continue to study and actively carry out the relevant preparatory work, and follow the indicators for specific tasks in the 2023 Policy Address to each set up two consultant offices in 2024-25. The estimated annual expenditure of each consultant office is around \$1 million to \$1.5 million.

(3) Hong Kong has so far signed eight free trade agreements (FTAs) (Note 3) with 20 economies, and is now negotiating an FTA with Peru.

We do not have statistics directly showing the economic benefits brought about by the FTAs forged between Hong Kong and other individual economies.

From 2020 to 2022, the total merchandise trade between Hong Kong and FTA partners, and the total foreign direct investment inflows to Hong Kong from our FTA partners are as follows:

	2020	2021	2022
Total merchandise trade (\$ billion)	5,472.1	6,881.0	6,164.8
Total foreign direct investment inflows to Hong Kong (\$ billion)	481.8	345.7	363.8

It is worth noting that the challenges to the global economy and supply chain caused by the pandemic in the past three years would have an impact on the above-mentioned figures.

Regarding the figures on companies being attracted, according to the 2023 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong, there were 3 327 companies in Hong Kong with parent companies located in one of the FTA partners of Hong Kong, reflecting an increase from 2021 and 2022 (2 960 companies and 3 259 companies respectively).

Note 1: Including salary expenses and other operational expenses of the BRO.

Note 2: The other six deliverables were namely launching the Green Investment and Finance Partnership; the NDRC signed the MOU on Supporting Cross-Border Financing by Chinese Enterprises and Promoting the Development of the Hong Kong Bond Market with the Hong Kong Monetary Authority (HKMA); to establish the Belt and Road Joint Investment Platform with the HKMA; to develop a capacity-building centre for legal talents in domestic, foreign and international law; to establish the Meteorological Training Centre; and the HKSAR Government continues to implement the B&R Scholarship, and will jointly produce television variety programmes with participating countries of the

B&RI and hold the "Asia+ Festival".

Note 3: Hong Kong has so far signed eight FTAs with 20 economies. The economies are Mainland China, the Macao Special Administrative Region, New Zealand, the European Free Trade Association (Iceland, Liechtenstein, Norway and Switzerland), Chile, the 10 Member States of the Association of Southeast Asian Nations, Georgia and Australia. All FTAs have entered into force.

LCQ6: Resuming the issuance of the "multiple-entry" endorsements to Shenzhen residents

Following is a question by the Hon Michael Tien and a reply by the Acting Secretary for Culture, Sports and Tourism, Mr Raistlin Lau, in the Legislative Council today (January 10):

Question:

It is learnt that since the full resumption of normal travel between the Mainland and Hong Kong early last year, the number of Hong Kong travellers going north has increased significantly whereas the number of Mainland travellers coming south has decreased significantly, which has dealt quite a heavy blow to Hong Kong's consumption market. In this connection, will the Government inform this Council, given that the Individual Visit Endorsements for Shenzhen permanent residents visiting Hong Kong were changed a few years ago from "multiple-entry" endorsements to "one trip per week" endorsements in view of the problem of Hong Kong's capacity to receive visitors and in order to offer better experiences to visitors and reduce their impact on local residents, whether the Government has reviewed if Hong Kong's current capacity to receive visitors is sufficient to receive more Mainland visitor arrivals to Hong Kong; if it has not, of the reasons for that; if it has and the outcome is that Hong Kong has sufficient capacity to receive more Mainland visitor arrivals to Hong Kong without compromising the quality of their trips or creating too much impact on local residents, whether the Government will discuss with the Mainland authorities the resumption of the multiple-entry measure before the Lunar New Year next month; if it will not, of the reasons for that; if it will, whether the Government will consider, on the premise that Hong Kong has sufficient capacity to receive visitors, discussing with the Mainland authorities the further extension of the multiple-entry measure to other Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area; if it will not, of the reasons for that?

Reply:

President,

Culture, Sports and Tourism Bureau (CSTB)'s reply to the question raised by the Hon Michael Tien is as follows:

The tourism industry is an important pillar of Hong Kong's economy, accounting for 4.5 per cent of our Gross Domestic Product in 2018 and provided over 250 000 employment opportunities. Therefore, the HKSAR Government has been supporting its healthy development.

As normal cross-boundary travel resumed in February last year, Hong Kong's tourism industry began to recover at full speed with number of visitor arrivals gradually increasing. Based on preliminary statistics, the total number of visitor arrivals exceeded 34 million in 2023, which went far beyond the 25.8 million as estimated by the Hong Kong Tourism Board (HKTB) in early 2023, and the number of visitor arrivals in the second, third and fourth quarters accounted for 59per cent, 68 per cent and 62 per cent of the average of the same period in 2017 and 2018 when compared with pre-pandemic level.

During the period of the previous New Year's Eve and New Year holidays (i.e. December 30, 2023 to January 1, 2024), we recorded a total of around 430 000 Mainland visitor arrivals and a daily average of 140 000, which exceeded the daily average achieved during Labour Day and National Day Golden Weeks last year by 16 per cent and 6 per cent respectively and reached about 73 per cent of the daily average of the same period in 2017 and 2018, before the pandemic.

The Individual Visit Scheme has been implemented since July 28, 2003 in accordance with the main document of the Mainland and Hong Kong Closer Economic Partnership Arrangement. Residents from a total of 49 designated Mainland cities can apply for the Individual Visit Scheme endorsements to visit Hong Kong in their individual capacity. At present, majority of Mainland visitors visit Hong Kong via the Individual Visit Scheme, accounting for 60 per cent of the overall Mainland visitor arrivals in 2023. The policy has broadened the source markets for the tourism industry of Hong Kong.

Since April 1, 2009, the Central Government allowed eligible Shenzhen residents to apply for "multiple-entry" Individual Visit Endorsements, the holders of which could enter and exit Hong Kong unlimitedly within the one-year validity period. In response to the concern of the community, the HKSAR Government comprehensively assessed the capacity of Hong Kong to receive visitors, covering the handling capacity of boundary control points, capacity of tourism attractions, receiving capacity of hotels, carrying capacity of public transport network, impact on the livelihood of the community, and economic impact, etc, and published the Assessment Report on Hong Kong's Capacity to Receive Tourists (the Report) in 2013. The Report does not recommend setting a limit on visitor arrivals. However, it acknowledges that with the continuous growth of visitor arrivals, Hong Kong should increase its capacity for receiving tourists on various fronts. After that, due to residents' continuous concern over Hong Kong's carrying capacity and the problem of parallel trading, the HKSAR Government proposed to the Central

Government to replace the "multiple-entry" Individual Visit Endorsements with the "one trip per week" Individual Visit Endorsements, and implemented the relevant policy on April 13, 2015.

Subsequent to the publication of the above Report, various large-scale cross-boundary infrastructure, including the Hong Kong-Zhuhai-Macao Bridge, the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Liantang/Heung Yuen Wai boundary control point, were completed. Hong Kong's cross-boundary transportation capacity has been strengthened, offering more choices for Mainland visitors' trips to Hong Kong and therefore facilitating Mainland visitors to visit Hong Kong. Since the transportation between the Mainland and Hong Kong becomes more convenient, the coverage of the "one-hour living circle" has been expanding continuously. It is anticipated that more Mainland visitors will visit Hong Kong in the form of same-day visit and their travel habits will be different from traditional visitors and will be more similar to local residents' activities and habits. For example, they may not stay in Hong Kong in the hope of covering more attractions or activities; instead, they would rather visit again. On the other hand, based on the findings of the HKTB, the average length of stay of Mainland overnight visitors has extended from 3.1 nights before the pandemic to 3.4 nights in the third quarter last year, which reflects that attractions and activities in Hong Kong are attractive enough for traditional visitors to extend their stay in Hong Kong. In fact, the HKTB's exit survey with visitors has proved this again.

On the receiving capacity of hotels, there were more than 100 000 rooms offered by hotels and guesthouses in total in late November 2023, representing a 31 per cent increase as compared with 2013. Regarding tourist attractions, the Hong Kong Disneyland Resort continued to implement its multi-year expansion and development plans including the opening of the world's first and largest "World of Frozen" in November 2023, the openings of the Ocean Park's all-weather indoor cum outdoor Water World and the Fullerton Ocean Park Hotel Hong Kong in recent years, the upgrading and re-opening of the Peak Tram in August 2022, and the launching of the Ngong Ping 360's "Crystal+" cabin in December 2022 which offers 360-degree panoramic view. Moreover, various cultural spots including Hong Kong Palace Museum, M+ museum and Hong Kong Museum of Art have been built or renovated, which helped to attract visitors. In addition, the Travel Industry Authority (TIA), the regulatory body of the travel industry, has come into operation in September 2022 which promotes the integrity, competence and professionalism of the travel agents, tourist guides and tour escorts through its licensing and regulation mechanism. The TIA also continues to monitor the operation and management of tour groups, with a view to minimising the impact of their activities on residents livelihood. On the whole, Hong Kong's visitor carrying capacity has improved over the past 10 years.

As the policy bureau responsible for formulating and coordinating the implementation of policies, strategies and plans to promote the development of the tourism industry, the CSTB will continue to actively lead and coordinate with other government bureaux and departments to implement policies and measures that contribute to the vibrant growth of the tourism

industry, including developing more in-depth signature tourism products, providing continuous support for various international events, conferences, exhibitions, and incentive travel to be held in Hong Kong, developing cruise tourism products, promoting smart tourism, optimising and enhancing tourist facilities, and implementing comprehensive industry regulations, with a view to attracting more high value-added overnight visitors. On tourism promotion, the HKTB will continue to launch activities to promote Hong Kong's in-depth and diversified travel experiences to visitors through various channels, with a view to attracting visitors to Hong Kong. The CSTB is working on the updating of the "Development Blueprint for Hong Kong's Tourism Industry 2.0" to promote the concept of "tourism+" and "+tourism", in a bid to optimise collaboration in various fields to enhance the quality of tourism activities and promote the development of other sectors through tourism at the same time, so as to strengthen the integration of culture, sports and tourism, further enhancing Hong Kong's attractiveness. The CSTB is preparing to establish the high-level Tourism Strategy Committee to further promote the long-term and sustainable development of the tourism industry and enhance collaboration among different stakeholders in the sector.

Regarding the recent suggestions of reinstating the measure of "multiple-entry" Individual Visit Endorsements for Shenzhen residents and extending the relevant policies to other cities in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), the Government has been maintaining close communication with relevant Mainland authorities on the implementation of the relevant arrangements and the way forward, and has nothing to supplement at this stage.

For the upcoming 2024 Chinese New Year Golden Week, the Chief Secretary for Administration will chair the Co-ordination Meeting on Cross-boundary Transport Arrangements for Large-scale Events to enhance co-ordination among relevant departments and the trade, and prepare in advance to ensure smooth cross-boundary transport arrangements for visitors. CSTB will continue to closely monitor the situation and the number of Mainland visitor arrivals, and maintain close communication with relevant Mainland authorities, as well as liaising with the travel trade to better prepare to receive visitors.

Lastly, the CSTB will continue to work with Mainland tourism-related units on initiatives including joint promotion and exchange of visitors, with a view to actively building a GBA tourism brand that caters to regional and international markets, jointly promoting "multi-destination" tourism to source markets and "shaping tourism with cultural activities and promoting culture through tourism", and unleashing Hong Kong's role as an international tourism hub and a core demonstration zone for multi-destination tourism.

Hong Kong Customs detects incoming passenger drug trafficking case at airport (with photo)

â€<Hong Kong Customs yesterday (January 9) detected a passenger drug trafficking case involving baggage concealment at Hong Kong International Airport and seized about 1 kilogram of suspected cocaine with an estimated market value of about \$1 million. A man was arrested.

A 29-year-old male passenger arrived in Hong Kong from London, the United Kingdom, yesterday. During customs clearance, Customs officers found the batch of cocaine concealed in the interlinings of the front and back covers of a book and in a plastic bottle inside his check-in baggage. He was subsequently arrested.

An investigation is ongoing.

Following the increasing number of visitors to Hong Kong, Customs will continue to apply a risk assessment approach and focus on selecting passengers from high-risk regions for clearance to combat transnational drug trafficking activities.

Under the Dangerous Drugs Ordinance, trafficking in a dangerous drug is a serious offence. The maximum penalty upon conviction is a fine of \$5 million and life imprisonment.

Members of the public may report any suspected drug trafficking activities to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk) or online form (cefs.gov.hk/form/ced002/).



LCQ15: Regulating the sale of pain treatment services

Following is a question by the Hon Elizabeth Quat and a written reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (January 10):

Question:

It has been reported that recently, some pain treatment centres have been suspected of engaging in frauds and unfair trade practices when promoting pain treatment services to the public, including (i) failing to provide the complete contract and explain the contract provisions to the customers in the course of trade promotion, and instead just providing a simple copy of the contract that does not even state the correct company name only after payment made by the customers; (ii) changing the company name after receipt of a certain number of complaints; and (iii) applying for payment services from non-bank "buy now, pay later" (BNPL) platforms on behalf of the customers without their knowledge. In this connection, will the Government inform this Council:

- (1) of the number of complaints involving unfair trade practices in the past three years and, among them, the number of those involving the promotion of pain treatment services;
- (2) regarding the aforesaid pain treatment centres which failed to provide the complete contract or just provided a simple copy of the contract, and which did not receive payment through companies with business registration, what measures the Government has put in place to crack down on such unfair trade practices, so as to protect the rights and interests of consumers;
- (3) as it is learnt that the therapists in some pain treatment centres are not licensed healthcare professionals and hence, posing potential health hazards to their customers, whether the Government will introduce measures to strengthen regulation of such type of companies providing pain treatment services;
- (4) in the light of the aforesaid cases involving pain treatment centres allegedly engaging in unfair trade practices via BNPL platforms, whether the Government will review the regulatory regime of BNPL platforms and strengthen regulation in this regard, as well as draw up a standard contract for BNPL payment method; if so, of the details; if not, the reasons for that; and
- (5) of the measures in place to enhance public understanding of the Trade Descriptions Ordinance (Cap. 362) and the details to look out for when entering into prepaid services contracts, with a view to raising public awareness of the need to guard against the aforesaid unfair trade practices?

Reply:

President,

Having consulted the Security Bureau, the Health Bureau and the Financial Services and the Treasury Bureau (FSTB), our reply to the various parts of the question is as follows:

(1) Currently, various laws in Hong Kong protect consumers' rights and interests. Among others, the Trade Descriptions Ordinance (Cap. 362) (the Ordinance) covers goods and services, prohibiting traders from subjecting consumers to certain unfair trade practices, including false trade descriptions, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch and wrongly accepting payment. The Ordinance is applicable to the trade practices of both physical and online traders.

The numbers of complaints received by the Customs and Excise Department (C&ED) during the period from 2021 to the end of November 2023, categorised by the unfair trade practices prohibited under the Ordinance (the number in brackets is the number of complaints involving the promotion of pain treatment services under a certain category), are set out in the table below:

Category (Note 1)	2021	2022	2023 (until the end of November)
False trade descriptions	5 008 (8)	4 667 (9)	5 168 (39)
Misleading omissions	292 (2)	177 (1)	594 (2)
Aggressive commercial practices	189 (1)	119 (4)	138 (5)
Bait advertising	14 (1)	5 (0)	7 (0)
Bait-and-switch	12 (0)	2 (0)	4 (0)
Wrongly accepting payment	1 483		12 484 (Note 2) (3)

(2) As regards reports from members of the public stating that a chain pain treatment centre is engaging in unfair trade practices to sell prepaid treatments and is suspected of contravening the Ordinance, the C&ED officers conducted an investigation at the outlets of the pain treatment centre concerned on December 21 2023, including interviewing its responsible persons and staff and taking away some documents related to the purchase of treatments and the information of relevant staff from the outlets for further investigation. If the investigation reveals any breach of the Ordinance, the C&ED will take decisive enforcement action.

Meanwhile, if a case is found to have fraudulent elements, the Police

will follow up in accordance with the established procedures.

(3) At present, 13 healthcare professions are required to undergo statutory registration in order to practise their professions in Hong Kong (Note 3). Existing laws prohibit practice without registration, as well as the unlawful use of titles of registered healthcare professions. The professional conducts of registered healthcare professions are regulated by their statutory boards and councils. Individual citizens may lodge a complaint against individual healthcare professionals in relation to their professional conducts with the respective boards and councils. The complaints will be dealt with independently.

To prevent the public from seeking improper management of certain conditions and protect public health, the Undesirable Medical Advertisements Ordinance (UMAO) (Cap. 231) prohibits or restricts the publication of advertisements that will likely lead to the use of any medicine, surgical appliance or treatment for the purpose of treating individuals or preventing them from contracting diseases or conditions specified in Schedules one and two to the UMAO. The Department of Health has put in place an established mechanism for screening advertisements. Appropriate actions will be taken in accordance with the law against any contravention of the UMAO. Furthermore, any premises providing treatment of pain that involves the practice of registered medical practitioners and/or registered dentists falls under the regulatory regime of the Private Healthcare Facilities Ordinance (Cap. 633) and should comply with the relevant licensing requirements. Pursuant to section 10 of the Private Healthcare Facilities Ordinance, a person must not operate a day procedure centre without a licence. Contravention of the requirement will lead to a fine at level six (\$100,000) and imprisonment for three years. Section 92 of the Private Healthcare Facilities Ordinance, upon commencement, will also prohibit any premises not provided or permitted by law from using the titles and descriptions that suggest the services provided therein are medical services provided in a private healthcare facility.

There are various causes for pain, which may be a symptom for serious illnesses. The Government reminds citizens to consult the views of registered healthcare professionals to avoid delay in diagnosis and treatment.

(4) At present, certain regulatory measures have been put in place targeting "Buy Now Pay Later" (BNPL) services in Hong Kong. Specifically, BNPL services provided by banks are subject to regulation concerning personal credit products and guidance on BNPL services promulgated by the Hong Kong Monetary Authority.

As for BNPL services provided by other non-bank entities, according to the Money Lenders Ordinance (Cap. 163), any person carrying out money lending business in Hong Kong must obtain a money lenders licence and comply with the licensing conditions. If the businesses of the non-bank platforms concerned do not involve provision of loans to users, they are not required to apply for a licence from the Government or regulatory authorities under the current financial system. At present, there is one non-bank BNPL platform in the market holding a money lenders licence.

The Companies Registry (CR) issued a letter to the non-bank BNPL platforms to remind them of the need to apply for a money lenders licence from the CR if their businesses involve provision of loans to users. If any operator conducts money lending business without a licence, the CR would actively follow up and refer the case to the Police for taking stringent enforcement actions to combat malpractices. In addition, the FSTB will enhance collaboration and intelligence exchange with the Consumer Council (Council) to further protect consumers' rights and interests. The FSTB will also continue to promote the importance of prudent financial management through public education activities.

(5) As the principal enforcement agency of the Ordinance, the C&ED adopts a three-pronged approach, which covers enforcement actions, compliance promotion and publicity and public education, to combat unfair trade practices proactively.

On enforcement actions, the C&ED is given the authority to conduct criminal investigations into and prosecutions on unfair trade practices. During the period from 2020 to the end of November 2023, the C&ED completed the investigation of 491 cases and completed 288 prosecution cases, among which 261 cases were convicted, representing a successful prosecution rate of over 90 per cent and covering different industries. The court imposed imprisonment in 79 cases, with 41 persons sentenced to imprisonment. One of the cases concerned the staff of a fitness centre having engaged in aggressive commercial practices in the course of selling fitness service contracts, with one of the staff concerned sentenced to imprisonment of 27 months, which is the heaviest prison sentence since the Ordinance came into operation. In addition, the court also imposed fines in 157 cases, with the amount ranging from \$500 to \$160,000. The sentences imposed by the court are able to cause deterrent effects on unscrupulous traders.

On compliance promotion, during the period from 2020 to the end of November 2023, the C&ED held a total of 83 outreach talks, seminars and meetings for various sectors to strengthen their understanding of the legal requirements under the Ordinance and the measures that should be taken for complying with the Ordinance.

On publicity and public education, the C&ED also carries out relevant work proactively, including sending personnel to conduct patrols and distribute promotional leaflets at tourism and shopping hotspots during festive seasons as well as publishing tips on "smart consumption" and promotional videos on its official social media platforms (including its Douyin and WeChat accounts), with a view to strengthening consumers' understanding of unfair trade practices and promoting the concept of "smart consumption". As regards pre-paid mode of consumption, the C&ED also from time to time reminds consumers to procure services at reputable shops and think prudently before making decisions for consumption involving prepayment. Consumers are also reminded to, after purchasing services, keep the transaction receipts and related records, which can serve as basic information in case a complaint has to be lodged in future.

In addition, the Council endeavours to study and promote the protection of consumers' rights and interests, and carries out its statutory functions in accordance with the Consumer Council Ordinance (Cap. 216), including receiving and examining consumers' complaints concerning goods and services and giving advice to them. The Council has also been providing consumer alerts and suggestions related to pre-paid mode of consumption through various channels. For example, the CHOICE Magazine published by the Council has featured articles on pre-paid mode of consumption to remind consumers to pay attention to the terms and conditions such as those concerning the arrangements for returning goods and refund protection. The Council has also, through interviews with newspapers, radio and TV stations, reminded consumers of the situations to be aware of in case of consumption disputes.

- Note 1: The categorisation is by the unfair trade practices prohibited under the Ordinance.
- Note 2: Among which, 11 546 complaints were against the same online shop.
- Note 3: These 13 healthcare professions are doctors, dentists, nurses, Chinese medicine practitioners, physiotherapists, occupational therapists, medical laboratory technologists, optometrists, radiographers, chiropractors, dental hygienists, midwives and pharmacists.