

LCQ11: Office of Former Chief Executives

Following is a question by the Hon Michael Tien and a written reply by the Chief Secretary for Administration, Mr Chan Kwok-ki, in the Legislative Council today (May 22):

Question:

Regarding the Office of Former Chief Executives (FCEO), will the Government inform this Council:

(1) of the person who decided to rent the office unit in Pacific Place, Admiralty as FCEO;

(2) given that a Former Chief Executive indicated in response to media enquiries earlier on that the policies and practical arrangements of FCEO were formulated and implemented by the Government with the approval of the Finance Committee of the Legislative Council, and it is learnt that the relevant arrangement was that the Government would set up FCEO in government premises, of the justifications for renting a private premise with public funds as FCEO;

(3) given that in the reply to my question on October 26, 2022, the Government indicated that the net rent of FCEO in Pacific Place was about \$377,000 per month, and in the reply to a question raised by a Member of this Council on the Estimates of Expenditure 2024-2025, the Government indicated that the rent and related expenses of the office in 2023-2024 amounted to \$5.67 million (i.e. \$472,500 per month on average), of the reasons for the discrepancy between the two;

(4) as there are views pointing out that the rental of office buildings in core business districts (CBD) is high, and it may be necessary to set up offices for more Former Chief Executives in the long run, whether the Government will study identifying suitable premises in existing government properties to set up a larger office for use by a number of Former Chief Executives upon the expiry of the lease of FCEO in Pacific Place, so as to save rent and administrative costs while facilitating the meeting of guests with a number of Former Chief Executives; if no suitable premises are available in existing government properties, whether the Government will, having regard to the principle of the proper use of public funds, consider purchasing premises which meet the necessary requirements of ancillary facilities and security in a strategically located non-CBD (e.g. Wan Chai North), so as to set up a larger FCEO; if not, of the reasons for that; and

(5) given that after I raised a question on reviewing the FCEO mechanism on October 26, 2022, it is learnt that the public is still very concerned about the relevant use of public funds, whether the Government will consider afresh

reviewing the relevant mechanism so that it will set up FCEO only for the last three Former Chief Executives at 28 Kennedy Road, so as to ensure the sustainability of the mechanism and the proper use of public funds; if so, of the details; if not, the reasons for that?

Reply:

President,

The consolidated reply to the question raised by the Hon Michael Tien is as follows:

In April 2005, the Government appointed the Independent Commission on Remuneration Package and Post-office Arrangements for the Chief Executive of the Hong Kong Special Administrative Region (HKSAR) (the Independent Commission) to consider and make recommendations on the remuneration package and post-office arrangements for the Chief Executive (CE). The Independent Commission completed its study and submitted its report to the Government in June 2005. The recommendations in the report included the provision of support and other life-long benefits for all former CEs. The Government accepted the recommendations of the report and presented related recommendations as well as the financial arrangements for implementing the recommendations to the Finance Committee (FC) of the Legislative Council in November 2005. Since then, the Government has been providing support and other life-long benefits, including office accommodation and administrative support, for all former CEs to support them in performing promotional and protocol-related functions for Hong Kong after leaving office.

The Government set up The Office of Former Chief Executives of the HKSAR (FCEO) at 28 Kennedy Road in 2007. The premises can only accommodate three former CEs at most and no space was available to set up an office for the fourth former CE. Taking into account that the new office has to be commensurate with the status of a former CE, coupled with the operational requirements including the location, transport, facilitation for meeting people from different sectors, and security, etc., the Central and Admiralty districts were considered suitable for setting up the office in question. As there were no suitable and available government premises in the districts at the time, a leasable office unit was identified at Pacific Place as FCEO for a tenancy period of three years starting from May 2022. In the written reply to Special Meetings of the FC to examine the estimates of expenditure 2024-25, the Government has pointed out that the rent and related expenses of the Office in 2023-24 were \$5.67 million. The figure included, apart from the rent, management fee, cleaning service and electricity expenses. We will consider at the suitable juncture the arrangement after the expiry of the lease.

The Government will continue to provide support and other life-long benefits to all former CEs according to the recommendations set out in the Independent Commission's report, including appropriate office accommodation and administrative support, to facilitate their performance of promotional and protocol-related functions for Hong Kong.

Auctions of traditional vehicle registration marks to be held on June 8 and 9

The Transport Department (TD) today (May 22) announced that two auctions of traditional vehicle registration marks will be held on June 8 (Saturday) and 9 (Sunday) in Meeting Room N101, L1, New Wing, Hong Kong Convention and Exhibition Centre, Wan Chai.

"A total of 350 vehicle registration marks will be put up for public sale at each auction. The lists of marks have been uploaded to the department's website, www.td.gov.hk/en/public_services/vehicle_registration_mark/index.html," a department spokesman said.

Applicants who have paid a deposit of \$1,000 to reserve a mark for auction should also participate in the bidding (including the first bid at the reserve price of \$1,000). Otherwise, the mark concerned may be sold to another bidder at the reserve price.

People who wish to participate in the bidding at the auction should take note of the following important points:

- (1) Successful bidders are required to produce the following documents for completion of registration and payment procedures immediately after the successful bidding:
 - (i) the identity document of the successful bidder;
 - (ii) the identity document of the purchaser if it is different from the successful bidder;
 - (iii) a copy of the Certificate of Incorporation if the purchaser is a body corporate; and
 - (iv) a crossed cheque made payable to "The Government of the Hong Kong Special Administrative Region" or "The Government of the HKSAR". (For an auctioned mark paid for by cheque, the first three working days after the date of auction will be required for cheque clearance confirmation before processing of the application for mark assignment can be completed.) Successful bidders can also pay through the Easy Pay System (EPS). Payment by post-dated cheques, cash or other methods will not be accepted.
- (2) Purchasers must make payment of the purchase price through EPS or by crossed cheque and complete the Memorandum of Sale of Registration Mark immediately after the bidding. Subsequent alteration of the particulars in the memorandum will not be permitted.
- (3) A vehicle registration mark can only be assigned to a motor vehicle which is registered in the name of the purchaser. The Certificate of Incorporation

must be produced immediately by the purchaser if a vehicle registration mark purchased is to be registered under the name of a body corporate.

(4) Special registration marks are non-transferable. Where the ownership of a motor vehicle with a special registration mark is transferred, the allocation of the special registration mark shall be cancelled.

(5) The purchaser shall, within 12 months after the date of auction, apply to the Commissioner for Transport for the registration mark to be assigned to a motor vehicle registered in the name of the purchaser. If the purchaser fails to assign the registration mark within 12 months, allocation of the mark will be cancelled and arranged for re-allocation in accordance with the statutory provision without prior notice to the purchaser.

For other auction details, please refer to the Guidance Notes – Auction of Traditional Vehicle Registration Marks, which can be downloaded from the department's website, www.td.gov.hk/en/public_services/vehicle_registration_mark/tvrm_auction/index.html.

[LCQ14: Examinations Support System of Hong Kong Examinations and Assessment Authority](#)

Following is a question by Dr the Hon Hoey Simon Lee and a written reply by the Secretary for Education, Dr Choi Yuk-lin, in the Legislative Council today (May 22):

Question:

It is learnt that the Second Generation Public Examinations Support System (PESS2) designed to support the conduct of the Hong Kong Diploma of Secondary Education Examination (HKDSE), as well as the mobile applications "i-Invigilation (HKDSE)" and "Check-in Smart (HKDSE)" did not run smoothly during the HKDSE, and the use of i-Invigilation (HKDSE) has even been suspended since the 13th of last month. On the other hand, it is learnt that unlike government departments, the Hong Kong Examinations and Assessment Authority (HKEAA) is exempt from the requirement of the Office of the Government Chief Information Officer (OGCIO) that before the launch of large-scale digital services, the relevant systems be subject to additional load tests and stress tests conducted by an independent third party arranged by the OGCIO. In this connection, will the Government inform this Council:

(1) whether the HKEAA will submit a report on the aforesaid incident to the Government;

(2) as it has been reported that the HKEAA has earlier conducted a stress test on PESS2, whether it knows the details of the test, including the test frequency, duration and method, as well as the test result;

(3) whether it knows if the HKEAA has formulated fallback plans for the full implementation of PESS2, such as deploying additional manpower to cope with contingencies; if so, of the details; if not, the reasons for that; and

(4) given that in reply to a question raised by a Member of this Council at a special meeting of the Finance Committee of this Council held on the 19th of last month to discuss the Estimates of Expenditure 2024-2025, the Secretary for Innovation, Technology and Industry advised that the Government was considering extending the aforesaid requirement of the OGCI0 to legal entities and public organisations, of the relevant measures being formulated by the authorities and the implementation timetable?

Reply:

President,

The Hong Kong Examinations and Assessment Authority (HKEAA) launched the Second-Generation Public Examinations Support System (PESS2) in normal examination centres for the written examinations of Category A subjects of the 2024 Hong Kong Diploma of Secondary Education Examination (HKDSE) with the aim of streamlining the examination operations and improving the efficiency of the tasks related to the HKDSE. The PESS2, which was developed by a contractor commissioned by the HKEAA, consists of two major mobile applications and one online portal:

- (1) "Check-in Smart (HKDSE)": to allow candidates to check examination information and perform self check-in before the examination;
- (2) "i-Invigilation (HKDSE)": for invigilators to verify the candidates' identities, confirm attendance, and count the answer scripts collected; and
- (3) "Centre Supervisor Control Panel": to enable centre supervisors to monitor the examination operations, confirm the candidates' attendance and answer scripts collected, handle irregularities and communicate with the HKEAA Command Centre.

My reply to the question raised by Dr the Hon Hoey Simon Lee is as follows:

(1) to (3)

Stress test

After completing the system development work for the PESS2 and related applications in December 2022, the HKEAA conducted two rounds of load tests for the system having regard to the operational needs of the 2024 HKDSE that would involve over 50 000 candidates, 2 000 invigilators and some 500 examination centres.

The first load test, which took place in January 2023, aimed to verify the system's capacity for its phased deployment in the HKDSE normal

examination centres. During the load test, the contractor used computer simulations to generate a higher workload than would normally be required. This included operating the system in up to 600 centre schools at the same time, with approximately 70 000 candidates expected to use the "Check-in Smart (HKDSE)" application for self-check-in, while around 3 000 invigilators using the "i-Invigilation (HKDSE)" application to perform invigilation duties required. Before conducting the load test, the HKEAA Secretariat (the Secretariat) reviewed the load test plan and relevant design flowcharts submitted by the contractor and provided feedback. Upon completion of the load test, the Secretariat examined the test performance report submitted by the contractor and accepted that the test was completed.

Regarding the HKDSE in April 2023, the HKEAA deployed the PESS2 for the Mathematics (Compulsory Part) and Chinese Language subjects in 48 centre schools for pilot implementation. The system operated smoothly throughout the examination period, without any anomalies being detected.

Thereafter, to fully deploy the PESS2 for all normal examination centres in the 2024 HKDSE, the HKEAA requested the contractor to conduct the second load test in January 2024. As with the first load test, this test plan also used computer simulations to generate a higher workload than would normally be required to verify that the PESS2's capacity could meet the various operational needs of the 2024 HKDSE. This included operating the system in up to 600 centre schools at the same time, with approximately 70 000 candidates expected to use the "Check-in Smart (HKDSE)" application for self-check-in, while around 3 000 invigilators using the "i-Invigilation (HKDSE)" application to perform invigilation duties required. According to the contractor's report, the system performed as expected during the second load test, without any anomalies being detected.

Contingency plan

Prior to the commencement of the 2024 HKDSE, the HKEAA has developed contingency measures in the event of any issues with the PESS2. If the system is unable to function properly, examination personnel should handle the candidates' attendance and the checking of answer scripts manually using paper forms. These paper forms were delivered to centre schools with other examination stationery in mid-March. The details of these contingency measures were outlined in the Centre Supervisor's Handbook and explained to examination personnel during the PESS2 Briefing Session and the Centre Supervisors' Conferences held in February and March 2024 respectively.

Incident report

In the wake of the PESS2 incident, the HKEAA and the contractor immediately conducted initial investigations and in-depth discussions. To ensure the smooth conduct of the subsequent examinations of the 2024 HKDSE, the HKEAA convened a press conference on the evening of April 12, 2024 to announce the suspension of the "i-Invigilation (HKDSE)" application with the tasks related to the examination being handled manually until further notice and account for the follow-up actions for this incident. The usage of the "Check-in Smart (HKDSE)" application by the candidates would not be affected.

The HKEAA also submitted a preliminary report to the Government. In addition, the HKEAA has set up a Task Force to investigate in detail the causes of the incident, including the methodology of the load tests, their results and the follow-up work, and devise improvement measures. The Task Force comprises members from the relevant committees of the HKEAA Council, university professors, representatives from the school sector, the Education Bureau and the Office of the Government Chief Information Officer (OGCIO). The Task Force expected to finish the initial investigation in June 2024.

(4) The OGCIO is actively examining appropriate guidelines and technical support to Bureaux/Departments to strengthen their governance of new information technology systems launched by public bodies within their purview, including adequate testing before system rollout. The OGCIO aims to introduce relevant measures as soon as possible.

LCQ8: Developing bond market

Following is a question by the Hon Kenneth Lau and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (May 22):

Question:

On developing the bond market, will the Government inform this Council:

(1) as the Government has proposed in the 2024-2025 Budget to set a total borrowing ceiling of \$500 billion for the Infrastructure Bond Scheme and the Government Sustainable Bond Programme, of the respective ceilings set by the Government for the amount of (i) retail bonds, (ii) green bonds, and (iii) Silver Bond to be issued under the two bond programmes;

(2) as the Government has stated in the 2024-2025 Budget its plans to issue bonds of \$95 billion to \$135 billion per annum in the next five years to drive the development of the Northern Metropolis and other infrastructure projects, of the progress of work on bond issuance and whether it has drawn up a timetable; if so, of the details; if not, the reasons for that;

(3) as it is learnt that the tenor of government bonds is normally three years, whether the Government has considered, by drawing reference from the practice of the United States Government in issuing Treasury Bills, studying the feasibility of issuing short-term bonds in order to increase the vibrancy of the bond market; if so, of (i) the feasibility of issuing short-term bonds and (ii) the risks it will face; if not, the reasons for that;

(4) as it is learnt that public organisations also issue bonds (e.g. the Airport Authority Hong Kong issued bonds in February this year for the

construction of the three-runway system at the Hong Kong International Airport) at present, whether the Government will provide assistance to public organisations in issuing bonds; if so, of the details; if not, the reasons for that;

(5) whether it has compiled statistics on the respective percentages of the currency types in which bonds issued by (i) local enterprises, overseas organisations and multilateral development banks, and (ii) the Government are denominated in the Hong Kong bond market at present (set out in the table below);

Institution issuing bonds	Hong Kong dollar	Renminbi	US dollar	Euro	Japanese yen
(i)					
(ii)					

(6) as it is learnt that government bonds are mainly denominated in Hong Kong dollars and US dollars, and Hong Kong is the world's largest offshore Renminbi (RMB) centre, whether the Government will issue more RMB-denominated bonds, thereby facilitating the development of the local RMB bond market; if so, of the details; if not, the reasons for that;

(7) whether the Government will draw on the experience of sukuk issuance in the past, and attract or invite organisations from the countries of Middle East, the Association of Southeast Asian Nations and the Belt and Road to issue bonds in Hong Kong; if so, of the details; if not, the reasons for that; and

(8) as it is learnt that in recent years, Singapore has introduced a number of initiatives (e.g. the Global-Asia Bond Grant Scheme and the Singapore-dollar Credit Rating Grant Scheme) to attract listing and promote trading of bonds on the Singapore Exchange, whether, apart from the Green and Sustainable Finance Grant Scheme, the Government has other measures to subsidise foreign enterprises to issue bonds in Hong Kong; if not, whether the Government will draw reference from Singapore's policy and formulate relevant subsidy measures to attract foreign capital and assist enterprises that will develop in the Northern Metropolis in the future to issue bonds in Hong Kong; if so, of the details; if not, the reasons for that?

Reply:

President,

In consultation with the Hong Kong Monetary Authority (HKMA), the reply to the eight parts of the question is as follows:

(1) and (2) It was announced in the 2023-24 Budget that the Infrastructure Bond Programme (IBP) would be established to enable better management of the

cashflow needs of major infrastructure projects and facilitate their early completion for the good of the economy and people's livelihood, while the scope of the Government Green Bond Programme (GGBP) (renamed as the Government Sustainable Bond Programme (GSBP)) would be further expanded to cover sustainable projects. In the 2024-25 Budget, a combined borrowing ceiling of \$500 billion was set for the IBP and GSBP, along with the plan to issue Government Bonds (GBs) of \$95 billion to \$135 billion per annum in the coming five years (i.e. 2024-25 to 2028-29) under the two programmes. For 2024-25, the Government plans to issue \$120 billion worth of bonds, of which \$70 billion will be retail tranche for public subscription (including \$50 billion worth of Silver Bond and \$20 billion worth of non-silver retail bond). The remaining \$50 billion will be institutional tranche, with a certain proportion to be earmarked for priority investment by Mandatory Provident Fund schemes. A resolution to approve the Government to borrow sums not exceeding in total \$500 billion for the IBP and GSBP was passed by the Legislative Council on May 8, 2024.

On the timetable for bond issuance for infrastructure projects, the Government will recommend for approval an appropriate issuance arrangement (including target investors, issuance size and timing, currency, tenor, pricing/yield, listing arrangements), taking into account the funding need of the infrastructure projects, as well as market conditions. The Steering Committee chaired by the Financial Secretary, with the Financial Services the Treasury Bureau, the Environment and Ecology Bureau, the Development Bureau and the HKMA serving as members (the Steering Committee), will consider the recommendation.

(3) and (4) To promote the sustainable development of the local bond and green bond markets, the Government has all along been issuing GBs of different types, with short, medium and long-tenors (from one to 30 years) systematically under the Government Bond Programme (GBP) and the GGBP to establish a representative benchmark yield curve to facilitate the market in determining the pricing of other types of bonds (such as corporate bonds). With the establishment of the IBP and GSBP, we and the HKMA will recommend issuance of GBs of different tenors under the two programmes, taking into account the funding needs of relevant projects and market conditions, for approval by the Steering Committee.

As for statutory and public bodies, they may consider issuing bonds according to their needs and market conditions. If they require technical assistance or co-ordination on bond issuance, the HKMA will provide recommendation and share its experience to them for reference as appropriate.

(5) As of end-2023, the total size of the Hong Kong dollar debt instruments outstanding in the market is as follows:

Issuer	Hong Kong Dollar (HK\$) (in billion)
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(i) Non-public segment (including authorised institutions, local corporates, multilateral development banks, statutory bodies and government-owned corporations and other issuers outside Hong Kong)	1,203
(ii) Public segment (including Exchange Fund and the Government)	1,540
Total	2,743

As of end-April 2024, the total size of outstanding GBs is as follows:

(in billion)	Hong Kong Dollar (HK\$)	United States Dollar (US\$)	Renminbi (RMB)	Euro
GSBP	42	9.95	31.5	4.58
GBP	237	1	–	–
Total	279	10.95	31.5	4.58
Percentage of total	64%	19%	8%	9%

(6) The 14th Five-Year Plan acknowledges the significant functions and positioning of Hong Kong in the overall development of the country, including enhancing its status as an international financial centre and strengthening its functions as a global offshore RMB business hub. As a leading offshore RMB hub, Hong Kong will continue to take the lead in RMB fund management and investment in the international market, and contribute to the internationalisation of RMB. Under the GGBP, the Government has issued multiple tranches of government green bond denominated in RMB since November 2021, with a total issuance amount reaching RMB31.5 billion. The Government will continue to issue GBs denominated in RMB under the GSBP and IBP to foster the development of local RMB bond market and formation of a local yield curve, promoting RMB internationalisation in an orderly manner. The issuance parameters (including the issuance amount of RMB bonds) under the two programmes will be drawn up taking account of the actual market conditions at the time of arranging the bond issuance, and will be submitted for approval by the Steering Committee.

(7) In 2014, 2015 and 2017, three sukuk of different structures and tenors totalling US\$3 billion were issued under the GBP to demonstrate to the global market the strengths of Hong Kong's Islamic finance platform. The three successful issuances have helped to demonstrate the viability of Hong Kong as an Islamic bond platform and that Hong Kong's legal, regulatory and taxation framework can readily support issuances of sukuk with different structures.

To further strengthen Hong Kong's advantages as a bond financing platform, the Government is continuously enhancing the financial infrastructure. For instance, the Government is in the process of enhancing the functions of the Central Moneymarkets Unit (CMU) by upgrading it to be a major central securities depository platform in Asia. The enhanced CMU system will be able to provide efficient and convenient services supporting

issuance, settlement and custodian operations. At the same time, the Government and the regulators are stepping up efforts to promote Hong Kong's position as a bond centre among investors and bond issuers, attracting more organisations to use Hong Kong's fundraising platform and professional services.

To promote the unique advantages of Hong Kong's capital market abroad, the Government has been utilising various channels for publicising Hong Kong's good image internationally and connecting with overseas enterprises. In this regard, the Chief Executive led a delegation to various countries in the Middle East and Southeast Asia in February and July last year respectively, including visiting Saudi Arabia and Indonesia to meet with local officials and business leaders to promote Hong Kong's advantages in different areas such as finance and trade as well as the immense opportunities under "one country, two systems". In addition, the Hong Kong Special Administrative Region Government and the Emirate of Dubai signed in September last year a Memorandum of Understanding, which strengthens the bilateral relations and collaboration between the two places, and facilitates the mutual and sustainable development of the financial services industries, including exploring policy communication, knowledge exchange and co-operation opportunities in areas such as family offices, fintech, virtual asset and green and sustainable finance. The HKMA also held bilateral meetings with the Central Bank of the United Arab Emirates (CBUAE) and the Saudi Central Bank (SAMA) in May and July last year respectively. Discussions covered a number of areas, including financial infrastructure development, market connectivity. The HKMA will continue to deepen the collaboration in financial services with the CBUAE and the SAMA, with a view to promoting investment and financial market connectivity between the Middle East and Asia.

(8) The Government launched in 2021 the Green and Sustainable Finance Grant Scheme to provide subsidy for eligible bond issuers and loan borrowers to cover part of their expenses on bond issuance and external review services. The Scheme has been well received by the industry. As of early May 2024, the Scheme has granted around \$240 million to around 410 green and sustainable debt instruments issued in Hong Kong, involving a total underlying debt issuance of around US\$110 billion (or over HK\$800 billion).

The 2024-25 Budget announced that the Scheme would be extended by three years to 2027, and the scope of subsidies would be expanded to cover transition bonds and loans. The HKMA has released the updated guideline of the Scheme. We and the HKMA will continue to promote the Scheme, encourage relevant industries in the region to make use of Hong Kong's transition financing platform, and continue to enrich the green and sustainable finance ecosystem in Hong Kong.

LCQ3: New energy vehicles

Following is a question by the Hon Dominic Lee and a reply by the Secretary for Environment and Ecology, Mr Tse Chin-wan, in the Legislative Council today (May 22):

Question:

The 2023 Policy Address has proposed to promote the new energy transport industry, continue to test out more new energy vehicles including hydrogen double-deck buses and hydrogen street washing vehicles, formulate the Strategy of Hydrogen Development in Hong Kong in the first half of this year, and commence the preparatory work for the legislative amendments pertaining to the production, storage, transportation and application of hydrogen fuel. In this connection, will the Government inform this Council:

(1) of the number of registered new energy vehicles and its percentage in the total number of vehicles in Hong Kong, as well as the number of new energy vehicles owned by the Government and its percentage in the total number of vehicles owned by the Government as at the end of last month;

(2) of the operating performance of hydrogen double-deck buses and hydrogen street washing vehicles as tested by the Government, and whether it has studied if such hydrogen-powered vehicles can be included as one of the options for new energy transport; whether the Government has drawn up a timetable for releasing the Strategy of Hydrogen Development in Hong Kong; and

(3) as there are views that the technology of electric private cars (PCs) is rather mature, whether the authorities will, for the purpose of promoting electrification of PCs, take a more aggressive approach in setting a date for the complete phasing out of fuel-propelled and hybrid PCs, and roll out more measures to encourage the use of electric PCs, so as to achieve as early as possible zero emissions from PCs?

Reply:

President,

To align with the national "dual carbon" targets, the Government of the Hong Kong Special Administrative Region (HKSARG) strives to achieve carbon neutrality before 2050 and reduce the total carbon emissions of Hong Kong from the 2005 level by half before 2035. It is a global trend to promote development of new energy transport to reduce carbon emissions from the transport sector. The HKSARG announced the Hong Kong Roadmap on Popularisation of Electric Vehicles, Clean Air Plan for Hong Kong 2035, and Hong Kong's Climate Action Plan 2050 successively in March, June and October 2021. These blueprints and roadmap cover policy directions and future targets in various areas to promote the adoption of new energy transport

technologies, so as to guide Hong Kong towards zero vehicular emissions before 2050.

In consultation with the Transport and Logistics Bureau, Transport Department, and the Government Logistics Department (GLD), I would like to reply to the question raised by the Hon Lee as follows:

(1) As of the end of April 2024, there were 93 173 registered new energy vehicles in Hong Kong, accounting for 10.3 per cent of the total number of registered vehicles.

According to the information provided by the GLD, there were a total of 7 158 vehicles in the establishment of the government fleet as at December 2023, among which 179 were electric vehicles (EVs), accounting for 2.5 per cent of the total number of vehicles in government fleet. There were a total of 1 853 saloon cars in the establishment of the government fleet, among which 159 were EVs, accounting for 8.6 per cent of the total number of government saloon cars.

(2) Apart from EVs, hydrogen vehicles are also a kind of new energy transportation of which the HKSARG is promoting. The Government set up the Inter-departmental Working Group on Using Hydrogen as Fuel (the Working Group) in 2022 to co-ordinate preparatory work of bureaux and departments for the use of hydrogen fuel locally, as well as to promote the local adoption of hydrogen energy through trial projects so as to explore its future development potential and opportunities in Hong Kong.

As at April 2024, the Working Group has successively reviewed and given agreement-in-principle to 14 applications of hydrogen energy trial projects, of which three have already commenced the trial, including the Citybus Limited's first hydrogen bus and its hydrogen refuelling facility. This hydrogen bus started the passenger service officially in February 2024 for trial operation in three Kowloon urban routes in phases, namely 20, 22M and 20A. The Working Group is collecting the operational data of the hydrogen bus for assessing its operational performance.

On the other hand, three hydrogen fuel cell street washing vehicles of the Food and Environmental Hygiene Department are coming to Hong Kong successively. The statutory vehicle examination processes are underway. It is expected that their trial would be launched later this year in tandem with the trial of a public hydrogen refuelling station in Au Tau, Yuen Long set up by Sinopec (Hong Kong) Limited, so as to use the station for hydrogen fuel replenishment during the trial period. The potential applications of hydrogen energy in future can be very wide. In new energy transportation, hydrogen energy especially suits the needs of green transformation of medium to large-sized, and medium to long-haul, vehicles. This is also the reason we chose these pilot projects.

The Chief Executive announced in the 2023 Policy Address that the HKSARG will formulate the Strategy of Hydrogen Development in Hong Kong (the Development Strategy) in the first half of this year. We have canvassed views

from the industry and experts, and plan to publish the Development Strategy next month to make early preparation for the wider application of hydrogen energy in the future, so that Hong Kong can seize the various opportunities brought by the development of hydrogen energy.

(3) The Hong Kong Roadmap on Popularisation of Electric Vehicles sets out in a concrete manner the long-term policy objectives and plans to promote the adoption of EVs and their associated supporting facilities. Major initiatives include setting a target to cease new registration of fuel-propelled private cars (PCs) in 2035 or earlier, promoting the use of electric private cars (e-PCs), expanding the EV charging network, and creating an environment with support facilities that is conducive for the popularisation of EVs. Sufficient time will be provided for stakeholders to prepare for the transition to EVs. In particular, on the provision of a comprehensive public and private charging network to support the popularisation of e-PCs, the Chief Executive set a target in the 2023 Policy Address to increase the total number of public and private parking spaces with charging infrastructure in Hong Kong to about 200 000 by mid-2027.

The HKSARG has made notable progress in promoting the popularisation of EVs. In terms of e-PCs, the percentage of EVs among newly registered PCs in Hong Kong has soared significantly in recent years, increasing from 6.3 per cent in 2019 to 64.6 per cent in 2023. The HKSARG will continue to expand the charging network and supporting facilities on multiple fronts to provide a good environment and conducive conditions to encourage car owners to switch to EVs.

Although the technology of e-PCs is increasingly mature, there are still hundreds of thousands of fuel-propelled and hybrid private cars on the road in Hong Kong. Time is required for car owners to switch to e-PCs. On the other hand, EV manufacturers also need time to build up the types and models of their products. The choice of e-PC types and models in the current market is not as wide as those of conventional petrol PCs. Even though e-PCs have a huge fuel cost advantage over conventional petrol private cars, there is still a considerable number of users who choose conventional petrol PCs for various reasons. Therefore, it is not yet the time now to decide on a more aggressive date for complete phasing-out of fuel-propelled and hybrid PCs. The HKSARG will closely monitor the supply of e-PCs in the market and the progress of the popularisation of e-PCs, and review from time to time whether the target to cease new registration of fuel-propelled and hybrid PCs in 2035 can be further advanced.

Thank you, President.