

# OFFICIAL RECORD OF PROCEEDINGS

Friday, 21 March 2014

The Council continued to meet at Nine o'clock

## MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHAN KAM-LAM, S.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE EMILY LAU WAI-HING, J.P.

THE HONOURABLE TAM YIU-CHUNG, G.B.S., J.P.

THE HONOURABLE ABRAHAM SHEK LAI-HIM, G.B.S., J.P.

THE HONOURABLE TOMMY CHEUNG YU-YAN, S.B.S., J.P.

THE HONOURABLE FREDERICK FUNG KIN-KEE, S.B.S., J.P.

THE HONOURABLE VINCENT FANG KANG, S.B.S., J.P.

THE HONOURABLE WONG KWOK-HING, B.B.S., M.H.

PROF THE HONOURABLE JOSEPH LEE KOK-LONG, S.B.S., J.P., Ph.D.,  
R.N.

THE HONOURABLE JEFFREY LAM KIN-FUNG, G.B.S., J.P.

THE HONOURABLE ANDREW LEUNG KWAN-YUEN, G.B.S., J.P.

THE HONOURABLE WONG TING-KWONG, S.B.S., J.P.

THE HONOURABLE RONNY TONG KA-WAH, S.C.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING, J.P.

DR THE HONOURABLE LAM TAI-FAI, S.B.S., J.P.

THE HONOURABLE CHAN HAK-KAN, J.P.

THE HONOURABLE CHAN KIN-POR, B.B.S., J.P.

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN, S.B.S., J.P.

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG KWOK-KIN, B.B.S.

THE HONOURABLE IP KWOK-HIM, G.B.S., J.P.

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.

THE HONOURABLE PAUL TSE WAI-CHUN, J.P.

THE HONOURABLE ALAN LEONG KAH-KIT, S.C.

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE CLAUDIA MO

THE HONOURABLE MICHAEL TIEN PUK-SUN, B.B.S., J.P.

THE HONOURABLE JAMES TIEN PEI-CHUN, G.B.S., J.P.

THE HONOURABLE NG LEUNG-SING, S.B.S., J.P.

THE HONOURABLE STEVEN HO CHUN-YIN

THE HONOURABLE FRANKIE YICK CHI-MING

THE HONOURABLE WU CHI-WAI, M.H.

THE HONOURABLE YIU SI-WING

THE HONOURABLE GARY FAN KWOK-WAI

THE HONOURABLE MA FUNG-KWOK, S.B.S., J.P.

THE HONOURABLE CHARLES PETER MOK

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN

DR THE HONOURABLE KENNETH CHAN KA-LOK

THE HONOURABLE CHAN YUEN-HAN, S.B.S., J.P.

THE HONOURABLE LEUNG CHE-CHEUNG, B.B.S., M.H., J.P.

THE HONOURABLE KENNETH LEUNG

THE HONOURABLE ALICE MAK MEI-KUEN, J.P.

DR THE HONOURABLE KWOK KA-KI

THE HONOURABLE KWOK WAI-KEUNG

THE HONOURABLE DENNIS KWOK

THE HONOURABLE CHRISTOPHER CHEUNG WAH-FUNG, J.P.

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

THE HONOURABLE SIN CHUNG-KAI, S.B.S., J.P.

DR THE HONOURABLE HELENA WONG PIK-WAN

THE HONOURABLE IP KIN-YUEN

DR THE HONOURABLE ELIZABETH QUAT, J.P.

THE HONOURABLE MARTIN LIAO CHEUNG-KONG, J.P.

THE HONOURABLE POON SIU-PING, B.B.S., M.H.

THE HONOURABLE TANG KA-PIU

DR THE HONOURABLE CHIANG LAI-WAN, J.P.

IR DR THE HONOURABLE LO WAI-KWOK, B.B.S., M.H., J.P.

THE HONOURABLE CHUNG KWOK-PAN

THE HONOURABLE CHRISTOPHER CHUNG SHU-KUN, B.B.S., M.H., J.P.

THE HONOURABLE TONY TSE WAI-CHUEN

**MEMBER ABSENT:**

DR THE HONOURABLE LAU WONG-FAT, G.B.M., G.B.S., J.P.

**PUBLIC OFFICERS ATTENDING:**

THE HONOURABLE TSANG TAK-SING, G.B.S., J.P.  
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE GREGORY SO KAM-LEUNG, G.B.S., J.P.  
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

THE HONOURABLE LAI TUNG-KWOK, S.B.S., I.D.S.M., J.P.  
SECRETARY FOR SECURITY

MS FLORENCE HUI HIU-FAI, S.B.S., J.P.  
UNDER SECRETARY FOR HOME AFFAIRS

MR LAU KONG-WAH, J.P.  
UNDER SECRETARY FOR CONSTITUTIONAL AND MAINLAND  
AFFAIRS

**CLERKS IN ATTENDANCE:**

MR KENNETH CHEN WEI-ON, S.B.S., SECRETARY GENERAL

MR ANDY LAU KWOK-CHEONG, ASSISTANT SECRETARY GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

**MEMBERS' MOTIONS**

**PRESIDENT** (in Cantonese): Good morning. Meeting now resumes. We will continue with the debate on "The incident of attack on Mr Kevin LAU Chun-to, the former chief editor of Ming Pao Daily News".

Does any Member wish to speak?

**THE INCIDENT OF ATTACK ON MR KEVIN LAU CHUN-TO, THE FORMER CHIEF EDITOR OF MING PAO DAILY NEWS****Continuation of debate on motion which was moved on 20 March 2014**

**MR LEUNG YIU-CHUNG** (in Cantonese): President, first of all, I would like to take this opportunity to send my best wishes to Mr Kevin LAU since media reports have it that his condition has become unstable, making further operation necessary, and he has also got fever. His recovery is indeed worrying. President, this exactly reflects the seriousness of the injury sustained by Mr Kevin LAU. However, in my view, the serious harm is not just inflicted on Mr Kevin LAU's physical well-being, but also on news media workers, as well as on freedom of the press which is most cherished by Hong Kong people.

I am not sure if the President would find it strange, when granting approval for this motion, for a Member to propose such a motion. The terms of the motion read as follows, "That this Council is deeply shocked and outraged about the incident of attack on Mr Kevin LAU Chun-to, the former chief editor of Ming Pao Daily News, strongly condemns the violent acts of the assailants, and requests the Police to spare no effort to arrest the assailants so as to expeditiously bring them to justice." According to the first part of the motion, this Council is shocked and outraged about the attack on Mr Kevin LAU. We all know that Mr Kevin LAU is just an ordinary member of the public. Why is this Council particularly concerned, shocked and outraged about an attack on an ordinary member of the public to the extent that it has to strongly condemn the attack? I believe the President is aware that attacks on members of the public happen from time to time in Hong Kong. But we as Members of this Council have never discussed, expressed concern about or condemned such individual attacks, or even proposed a motion debate like this one.

The President may sense that our discussion is raised not on the basis that Mr Kevin LAU is an ordinary member of the public but a member of the media. Over the past few years, members of the media have been subjected to attack one after another, and media organizations have even been subjected to direct or indirect blows and oppression. As a result, all parties are very concerned about if freedom of speech and room for free speech enjoyed by Hong Kong's news sector has been eroded.

President, freedom of the press is not just an important pillar for social and economic development, but also a powerful tool for people to monitor how a government works. We have all along been proud of and cherished the freedom of the press and room for free speech we have enjoyed in Hong Kong. However, when freedom of the press and room for free speech are eroded, we are very much worried if Hong Kong can still pursue favourable development in the future. In fact, we see that in recent years, Hong Kong's freedom of the press and room for free speech are not just haunted by political pressure, but also subjected to direct or indirect economic oppression that is either tangible or intangible in nature. This makes us worry that Hong Kong's future may turn gloomy, as we will no longer be able to get a true picture of the overall development of society and the operation of the Government through media organizations' reports or comments. This is what we are very concerned and worried about.

President, besides, I believe you may also find the last part of the original motion strange, that is, this Council requests the police to spare no effort to arrest the assailants so as to expeditiously bring them to justice. President, what does this request reflect? It reflects that the police has all along given people an impression that it has not spared no effort to arrest the assailants, and it has made people think that it is unable to expeditiously bring them to justice. In fact, this is true. This is because we all know that the real culprits behind a number of attacks on news media workers in the past have not yet been brought to justice, making people doubt whether the police has spared no effort in their investigation.

Furthermore, the relevant remarks made by the Commissioner of Police have worried us if he has handled the case with a biased mindset. Therefore, in a letter to Members of this Council, the Ming Pao Staff Concern Group wrote, "Honourable Members of the Legislative Council, despite the arrest of the two suspects concerning the case of attack on Mr Kevin LAU, the truth remains unclear. The police has found that the suspects are hire hands, and the

investigation has yet been finished. In addition, Mr Kevin LAU has handed in records of his mobile communication to show that he has not been involved in any financial disputes, women affairs or personal grudges. Prior to the conclusion of the investigation, Commissioner of Police Andy TSANG stated publicly that no direct evidence was available to show any relation between the assailants and journalistic work. The Concern Group considers Andy TSANG's remarks highly inappropriate and urges him to clarify if journalistic factors have been ruled out in the investigation so as to set the record straight. The Concern Group is grateful that Members of the Legislative Council have been concerned about the incident. We call for you to spare no effort to monitor and supervise the police in their investigation into the assailants' motives, with a view to arresting the mastermind behind the scene and finding out the truth of the incident, such that journalists will be free of the threat of violence."

This reflects everyone's concern that the police's performance in the past has indeed given people such an impression. Hence, despite the arrest of some of the suspects as of today, will the real culprit be brought to justice? This remains a question. Exactly what is the cause of the incident? This remains a question (*The buzzer sounded*) ... Therefore, we would express our hope here that the police will attach importance to the incident.

**PRESIDENT** (in Cantonese): Mr LEUNG, your speaking time is up.

**IR DR LO WAI-KWOK** (in Cantonese): President, when I was listening to the budget speech delivered by the Financial Secretary on 26 February in this Chamber, I got the breaking news of the brutal attack on *Ming Pao's* former chief editor Mr Kevin LAU, and it was reported that he was seriously wounded. I was utterly shocked. The fact that the completely unarmed Mr Kevin LAU was brutally attacked in broad daylight by ferocious assailants makes one's hackles rise.

I am not acquainted with Mr Kevin LAU, but I give my full support to the motion proposed by the Chairman of the House Committee, Mr Andrew LEUNG, in relation to the incident of attack on Mr Kevin LAU. We are shocked and outraged by the incident; we strongly condemn the violent acts of the assailants, and of course we request the police to spare no effort to arrest the assailants so as to expeditiously bring them to justice. I believe the motion should win the support of our fellow Legislative Council Members.



As Legislative Council Members, we should firmly believe what the general public believe, and that is, the rule of law is the core value of Hong Kong. We should adopt zero-tolerance towards any means to achieve personal gain by violence or even by hunting other people.

President, in the light conversations I made with friends overseas, they commented on some recent social events happened in Hong Kong in one word, and that is, chaotic. As a locally born and bred Hong Konger, I explained to them, "Hong Kong has all along been a civilized society under the rule of law; our society has all along been upholding the core values of harmony and mutual help. The majority of Hong Kong people are diligent and hardworking. They co-operate with each other in their different positions to build our society." However, why have my friends got the impression that Hong Kong is chaotic? This has made me ponder.

President, this Council is the legislature, which is one of the three powers, namely, executive, legislative and judicial powers, to ensure the effective governance of Hong Kong. We should bring the positive energy into full play; we should bring our special functions into full play for the healthy development of society. However, in the past two days, speeches delivered by some Members have made me sigh with emotion and question whether or not they are intentionally or unintentionally aggravating confusion and disorder in society?

The investigation of the attack case of Mr Kevin LAU is still underway. But, with the effort of the police and the support of the Mainland public security authorities, the assailants and a number of suspects involved have been apprehended swiftly. Should the efficiency of the police be commended? However, to one's surprise, some Members vigorously criticized the "top cop" for making a remark that "no direct evidence to tie the case to journalistic work". They even demanded the resignation of the "top cop".

The news media reported that Mr Andy TSANG said he "would not rule out any motive". But, according to the information in hand, including the news coverage provided by *Ming Pao* earlier, there is no direct evidence to tie the case to journalistic work. In fact, it is only an objective description of the current evidence-gathering situation. What is wrong with that?

President, I have cited two stanzas of GUO Moruo's poem *On Seeing the Monkey Subdues the White-bone Demon* before. Much to my surprise, the two stanzas are applicable in today's Chamber, that is, "Confounding humans and demons, right and wrong, the monk was kind to foes and vicious to friends." Our foe is neither the Police Force nor the "top cop". Instead, it should be the assailants who attacked the victim in broad daylight and the mastermind behind the scene.

We demand the police to spare no effort to arrest the assailants so as to expeditiously crack the case. However, I do not support the amendment of Mr Gary FAN. He has requested in black and white that "the Secretary for Security and the Commissioner of Police must openly set a detection deadline for the incident, so as to expeditiously bring the mastermind and assailants to justice, and undertake to submit an investigation report to the Legislative Council before the expiry of the detection deadline, in order to be accountable for this matter."

If we are to arbitrarily set down a detection deadline, we may cause the following scenarios: In order to meet the deadline, will front-line police officers get the job done by fair means or foul, either using torture in the course of getting statements, extorting confessions under torture, or even finding a scapegoat to stand in as the culprit, thereby creating cases of injustice or misjudged cases? Therefore, I very much hope that Mr Gary FAN is proposing the amendment in order to steal the spotlight, or just as the Cantonese saying goes, he is just wagging his tongue too freely. Otherwise, such a proposal is not only unworkable in reality, it also shows that Mr Gary FAN has totally overlooked the complexity of modern-day criminal investigation work.

President, in a double tune titled *A Suite on Autumn Thoughts*, which is written by the master of Yuan Qu, MA Zhiyuan, there are several lines in the song *Night-Sailing Boat in Double Tune*, "The crickets' chirping stops, I wake comfortable and snug; but when the rooster crows come cares in thousands never ceasing. When will it be through? I view ants parade in packed manoeuvres, chaotic swarms of bees that brew honey, and the furious din of horseflies seeking blood."

I hope that Hong Kong will not give people this impression, be it the fame, fortune or political capital that someone wants to reap. I cannot help lamenting with sighs that as the wounds of Mr Kevin LAU have yet stopped bleeding, some

people are already trying to reap political capital like horseflies seeking blood, and waging attack casually. President, the Legislative Council should bring the positive energy into full play.

With these remarks, I support the motion of Mr Andrew LEUNG.

**MRS REGINA IP** (in Cantonese): President, the successive attacks on journalists in recent months are rather shocking. Besides Mr Kevin LAU who was critically wounded in the attack, the senior management of the *Hong Kong Morning News* which has yet been published were also attacked. Although their injuries look far less serious, it still makes us very worried.

Examples of attacks on Hong Kong journalists over the past 10 years are mentioned in Ms Emily LAU's amendment, I am not going to repeat them. Actually, journalistic work is indeed full of risks. It involves even more dangers in foreign countries. For example, we have learnt from the news report on 15 March that on the eve of Crimea's referendum, some gunmen broke in a hotel in the Crimean capital where many Western journalists stayed, perhaps with the purpose to intimidate these reporters who were going to cover the referendum on 16 March. At 11 am on 11 March, a Swedish radio correspondent who had stationed in Hong Kong was ambushed by an unknown gunman in Kabul, the capital of Afghanistan. He was raced to the hospital but died of fatal injuries afterwards. On 9 March last year, a cameraman of TVB was beaten up by a group of five for unknown reasons while he was filming a news report outside a residence in Beijing. His camera and equipment were also damaged. Thus it can be seen that as journalists are entitled to the right to report, their job nature is rather sensitive. No matter whether it is in Hong Kong or overseas, sometimes they will get into trouble and be attacked because of their remarks, which is really a matter worth our concern.

According to the Hong Kongers I have contacted (no matter whether they are in Hong Kong or overseas), with regard to incidents in recent years, they all have a feeling that Hong Kong is rather chaotic, just like the message Ir Dr LO Wai-kwok received, things happen every day and personal safety is not protected. For that reason, I am really glad that the police has taken positive action and co-operated with the Mainland public security authorities to apprehend the knifeman as quickly as possible. Of course, I understand Mr Kevin LAU and all

the people who care about him do not only wish the apprehension of the knifeman, but also that of the mastermind behind the scene. Nevertheless, it is not easy at all in reality. As far as I know, the knifemen in the 1996 LEUNG Tin-wai case and the 1998 Albert CHENG case were all arrested. But both victims were unable to determine whether the knifemen were the attackers in the identification parade.

Of course, given the present-day technological advancement, I believe the police can have a better grasp of the intelligence network. I tender my heartfelt wish of the speedy recovery of Mr Kevin LAU so that he can be his old self. Besides, I wish not only the apprehension of the knifemen, but also that of the mastermind behind the scene. I consider this point very important. What makes me really unhappy with this incident is that a lot of people are spreading rumours online or through other channels, making people think that certain government officials are involved in every attack on journalists. I believe no government will do such a stupid thing.

However, we should really show concern about the freedom and safety of journalists. And the most effective way is of course to bring the culprits and mastermind to justice. Even though I still suspect the attack on Mr Kevin LAU is related to his work, I do not believe some people are trying to suppress Hong Kong's press freedom by this means. It is because such attacks will only make Hong Kongers more concern about press freedom; the Government attach greater importance to the issue, and the legislature debate on the issue and show its support. For that reason, they cannot suppress Hong Kong's press freedom by carrying out such isolated attacks. However, it is of utmost importance to enhance and ensure the effective law enforcement of the police, and to strengthen its co-operation with its Mainland counterpart to apprehend the culprits, in order to protect the safety of journalists.

For the above reasons, the New People's Party will support the original motion of Mr Andrew LEUNG, Ms Claudia MO's amendment and Ms Cyd HO's amendment. But we will not support Ms Emily LAU's amendment because we consider some of the contents are practically outdated, including "the authorities must also give a detailed account of the reasons for the following cases involving Hong Kong journalists ... which have yet to be detected after a long time". As a matter of fact, in the view of the police, the relevant cases were detected and the assailants were apprehended. We will not support Mr Gary FAN's amendment,

too, as we consider it unrealistic to request that "the Secretary for Security and the Commissioner of Police must openly set a detection deadline for the incident". I believe the Secretary for Security and the police will try their best to apprehend the culprits as soon as possible since this is in the best interests of Hong Kong. But, in the case of setting a timetable (*The buzzer sounded*) ... it will be something difficult.

President, I so submit.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MR PAUL TSE** (in Cantonese): President, any violent incident, no matter whether it aims at journalists or anybody; no matter whether it is due to love affairs, debts, failed speculation in black market future goods, politics or business, such violence should not happen at all. Both in public and private interests, I wish Mr Kevin LAU a speedy recovery.

I wish to convey two messages. First, the current situation of Hong Kong is not as bad as most people think. We hope that there is a balanced view; and second, I hope that in the course of promoting democracy, we should also pay attention to quality democracy. Otherwise, no matter whether it is inside or outside this legislature, any advocate for radical and violent acts will cause an impact on society, and to a certain extent, incite more retribution.

President, recently, many fellow Members as well as the media have kept emphasizing the extent of decline in Hong Kong's ranking in the press freedom index published by the Reporters Without Borders. Based on my truth-seeking attitude, which I have upheld all along, I leafed through all the relevant reports. Looking back from the year 2002 when such an index was first published to the year 2013-2014, what exactly is the position of Hong Kong? In 2002, Hong Kong ranked 18. Its ranking dropped to 61 in 2014. At first glance, the decline is very drastic.

I wish to bring up two points. First, looking back over the years, Hong Kong ranked 18 in 2002. We dropped to 56 in 2003. In the following years, the respective ranking of Hong Kong was 34, 39 and 58. We dropped to 61 in 2007, which was the same as in this year, that is, 2014. After 2007, the

respective ranking of Hong Kong was 51, 48, 34, 54, 58 and 61 in the ensuing years. Although we are still among the top, it is a big difference from the 18th place in 2002. Nevertheless, it is actually not that bad this year because we already ranked 61 in 2007. For that reason, I hope the media or my fellow Members will not take just what they need when they look at these figures and thereby creating a horrifying picture.

Second, in the same index, when we look at some European and American countries, be they the United Kingdom or the United States, their rankings also see a drastic decline. I wish to point out that when one looks around, whenever uncertainties, turmoil or threats arise in society, front-line journalists will, to a certain degree, get involved, and that will cause a threat to their work as well as their lives and safety.

If we take a look at the recent examples cited by Mrs Regina IP just now, it is reported that in some countries, such as Honduras, from 2009 up till now, 27 political news reporters died; from 2000 to 2013, 88 reporters in Mexico were killed and 18 went missing; in 2013, five reporters in Brazil were killed and 100 were attacked by violence. Comparatively, we consider press freedom in these countries lagging behind.

Let us take a look at some other countries. No one in the United States, the United Kingdom or Japan is killed by violent attack due to their work, but if we look at certain incidents, such as the SNOWDEN incident and the ASSANGE incident, they all caused the tightening up on room for free speech in the end, including in the Private Chelsea case, the whistleblower who exposed the shady details of the United States Government was sentenced to a 30-year jail term. Such a heavy jail sentence was never heard of. Furthermore, the prosecution demanded a 105-year jail term for Barrett BROWN for hacking in computer systems and exposing government information.

In the United Kingdom, press media such as the *Guardian*, which was involved in the SNOWDEN case, had its computer files confiscated by the Government. Even its star journalist Glenn GREENWALD was detained and interrogated at the Heathrow for nine hours. It is widely known that the House of Lords and the House of Commons of the United Kingdom are joining hands to revise the Royal Charter to tighten up on the room for free speech of all media. These are the latest development trend. Even in Japan, a country which advocates freedom, its government has been tightening up on the discrimination

of information after the Fukushima incident. The ABE Administration has also tightened up on its secrecy laws. All of the above practically reflect that the media are the first to be hurt when society is facing threats and turmoil.

Since a new regime has been in place in Hong Kong, social conflicts have aggravated all of a sudden. The pressure on the media has thus increased. I am not saying that it is correct. I just hope that the public will not view the incident too pessimistically. I hope that they will have a more balanced feeling when they look at what is going on in Hong Kong and what is going on in the world, as well as what circumstances have caused these incidents. Besides declaring strong condemnation and urging the Government to step up efforts to arrest the culprits, the only thing we can do is to hope that leaders in society, including Members, public officers and anyone who has loudspeakers and newspapers in his hands to understand that we should never advocate radical and violent acts. I hope everyone will understand this point.

Furthermore, I also wish to exemplify that we should not allege the regime is involved in these violent acts by saying so-and-so is the mastermind behind the scene. Without evidence, it is simply unfair to make such allegations. Of course, the emergence of the new regime may lead to new forms of pressure, conflict and dissension, which will give rise to more resistance and violent incidents. I totally oppose and condemn these incidents. But we should strike a balance in this matter.

I would like to thank Ms Emily LAU for bringing up two incidents that have equally caused an uproar to remind us of what happened. The attack on Mr Albert HO perhaps had nothing to do with politics but his legal profession. Nevertheless, we have to condemn the violence. Similarly, the attack on Mr CHIM Pui-chung after he left this Council perhaps had nothing to do with politics, but no matter what the reasons are, such violent acts must be condemned. I hope everyone will be unbiased.

The nature of this motion is rather neutral. It only requests the condemnation of any form of violence. It is perfectly correct. But as far as violence aiming at journalistic work is concerned, it warrants greater attention. I hope that this is only the beginning. We have to pay closer attention to every criminal case as every violent act is wrong. Thank you, President.

**MR CHAN KAM-LAM** (in Cantonese): President, the fact that Mr Kevin LAU, the former chief editor of *Ming Pao*, was brutally wounded by some assailants was a big shock to all of us since this is something a civilized society cannot accept. I contacted the family member of Mr Kevin LAU the other day to enquire about the progress of his recovery. I am glad to learn that his recovery shows progress and I wish him a speedy recovery.

These violent acts have frequently happened in Hong Kong recently. As a media figure who attracts much of our concern, Mr Kevin LAU's experience of violent attack will definitely make everyone think that it may be related to his journalistic work. However, in my view, as the case is under investigation, we should not determine the nature of the case at the present stage.

We should not deem violent acts the only resort to solve problems. We have often read in newspapers that in domestic dispute cases, people resorted to violence, or people did the same even in debt dispute cases. Nevertheless, violence cannot sort things out. Moreover, our society does not accept violence. I hope this positive message should be present in our society.

In this incident, the police swiftly arrested the assailants and other people involved in less than one month with the help of the Mainland public security authorities. Such high detection efficiency is worthy of our commendation. Indeed, during this period of time, we have seen that the police has done a remarkably good job in apprehending the assailants and safeguarding public order. We should commend the police, as well as encourage them to actively safeguard public peace and order. I think that we should praise and commend the police in this Council.

President, the assailants were brought to justice and sent to the Court in the past one or two days. We hope that the court will hand down appropriate and severe punishments against their violent acts. We also hope that the truth behind the case will be revealed through the vigorous and in-depth investigation of the police.

However, what has deeply disappointed us is the fact that the case has caused much cacophony in society recently. A lot of people have determined the nature of the case as the Government's intervention of press freedom and



editorial independence. Moreover, a remark made by the Commissioner of Police has caused an uproar in society. A certain Member — Mr Ronny TONG just entered the Chamber — even demanded the Commissioner to resign.

I am very much baffled in this regard. Under the leadership of the Commissioner, the police has arrested the assailants within a short period of time. Instead of giving him commendation, someone thinks that he should be held accountable and step down for making just one remark. May I ask what the reason is? The assailants, who attempted to solve problems by violence, are strongly condemned by us. Now we are using the same kind of violence in words to demand the Commissioner to end his career simply because of this incident, the one remark he made. It is like we are using violence to end one's life. May I ask if this is reasonable? May I ask if this is fair? May I ask where on earth is justice?

For that reason, when we handle this incident, we should not put the cart before the horse by overlooking the importance of the apprehension of the assailants and the investigation of the case with a view to finding out the truth. Also, we should not put the blame on police officers and assume that one can steal the spotlight and obtain media coverage by making such an allegation. This is entirely different from the rationality Mr Ronny TONG has always demonstrated (especially in the recent discussion of constitutional reform), which has made us question his rationality in dealing with problems.

I wish to give my regards to the Police Force once again. Their efforts have safeguarded Hong Kong's law and order and laid the cornerstone for Hong Kong's prosperity and stability. I wish to thank them here.

Thank you, President.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MS STARRY LEE** (in Cantonese): President, the attack on Mr Kevin LAU has caused an uproar in the territory. This brutal and terrifying attack, as well as the assaults on journalists in recent years, have indeed made the public worry that freedom of the press is under threat. Such worries are understandable. In fact,

those who have had contact with Mr LAU all consider him well-mannered and gentle-tongued. Also, he has already stated that he does not believe the incident has anything to do with his family or extramarital affairs. People thus naturally relate the incident to his former position as the chief editor of *Ming Pao*. This is also understandable. The investigation into the incident is still underway. I hope the police can expeditiously resolve the case so that the truth of the incident will come out.

In fact, this violent attack does not just target an individual or the media, but also threatens the public at large, and impacts on the rule of law in Hong Kong. Hong Kong is a free and open society upholding freedom, public order and the rule of law. Different people have different views. Even if there is a dispute, it should be resolved in a civilized and peaceful way. No one should face life-threatening violence because of holding different views. If this knifeman dares to attack Mr Kevin LAU today, he can do the same to anyone tomorrow. This violent attack has actually trampled on Hong Kong's core values. People having different stances and political views should stand together against violence, and support the police to spare no effort to arrest the assailants. I also wish to extend my gratitude to the Hong Kong police and its Mainland counterpart for their prompt action. Now the knifeman has been brought to justice, but I believe it is not easy to identify the real mastermind behind the scene. I hope the police will continue with their efforts.

To provide journalists with a work environment free from fear, we should first ensure that all Hong Kong people have freedom from fear, including freedom of assembly, of speech and of religion. I believe the most essential factor is to maintain Hong Kong's status as a safe city with low crime rate by a highly efficient, capable and motivated Police Force. I believe it is commonly recognized by all the people in Hong Kong and over the world that Hong Kong is a safe city. Such achievements and accomplishments have not come by easily. When compared to a number of free and democratic countries such as the United States, Italy and France, we are actually a very safe city with low crime rate. These are what we must cherish, and only in a safe city can we have all kinds of freedom free from fear. Thus, we must continue to support the work of the police, and not hurt their morale. These days, some people have been criticizing the "top cop" with the sole focus on his one remark, while disregarding or showing no appreciation for the police's highly efficient performance. I think

this is rather unfair. I hope the police's morale will not be dampened by this, and that they can keep up their efforts. Although the knifeman has been arrested, there is still a long way to go before the real culprit can be identified.

Lastly, after the violent incident, I visited Mr Kevin LAU in the hospital and talked to his wife. Fortunately, Mr Kevin LAU and his family are very strong and courageous. Later on, I also read an article written by Mr Kevin LAU and learnt about his courage to face difficulties and his physical pain. The road to recovery is long. Mr Kevin LAU's wife told me that they were Christians and shared with me the verse "In all things God works for the good of those who love him". Today it was reported that his condition became unstable. I wish to encourage them to keep going with the verse "God will not let people encounter difficulties beyond what they can bear".

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Mr Andrew LEUNG, you may now speak on the amendments. You have up to five minutes.

**MR ANDREW LEUNG** (in Cantonese): President, when the House Committee was discussing the incident of attack on Mr Kevin LAU the other day, Members put forward different views on the relationship between the incident and the freedom of the press in Hong Kong. As Mr LAU is a veteran journalist and the former chief editor of *Ming Pao Daily News*, some Members worried that the incident would deal a blow to Hong Kong's freedom of the press and of speech. They hoped the authorities would safeguard freedom of the press and protect the personal safety of journalists. On the other hand, some other Members held that as the reason behind Mr LAU's attack was still under investigation, it would be inappropriate to make any speculations on the motive of the assailants at that stage. Finally, Members agreed to have me, in the capacity of the Chairman of the House Committee, to move the motion as printed on the agenda, so as to strongly condemn the violent acts of the assailants.

President, since Ms Claudia MO, Ms Emily LAU, Mr Gary FAN and Ms Cyd HO have respectively proposed amendments, all under their own names, their amendments are not the consensus of the House Committee. Since I am now speaking in the capacity of the Chairman of the House Committee, I will not express any opinions on the amendments of the four Members.

I so submit.

**UNDER SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, the SAR Government has all along been committed to safeguarding the rights of the public under Article 27 of the Basic Law, including freedom of speech, of the press, and of publication enjoyed by them. Freedom of the press is a core value of Hong Kong, an asset highly appreciated by us, and a fundamental cornerstone for our success and prosperity.

I reiterate that the SAR Government will not and cannot interfere with the editorial freedom, independent operation and internal personnel management of media organizations. As a fundamental right of the public, freedom of the press has all along been highly valued in Hong Kong. The SAR Government will continue to maintain the current relaxed policy and suitable environment, so as to enable the press to extensively and freely report and comment on various matters, large and small, occurring in society.

I hereby reiterate again that the SAR Government will not tolerate any acts of violence, and will strongly condemn any law-defying acts. Once again, I hereby extend my sympathies to Mr Kevin LAU and his family.

In this matter, we see that the police is going all out around the clock, and joining hands with the public security authorities in the Mainland, in its efforts to apprehend the assailants. Their efforts are evident to all and fully recognized by the public. Therefore, at this moment, we should neither make any accusations against the police nor blame them, but instead cheer them on and support them, in the hope that they can continue to unravel and pursue the leads with a view to revealing the truth.

Over the past two days, we have also noted from Members' speeches a common aspiration against all forms of violence, which has once again reminded

the community of the importance of safeguarding freedom of the press and encouraged us to keep on guarding this civilized city of Hong Kong.

President, I hereby reiterate once again that both the SAR Government and members of the public respect and cherish freedom of the press and of speech in Hong Kong. To maintain Hong Kong's position as an international metropolis and enable sustainable social development, freedom of the press and freedom of speech are two of the key factors. The SAR Government will continue with its efforts to safeguard these important core values.

I so submit. Thank you, President.

**SECRETARY FOR SECURITY** (in Cantonese): President, I would like to thank Members for voicing many valuable views on the motion on "The incident of attack on Mr Kevin LAU Chun-to, the former chief editor of Ming Pao Daily News". Although I have repeatedly responded to the incident of attack on Mr LAU on public occasions, I still have a heavy heart and feel outraged up to this very moment. Mr LAU is staying in hospital. A few days ago he had to undergo another operation to remove the blood clot in his foot. The operation has been successful. I hereby wish Mr LAU a speedy recovery.

President, having carefully listened to Members' speeches just now, I wish to make some specific responses to the following points.

Quite a number of Members have expressed views on the police's handling of wounding and serious assault cases, and the detection rate as well. The Police Force are committed to maintaining Hong Kong as one of the safest and most stable cities in the world, and combating violent crimes is one of the primary operational targets of the Commissioner of Police. The police's duty is to protect the lives and properties of the public. Regardless of whether a case involves public figures or the media, the police will go all out to solve it equitably.

Regarding the amendment proposed by Ms Emily LAU, I would like to point out that no police force in the world can detect 100% of the cases. The police calls on members of the public to help provide information. Any pursuable leads will be followed up vigorously.

The detection rate of wounding and serious assault cases has all along remained at about 70% over the past decade. Although it is higher than the overall crime detection rate of 40% plus, about 30% of the cases are yet to be detected. I must point out that the progress of the police's investigation into cases of attack, be they on media workers or other persons, is affected by various subjective and objective factors.

In terms of subjective factors, it is certainly the police's arrangement for crime investigation that comes into play. The police attaches great importance to each and every case, and endeavours to collect evidence in order to bring offenders to justice. This is exactly the reason why the detection rate of these cases could exceed 70% in the past.

However, the police's investigation and success in crime detection are subject to various objective factors, many of which are beyond the police's control, for example where and when the crime took place, the availability of witnesses of the crime, leads left by assailants, the *modus operandi* of assailants, whether other witnesses can be found, whether CCTVs are installed in the vicinity of the crime scene, and whether the victims could clearly memorize the appearances of the assailants at the moment of the crime. This explains why 30% of the cases remain undetected.

Ms LAU cited a number of undetected cases involving the media that took place from 1996 to 2013. I wish to point out that the police has also arrested suspects and instituted successful prosecutions in some cases in the past. For example, in the case of an assassination plot targeting Mr Martin LEE and Mr Jimmy LAI in 2008, the police arrested two persons, who were sentenced to imprisonment of three years and 16 years respectively. In addition, in the case of criminal damage to Hong Kong In-media in 2012, the police arrested four persons, who were each sentenced to imprisonment of eight months.

Nevertheless, not all cases in which the police has made arrests will result in successful conviction of the perpetrators. Under the common law system, the standard of proof applicable to criminal proceedings is very high. In the past, there were some cases that could not result in prosecution or successful conviction of the suspects because of insufficient evidence.

Mr Gary FAN requested the Commissioner of Police and me to set a deadline for the detection of the case of attack on Mr LAU and submit an investigation report to the Legislative Council before expiry of the investigation deadline. I beg to differ. Since the incident, the police has gone all out with full heart and mind in its investigation, resulting in the arrest of 11 persons and the prosecution of two suspected assailants. Up to this moment, a comprehensive investigation is still in full swing. Therefore, even if Members exert more pressure on the police, it will be futile, unjustifiable and unreasonable. It is also unfair and unjust to the police who has put in efforts and hard work over these days. It will set an unreasonable precedent that will not produce any positive effect.

Furthermore, if the case has not been detected, the police cannot disclose any details of the investigation at all, otherwise the police's investigation will be affected. If the case has been detected, the police has to provide evidence for the court to give an independent and impartial verdict. Mr FAN's request in his amendment for the police to submit an investigation report on this criminal case to the Legislative Council is unfeasible. We have never heard of such an arrangement in other countries or regions.

Mr FAN also referred to paragraph 5 of the information paper submitted to the Panel on Security (the Panel) by the Security Bureau on 18 March this year. I wish to point out that paragraph 5 explains to the Panel the established direction taken by the police in investigating the motives of all serious wounding cases. Regarding the investigation into the incident of attack on Mr LAU, the situation is explained in paragraph 8 of the paper.

Quite a number of Members have relayed the concern of friends from the media for their personal safety. The Police Force have all along maintained contact with media organizations and journalist groups to exchange views on issues of mutual interest. I understand that the recent incidents have aroused worry among friends from the media. I stress again that no incidents of violence will be tolerated.

Regarding the amendments proposed by Ms Claudia MO and Ms Cyd HO respectively, I believe that personal safety is most important for any persons, regardless of their occupations, backgrounds or ethnicities, and the police's duty is to maintain law and order and protect the lives and properties of the public.

As for the case of Mr LAU, the police has repeatedly indicated that it will go all out to continue with the investigation, and will not give up any leads nor rule out any possible motives.

I hereby reiterate that the SAR Government attaches great importance to the case of attack on Mr LAU. We strongly condemn the acts of violence committed by the assailants. Therefore, our stance is consistent with that of Members. We support Mr Andrew LEUNG's original motion.

As I pointed out earlier, since the occurrence of this case, the police has been working tirelessly around the clock to investigate it, putting in a lot of police manpower. After a detailed and in-depth investigation, the police has achieved a breakthrough in this case.

After careful collation and analysis of the case, the police got to grips with the information of the two suspected assailants, and was sure that they had absconded to the Mainland. Then it sought assistance from the Ministry of Public Security and the Guangdong Provincial Public Security Department in tracking down the suspects. I am particularly grateful to the Ministry of Public Security and the Guangdong Provincial Public Security Department for having attached great importance to the case, having successfully arrested the suspects in a short period of time and promptly letting the Police Force of Hong Kong receive them at a boundary crossing on 17 March. As a result of the investigation, the two persons were charged with wounding and theft. The police is redoubling its efforts to further pursue all the leads in order to bring the assailants at large to justice.

Regarding the motive of the crime, I am aware that quite a number of Members have expressed concern about the remarks made by the Commissioner of Police at the press conference. On that day, the Commissioner of Police was asked at the press conference, "(I quote) Do you know what their motives are? Was the incident provoked by reports, or other reasons? (unquote)" At that time the Commissioner responded, "(I quote) We will not rule out any motive at the moment, but according to information in hand, there is nothing to tie this directly to journalistic work. (unquote)" Notably, the Commissioner replied to the question on the premise that the police would not rule out any possibilities nor give up any pursuable leads.



Since Mr LAU's work has been related to the news media over the years, the view that the attack is related to his journalistic work is understandable to us. This has also been an important direction of investigation for the police so far. I call on various parties, including friends from the media, to assist the police in the investigation by immediately providing the police with any relevant information that they have found. The police will definitely pursue the investigation with a professional attitude, in a comprehensive manner and from different perspectives. It will collect any and all evidence relating to the case, analyse investigation findings and continue its effort in arresting the assailants.

President, I wish to bring out the point that for the SAR Government, the Police Force and the general public alike, the goal is the same, that is, we hope to arrest all the assailants as early as possible. Facts have proved that the police managed to gather relevant evidence within a short time after the incident, and achieved a breakthrough in the investigation of the case. I hope that Members will recognize and support the efforts made by the police in all these days. Colleagues in the police will certainly continue to exercise their utmost efforts.

Thank you, President.

**PRESIDENT** (in Cantonese): I now call upon Ms Claudia MO to move the amendment to the motion.

**MS CLAUDIA MO** (in Cantonese): President, I move that Mr Andrew LEUNG's motion be amended.

**Ms Claudia MO moved the following amendment: (Translation)**

"To add "acts of violence targeted on journalists and media organizations have been increasingly serious in recent years;" after "That"; and to add "undertakes to make every endeavour to help safeguard freedom of the press and protect the personal safety of journalists and members of the industry," after "of the assailants,".

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Claudia MO to Mr Andrew LEUNG's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

Ms Claudia MO rose to claim a division.

**PRESIDENT** (in Cantonese): Ms Claudia MO has claimed a division. The division bell will ring for five minutes.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Tommy CHEUNG, Mr Frederick FUNG, Prof Joseph LEE, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr Charles Peter MOK, Miss CHAN Yuen-han, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr Christopher CHEUNG, Mr IP Kin-yuen, Mr Martin LIAO, Mr POON

Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok and Mr Tony TSE voted for the amendment.

Mr NG Leung-sing and Mr MA Fung-kwok abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr CHAN Hak-kan, Mrs Regina IP, Mr Paul TSE, Mr Alan LEONG, Mr Albert CHAN, Ms Claudia MO, Mr Michael TIEN, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Miss Alice MAK, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted for the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 28 were present, 26 were in favour of the amendment and two abstained; while among the Members returned by geographical constituencies through direct elections, 28 were present and 27 were in favour of the amendment. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

**MR ANDREW LEUNG** (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "The incident of attack on Mr Kevin LAU Chun-to, the former chief editor of Ming Pao Daily News" or any amendments thereto, the Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Andrew LEUNG be passed.

**PRESIDENT** (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion on "The incident of attack on Mr Kevin LAU Chun-to, the former chief editor of Ming Pao Daily News" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): Ms Emily LAU, as Ms Claudia MO's amendment has been passed, you may now move your revised amendment.

**MS EMILY LAU** (in Cantonese): President, I move that Mr Andrew LEUNG's motion, as amended by Ms Claudia MO, be further amended by my revised amendment.

**Ms Emily LAU moved the following further amendment to the motion as amended by Ms Claudia MO: (Translation)**

"To add "; the authorities must also give a detailed account of the reasons for the following cases involving Hong Kong journalists, media and publishing organizations which have yet to be detected after a long time, and explain how to assist in handling an incident of arbitrary detention outside Hong Kong involving the person in charge of a publishing organization in the following: (1) the severing of the arm of Mr LEUNG Tin-wai, former publisher of Surprise Weekly, by two assailants on 14 May 1996; (2) the attack on Mr Albert CHENG Jing-han, a former programme host of Commercial Radio, by two knifemen on 19 August 1998; (3) the parcel bomb and the intimidation letter received by the editorial office of Ming Pao Daily News on 7 November 2005, which caused blast injuries to a staff member unpacking the parcel; (4) the criminal damage done to the printing factory of The Epoch Times Hong Kong on 28 February 2006, 23 February and 30 May 2013 respectively; (5) the damage done to the office of Hong Kong In-media on 8 August 2012; (6) the savage beating of Mr CHEN Ping, founder of iSun Affairs, on street on 3 June 2013; (7) the criminal damage done to the residence of Mr Jimmy LAI Chee-ying, founder of Apple Daily, on 19 June 2013; (8) the burning of large numbers of Apple Daily newspapers in an arson attack on 26 June 2013; (9) the criminal damage done to the car of Mr SHIH Wing-ching, founder of am730, on 30 July 2013; (10) the attack on Mr SUM Tak-keung, distributor of Apply Daily, by two biker knifemen on 5 September 2013; (11) the hacker attack on Housenews on 6 September 2013; and (12) the arbitrary detention of Mr YAO Wen-tian, the person in charge of Morning Bell Press, in Shenzhen in October 2013; this Council considers that the Administration has the responsibility to protect journalists to enable them to work in an environment free from fear, so as to manifest freedom of the press" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Ms Emily LAU's amendment to Mr Andrew LEUNG's motion as amended by Ms Claudia MO be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Ms Emily LAU rose to claim a division.

**PRESIDENT** (in Cantonese): Ms Emily LAU has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Tommy CHEUNG, Mr Frederick FUNG, Prof Joseph LEE, Mr CHEUNG Kwok-che, Mr Frankie YICK, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK and Mr IP Kin-yuen voted for the amendment.

Mr NG Leung-sing, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr TANG Ka-piu and Mr Tony TSE voted against the amendment.

Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Mr IP Kwok-him, Mr Steven HO, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Christopher CHEUNG, Mr Martin LIAO, Mr POON Siu-ping and Ir Dr LO Wai-kwok abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mr Alan LEONG, Mr Albert CHAN, Ms Claudia MO, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Mr WONG kwok-hing, Mrs Regina IP, Mr Michael TIEN and Miss Alice MAK voted against the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHAN Hak-kan, Mr Paul TSE, Mr LEUNG Che-cheung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 28 were present, 11 were in favour of the amendment, five against it and 12 abstained; while among the Members returned by geographical constituencies through direct elections, 28 were present, 15 were in favour of the amendment, four against it and eight abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negated.

**PRESIDENT** (in Cantonese): Mr Gary FAN, as the amendment of Ms Claudia MO has been passed, you may now move your further amendment.

**MR GARY FAN** (in Cantonese): President, I move that Mr Andrew LEUNG's motion, as amended by Ms Claudia MO, be further amended by my revised amendment.

**PRESIDENT** (in Cantonese): Mr FAN, the amendment of Ms Claudia MO does not affect your original amendment. You may move your original amendment to further amend Mr Andrew LEUNG's motion as amended by Ms Claudia MO.

**Mr Gary FAN moved the following further amendment to the motion as amended by Ms Claudia MO: (Translation)**

"To add "; moreover, the Secretary for Security and the Commissioner of Police must openly set a detection deadline for the incident," after "arrest the assailants"; and to delete "them to justice" immediately before the full stop and substitute with "the mastermind and assailants to justice, and undertake to submit an investigation report to the Legislative Council before the expiry of the detection deadline, in order to be accountable for this matter, hence demonstrating the SAR Government's determination to protect Hong Kong's freedom of the press and of speech from the interference of violence as well as its commitment to protecting members of the media from intimidation"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Mr Gary FAN's amendment to Mr Andrew LEUNG's motion as amended by Ms Claudia MO be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)



**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr Gary FAN rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Gary FAN has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the results will be displayed.

Functional Constituencies:

Prof Joseph LEE and Mr CHEUNG Kwok-che voted for the amendment.

Mr Albert HO, Mr James TO, Mr Tommy CHEUNG, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Charles Peter MOK, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Mr IP Kin-yuen, Mr Martin LIAO, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok and Mr Tony TSE voted against the amendment.

Mr Frederick FUNG, Mr Kenneth LEUNG and Mr Dennis KWOK abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Cyd HO, Mr Albert CHAN, Mr Gary FAN and Mr CHAN Chi-chuen voted for the amendment.

Mr CHAN Kam-lam, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN, Mr James TIEN, Mr WU Chi-wai, Mr LEUNG Che-cheung, Miss Alice MAK, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the amendment.

Mr Ronny TONG, Mr Alan LEONG and Dr Kenneth CHAN abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 29 were present, two were in favour of the amendment, 24 against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 27 were present, six were in favour of the amendment, 17 against it and three abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**PRESIDENT** (in Cantonese): Ms Cyd HO, as the amendment of Ms Claudia MO has been passed, you may move your further amendment.

**MS CYD HO** (in Cantonese): President, I move that Mr Andrew LEUNG's motion, as amended by Ms Claudia MO, be further amended by my revised amendment.

**PRESIDENT** (in Cantonese): Likewise, as Ms Claudia MO's amendment does not affect Ms Cyd HO's original amendment, Ms Cyd HO may move her original amendment to further amend Mr Andrew LEUNG's motion as amended by Ms Claudia MO.

**Ms Cyd HO moved the following further amendment to the motion as amended by Ms Claudia MO: (Translation)**

"To add ", and demonstrate the authorities' determination to protect the personal safety of journalists" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Ms Cyd HO's amendment to Mr Andrew LEUNG's motion as amended by Ms Claudia MO be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

**PRESIDENT** (in Cantonese): Mr Andrew LEUNG, you may now speak in reply. You have seven minutes 12 seconds.

**MR ANDREW LEUNG** (in Cantonese): President, the incident of attack on Mr Kevin LAU is very serious in nature. Members and the public are very concerned about it. During this motion debate, Members have unanimously and

strongly condemned the violent acts committed by the assailants. In addition, some Members have expressed different views on the relationship between the incident and freedom of the press. We are all concerned about the incidents of violence in society. We have requested the police to solve the case as soon as possible and find out the mastermind behind the scene. Besides, we are also concerned about the low detection rate of violent assault cases and the absence of clues about many cases of violence related to the work of the media in the past.

As regards some colleagues' allegations about the remarks made by the Commissioner of Police earlier, I consider it inappropriate to do so. At present, the entire community hopes that the police will do its best to find out the truth, rather than reiterate again and again the real meaning of the remarks made by the Commissioner of Police. Moreover, the Security Bureau has undertaken to make every effort to conduct investigation. Of course, as many colleagues pointed out, given that the incident involves journalists, the community is indeed concerned about whether freedom of the press in Hong Kong is threatened. To allay concerns of the media about "white terror", we must support the efforts of the law-enforcement authorities to find out the truth.

Come what may, both freedom of the press and freedom of expression are undoubtedly core values of our society. Meanwhile, we all express our deep sympathies to Mr LAU and wish him a speedy recovery.

President, the current motion debate has not only enabled this Council to express its stance of strong condemnation against the violent acts of the assailants, but also provided a platform for all of us to raise their concerns and views on the incident. Regarding the query raised by Ms Claudia MO when speaking on this motion debate yesterday in relation to the relevant procedures through which the House Committee resolved on 28 February that I move the motion in my capacity as Chairman of the House Committee, it is necessary for me, as Chairman of the House Committee, to respond here on the basis of facts.

Firstly, Ms MO sent me a letter on 26 February, a date beyond the deadline for proposing agenda items, requesting the discussion of her proposal to hold an adjournment debate at the Council meeting on 19 March in relation to a motion on the relationship between the incident of attack on Mr Kevin LAU, the former

chief editor of *Ming Pao Daily News*, and freedom of the press in Hong Kong. Considering that the incident was of public concern at that time and the House Committee would not hold any meeting in two weeks, I specifically approved that her proposal be discussed under "Any other business". At the same time, on the day of the House Committee meeting (in the morning of the 28th), I received Mr Jeffrey LAM's request for moving a motion at the meeting to condemn this incident of violence. Therefore, I put both requests under "Any other business".

On the day of the House Committee meeting, Ms Emily LAU suggested adopting the wording in Mr Jeffrey LAM's motion of condemnation and conducting a motion debate at today's Council meeting. As a senior Member, Ms Emily LAU knew very well that an adjournment debate was subject to a time limit allowing each Member only five minutes to speak, and must be conducted in accordance with Rule 16(4) of the Rules of Procedure. In addition, the wordings used must be neutral, making it impossible for Members to articulate their stance on the incident. And, each Member had only five minutes to speak. Therefore, Ms Emily LAU pointed out that it would be better for a motion to be proposed for debate in the name of the Chairman of the House Committee, adopting the wording in Mr Jeffrey LAM's motion of condemnation. Notably, we spent more than five hours, with each Member having seven minutes to present their views on the proposal, and the preferences of Members could also be made clear. Our votes were driven by preferences. The House Committee has gone through discussion and voting on this matter to reach the present outcome.

Finally, we agreed by a large margin, with 46 votes in favour and three abstentions, that a motion be proposed by the Chairman of the House Committee. On that day, we also voted on Ms Claudia MO's proposal for an adjournment debate. The result was 17 votes in favour and 29 votes against. As regards the motion of condemnation moved by Mr Jeffrey LAM on that day, it was also carried by a large margin. Therefore, I must make it clear that the matter was handled in a transparent and straightforward manner on that day.

President, this debate has consumed a lot of time. It enables the community and the press to see that we have unanimously condemned the incident. Of course, as "Slow Beat" said, there is in fact nothing to debate about

today's motion because none of us will oppose it. We will certainly "make strong condemnation, and request the police to spare no effort to arrest the assailants so as to expeditiously bring them to justice". I hope that Members will support the motion.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Andrew LEUNG, as amended by Ms Claudia MO and Ms Cyd HO, be passed.

**PRESIDENT** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

Ms Emily LAU rose to claim a division.

**PRESIDENT** (in Cantonese): Ms Emily LAU has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Tommy CHEUNG, Mr Frederick FUNG, Prof Joseph LEE, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Charles Peter MOK, Miss CHAN Yuen-han, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr Christopher CHEUNG, Mr IP Kin-yuen, Mr Martin LIAO, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the motion as amended.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr CHAN Hak-kan, Mrs Regina IP, Mr Paul TSE, Mr Alan LEONG, Mr Albert CHAN, Ms Claudia MO, Mr Michael TIEN, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Miss Alice MAK, Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted for the motion as amended.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 29 were present and 29 were in favour of the motion as amended; while among the Members returned by geographical constituencies through direct elections, 28 were present and 27 were in favour of the motion as amended. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the motion as amended was passed.

**(Members' motions originally scheduled to be dealt with at the Council meeting of 19 February 2014)**

**PRESIDENT** (in Cantonese): Sixth Member's motion: Evaluating the effectiveness of the policy on "promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events" and formulating a long-term sports policy.

Members who wish to speak in the motion debate will please press the "Request to speak" button.

I now call upon Mr MA Fung-kwok to speak and move the motion.

**EVALUATING THE EFFECTIVENESS OF THE POLICY ON "PROMOTING SPORTS IN THE COMMUNITY, SUPPORTING ELITE SPORTS AND DEVELOPING HONG KONG INTO A PRIME DESTINATION FOR HOSTING MAJOR INTERNATIONAL SPORTS EVENTS" AND FORMULATING A LONG-TERM SPORTS POLICY**

**MR MA FUNG-KWOK** (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

After the Winter Olympic Games, local athletes are now practicing hard in preparation for the Asian Games to be held this September so as to achieve good results for Hong Kong; the annual Hong Kong Sevens will begin next week and the Hong Kong Stadium will be filled with carnival atmosphere again. Apart from these elite athletes and mega sports events, 60% of Hong Kong people have built up the habit of doing physical exercises. Last year the recreational and sports events organized by the Leisure and Cultural Services Department (LCSD) have attracted 2.5 million participants. All these manifest our policy of promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events.

There is an ancient Greek saying which goes, "If you want good health, do sports! If you want long life, do sports! If you want wisdom, do sports!" Of course the significance of sports is not limited to the three policy objectives of "promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events".



Sports can train up our willpower and reflect our inner values; sports can strengthen our body as well as keep us physically and mentally healthy; sports can strengthen social cohesion and promote social harmony; sports can break the barriers between people due to differences in political belief or ethnic race. Just like in this Chamber, colleagues with divergent political views oppose each other but when we appear on the football pitch, we form a good team in unity. This shows the magic power of sports.

President, compared with the positive energy generated by sports to our society, economy and healthcare, is the effort put in by the Government in proportion? Over the past 12 years, how effective is the policy on promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events? Is there a need to conduct a review? A recent survey conducted by the New Century Forum reveals that 58% of the respondents think that the Government has not done enough in promoting sports in the community as well as supporting elite sports, while 47% respondents opine that not enough efforts have been put in developing Hong Kong into a prime destination for hosting major international sports events; on the other hand, almost 80% respondents are proud of the athletes of Hong Kong. It is a point of concern whether the Government has provided sufficient support to athletes as reflected by the incident of Barton LUI. All these figures and incidents show that the Government's devotion in sports is not in proportion with the achievement of Hong Kong athletes and the passion of Hong Kong people in sports. Through the debate today, I hope the Government will know better the perspectives of the community in sports and I urge the Government to conduct a review.

As time is limited, I can just talk about the essential points under the four main headings of the motion instead of going through every proposal in details.

Let me first talk about the insufficiency in sports venues and facilities. Members of the public find it difficult to book sports venues and the problem of touting is the best proof of tight supply. The development of sports venues has also seriously lagged behind due to the Government's planning formula under which sports facilities will only be built if local population has reached a certain level. Students in Tung Chung have to travel all the way to Tsing Yi for the school sports day; Tseung Kwan O, though having been developed for years, had to wait until 2009 before a district sports ground was provided. These are all examples to cite.

Sports organizations also suffer from the problem of insufficient venues. Take football as an example. At present not all the First Division football clubs have been allocated a home ground under the Project Phoenix. Without a designated training venue, many sports organizations have to rent the venues of the LCSD, sometimes in Mong Kok, sometimes in Tuen Mun. This has not only caused inconvenience to their athletes, but has also brought about difficulties in managing sports goods or equipment, thus inevitably hindering the training for the athletes and the development of their sports.

Regarding mega sports events, many opportunities have slipped through our fingers due to insufficient venues. For example, the International Woodball Federation once explored the feasibility of holding an international open competition in Hong Kong. It was even willing to pay for the costs. However, in view of the lack of venues that can meet the standards for holding international competitions, the Hong Kong Cricket Association had no choice but to decline the offer. Some other national sports associations have relayed to me similar experience. As such, the sports sector has great expectation of the Multi-purpose Sports Complex at Kai Tak (Sports Complex). They hope that holistic consideration will be made during the planning stage by making flexible design and fully utilizing the nearby water so as to accommodate various sports including water sports. Moreover, consideration can be given to incorporating other sports facilities such as ice sports and bowling in the commercial area within the Sports Complex. But such consideration must be made during the design and planning stage in order to meet the needs of major competitions, the sports sector and the public. Regarding the operation of the Sports Complex, we should avoid a repeat of the Hong Kong Coliseum, where no sports events are held. The Sports Complex should be operated in the mode of "sports come first" instead of a profit-oriented mode.

On one hand, the Government, other than providing additional resources to build venues, should effectively deploy resources to better utilize the existing venues. This includes the introduction of measures and provision of incentives to relieve the concerns of schools over management, responsibility and maintenance so that school sports venues can be opened to sports organizations for training outside school hours. On the other hand, the Government may encourage more private organizations to develop sports venues through its land policies. Recently a lot of people with enthusiasm have applied for the conversion of industrial buildings into recreational venues. However, the existing legislation has put many restrictions on the survival of such venues. In

my view, the Government may make adjustment to give them more room for development. The recent proposal of the Government to revitalize restored landfills for development of recreational facilities is a good try.

President, I would like to talk about the promotion of public participation in sports. The Physical Fitness Test for the Community conducted in 2011 revealed that 51.5% of adolescents, 42.3% of adults and 37.1% of the elderly were classified as physically active as measured by the baseline indicator. The percentages were lower compared with 2009.

It is true that public participation in sports is affected by various factors. We must strengthen our efforts in promoting sports in the community in various aspects, for example, giving more support to physical education at schools and adopting targeted measures for specific population groups such as the elderly, the poor, persons with disabilities, ethnic minorities, and so on, so that they will be provided with more opportunities to participate in sports.

President, the organization of inter-district sports competitions and mega sports events can effectively enhance the sports atmosphere in the community and play an active role in encouraging the public to participate in sports. The Marathon held in February is a very good example. This year the event attracted 73 000 participants and a number of interested persons were declined participation due to various restrictions. Apart from the restriction of venues, mega sports events face many other difficulties. For example, the Formula E Motor Race, which is still under preparation, as well as the annual Lunar New Year Cup, which is maintained by football clubs in the face of difficulties, need more support from the Government.

Recently an advertisement on a sports channel says, "What do athletes need most? It is audience." We need to encourage sports participants as well as cultivate sports audience. The Government has done little in this regard. As to the media, it is true that there are sports pages on newspapers but most of them cover foreign sports news while local sports news only appears in a small corner. Regarding television broadcast, though some local football matches are broadcast on some channels, the proportion is very small compared with foreign matches. Sports programmes are also very few. It is really necessary to enhance publicity and promotion of sports. The Government should play an active role in this regard.

President, now I would like to turn to the situation of athletes. All athletes of Hong Kong are the pride of Hong Kong people, be it LEE Lai-shan, WONG Kam-po, Sarah LEE and SO Wa-wai who are well known to everybody, or other serving athletes who are still struggling hard in the hope of achieving desirable results. Athletes strive hard for good performance in international competitions but very often their efforts do not pay off. Take the Olympic Games as an example. Over the years we have got one gold, one silver and one bronze medals. Denmark, which is comparable with us in terms of economic scale and devotion in sports, has got seven and nine medals respectively in the last two Olympic Games. Why do we get such results despite the efforts put in by our athletes? This is worthy of examination. The incident arising from the Winter Olympic Games also reflects public concern over the treatment to athletes. Has our community given them sufficient support? Apart from training, I am also concerned about whether athletes are well supported in their studies or employment.

Harry LEE, the first male in Hong Kong who has attained a master ranking in figure skating, represented Hong Kong in the figure skating event of the Asian Winter Games in 2012. In striving for good results in figure skating, he did not neglect his studies. His results in the 2013 Hong Kong Diploma of Secondary Education Examination could meet the requirements for university enrolment but was not offered a university place because the student athletes admission schemes of universities only consider athletes specializing in popular sports or those sports already established in universities. In foreign countries, athletes are national favourites. They will get handsome scholarship for their university education, and scientific research support for their development. However, Hong Kong athletes are not as lucky as them.

In fact, athletes are faced with the problems in respect of their further studies, education and post-retirement prospects. They need stronger support of the Government to help them make life planning. What is the most important is that the Government should pay more regard to sports, raise the professional and social status of athletes and promote the development of the sports industry, so as to encourage more young people with potential to join the ranks of full-time athletes.

The story of Harry LEE has to some extent reflected the difficulties of the development of non-elite sports. This is also the greatest criticism on the current

sports policy. Whether elite sports can be subsidized depends on the performance of individual sports in international competitions. This is undoubtedly a chicken-and-egg question. Those sports with no subsidies are destined to lose out at the starting line because they are faced with limitations in terms of coaching and training facilities. It is therefore not surprising that their efforts to strive for good results in international competitions do not pay off. Consequently it will be even more difficult for them to get subsidies.

In order to promote the development of local sports, the Government should expand the coverage of elite sports and consider introducing development plans for non-elite sports with potential by providing them with subsidies for certain years so that different sports may have the chance to be developed into elite sports.

President, the various problems mentioned above are inter-related, just like the three directions in our sports policy. However, the fragmentation of responsibilities among government departments and their bureaucracy have sometimes caused ridicules. The industry has relayed to me that the Immigration Department has at one time requested foreign athletes coming to Hong Kong for competitions to apply for a working visa because these athletes may get cash prize rewards. This has unnecessarily created extra obstacles to foreign teams coming to Hong Kong. Therefore, we must have a comprehensive set of policies in order to allow our sports to progress further. Such policies should be inter-linked and implemented in complement with one another.

All my friends from the sports sector consider it necessary to establish a sports commissioner so that the development of local sports will be led by a high-level dedicated official who is an expert in this regard. Therefore, the remark given by the Secretary for Home Affairs in his reply, that is, the establishment of a sports commissioner is not strongly requested among the sports sector and is considered unnecessary after study, is worthy of discussion.

The last comprehensive review and formulation of the local sports policy was dated back to the year of the horse in the previous 12-year cycle. In fact, the review report has put forward a lot of detailed and concrete recommendations, many of which are similar to the concepts I propose in the motion. However, how effective is the implementation of these recommendations? What

complications and obstacles arise? How can they be solved? It is now truly the appropriate time to conduct a review.

President, the review on the sports policy must be complemented with studies. Nonetheless, the Government is not eager to conduct any study on sports while academic institutions in the community are in lack of the resources. As such, I hope the Government will devote more resources to encourage academic institutions and community organizations to conduct sports-related studies.

On the other hand, there have been changes in the management structure of sports over the past 12 years. Upon the dismissal of the Hong Kong Sports Development Board, the Sports Commission was set up in 2005. But how effective is the operation of the Commission? Besides, the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) and various national sports associations have made significant contribution to the sports development of Hong Kong. The community is increasingly concerned about and has certain expectation on the role of the SF&OC in sports development, the professional operation of national sports associations, the grade structure of sports administrative and management personnel, and the ways to further enhance their management efficiency and transparency. This is also an important part in promoting sports development of Hong Kong. The Government should respond to the needs of the industry and provide more support to help enhance the governance level and efficiency.

Sports development should not be just the task of the Government. The participation of the business sector should also be invited in a proper manner. The simplest form of participation is giving commercial sponsorships; while a deeper level is helping in the development of the sports industry. May the Government attract sponsorships from the business sector by tax concessions? The development of the sports industry depends even more on the support of government policies. Therefore, the Government should actively explore the feasibility of various modes of developing sports so as to perfect the operation of the industry chain and promote the development of the industry.

President, I so submit.

**Mr MA Fung-kwok moved the following motion: (Translation)**

"That, as the Government has not conducted any reviews of the sports policy since the publication of the Report of the Sports Policy Review Team in 2002, this Council urges the Government to expeditiously review and evaluate the effectiveness of the policy on 'promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events', and deepen and step up the promotion of local sports affairs to dovetail with social needs, thereby achieving the important functions of sports to train the body and the mind, give full play to individual potential and strengthen cohesion in society, etc.; the relevant proposals include:

## Sports policy and structure —

- (1) to formulate a long-term sports policy, increase resources and establish a sports commissioner to oversee and co-ordinate various government departments to promote sports development;
- (2) to review the overall management structure and system, and perfect activity organization and the mechanism for resource deployment and co-ordination among the Government, sports organizations and institutions, so as to enhance operational efficiency and transparency, and strengthen the nurturing of sports administrative and management personnel;
- (3) to encourage academic institutions and community organizations to conduct sports-related studies, so as to provide data and theoretical bases and increase efficiency of the sports policy;
- (4) to develop sports-related industries, including training, supply of sports goods and equipment, venue operation and management, media promotion, insurance and sports medicine, etc., for providing athletes and young people with diversified career pathways, and encourage the business sector to sponsor sports activities;

Sports venues and facilities —

- (5) to increase easily accessible sports venues, enhance the standard and management of existing facilities, and effectively deploy venue resources, so as to meet the needs of the industry, schools and the public;
- (6) to enhance transparency and sustainability in the planning for the Multi-purpose Sports Complex at Kai Tak, including establishing a clear consultation mechanism, providing venue support for more sports items, adopting a 'sports come first' operational mode to support diversified and sustained development of sports, and designing venue in a flexible manner, so as to support elite sports and sports for all and meet the needs of major competitions, the industry and the public;
- (7) to review the existing policies on land and industrial buildings, so as to release space for more private organizations to develop sports venues;

Public participation in sports —

- (8) to strengthen the support in sports for schools, including establishing dedicated funding for sports, strengthening training for sports teachers and cultivating students' interests in sports, so as to manifest the spirit of 'one sports/arts in life', and to encourage schools to open their sports venues to sports organizations outside school hours;
- (9) to deepen the support for specific population groups (such as the elderly, poor people, persons with disabilities and ethnic minorities, etc.), so that they have more opportunities to participate in sports;
- (10) to further develop inter-district sports competitions, so as to enhance the sports atmosphere in districts and strengthen cohesion in the community;



- (11) to strive to host more mega sports events and cross-boundary games, so as to raise people's interest of participation and drive the development of sports tourism;
- (12) to strengthen the publicity of various sports to enhance people's understanding of the relevant sports, thereby enhancing their interest and ability in sports appreciation;

Support for athletes —

- (13) to further expand the coverage of elite sports, introduce development plans for non-elite sports, strengthen sports support for persons with disabilities, and enhance the overall standard of sports training and level of athletic skills in Hong Kong; and
- (14) to raise the professional and social status of athletes, and strengthen the support for current and retired athletes in respect of present education, further studies, employment and post-retirement prospects, so as to encourage more young people with potentials to join the ranks of full-time athletes."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr MA Fung-kwok be passed.

Dr Kenneth CHAN, Dr Helena WONG and Dr Fernando CHEUNG wish to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the three amendments.

I will first call upon the Members who have proposed amendments to speak, but they may not move the amendments at this stage.

**DR KENNETH CHAN** (in Cantonese): President, (*Dr Kenneth CHAN gave a few claps*) I am not sure whether you know what I am doing just now. In fact I am giving my vote. We have learnt recently from news report that the President of the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC), Mr Timothy FOK, was elected to the post amidst applause. Under

this logic, the one who gets the most applause can be elected the President or management of the SF&OC. If this is really the case, we can simply pour all our energy to sing and play music. Popular singers like Eason CHAN or Raymond LAM may have a greater chance than Mr FOK to become the President. As long as he gets enough applause, he will not be challenged in seeking his re-election. Even his sons, grandsons and great grandsons will be elected into the SF&OC in succession as the President, Vice-President, Treasurer, Secretary General, Deputy Secretary General and so on and every one of them can hold his respective post until 80 years old. This is really ridiculous.

The SF&OC is not only publicly funded, but also possesses the ultimate power in deciding the fate and future of many athletes. Nevertheless, the SF&OC does not even care to pretend. It just elects its President and other public officers by way of giving applause. I really do not know whether to laugh or to cry. This is really an international laughing stock and has brought Hong Kong into disrepute. As a result, the sports sector and our athletes can only show their frustration and anxiety whenever they face the SF&OC. Why would something so strange occur nowadays in Hong Kong? Why could such cronyism continue to spread in the SF&OC? Apart from the Olympic Charter, the International Olympic Committee has also prepared a complete code of conduct which stipulates the bases for transparent and fair elections as well as clear requirements and criteria. But why is the case of Hong Kong so unique; so family-governed and so feudal?

There are really numerous strange things about the SF&OC. Hence, what we need to discuss today is not simply supporting elite sports, promoting sports in the community, and developing Hong Kong into a prime destination for hosting major international sports events. We need to talk about the heaps of strange things of the SF&OC as well. Although the term of office for those 14 voluntary members is two years, among them, Mr Timothy FOK has been the President for 16 years while the Secretary General and most of the other Deputy Secretary Generals have stayed in their posts since the early 1990s when they were first elected. If there had not been voices for reform and discontent recently, some of the members in their 80s and 90s would have continued their office. In this term's election, the 68-year-old Mr Timothy FOK is not only designated to be re-elected, but is, strange enough, not limited by the new Charter which stipulates the retirement age at 70. He can even stay in the post until 80 years old. The three aged Deputy Secretary Generals have recently retired but are succeeded by their own sons. Why would such things happen? Is it not

very strange? There are not just more and more mega events in the sports circle, but also more and more strange things.

The mission of the SF&OC should be to develop and promote the Olympic Games in Hong Kong in accordance with the Olympic Charter. However, can such a management team comprised of aged people dovetail with and promote the development of the sports policy anticipated by Hong Kong people? Are such clique mode of operation, the culture of "big brother" or "big sister", and such an aged management going further and further away from our sports policy? Have these rendered the legislature or executive authorities (that is, Secretary TSANG Tak-sing himself) which are responsible for funding approval unable to help even though they want to do so? Is it absolutely impossible to review and examine the governance of the SF&OC and promote its improvement and reform? Is it true that no change can be made because some of these people are vested with interests or power?

In fact, there are voices in the sports sector calling for the disbandment of the SF&OC so that the Sports Federation and the Olympic Committee can be separated. There is no reason for the SF&OC to continue to use the Olympic Committee as the protective shield to avoid the strong call for reform among the public, this Council and the sports sector. Furthermore, the sports sector also hopes for the setting up of an independent mechanism for complaints through which athletes, national sports associations and their affiliated organizations can lodge a complaint when they encounter problems of unfair treatment or witness such problems. This is to ensure that the SF&OC and its affiliated organizations will handle things in a fair and impartial manner.

Regarding the series of incidents relating to the participation of Hong Kong in the Winter Olympic Games, I describe them as scandals. The young athlete, Barton LUI, paid great effort to participate in the competition with the support of his family. After the competition, he was as honest as the child who told the truth in the story of The Emperor's New Clothes, saying bluntly that there was no team doctor and he felt uncared for and ignored. When he came back to Hong Kong, the management of the SF&OC made a series of remarks which were full of sarcasm and mockery. Some pointed out that LUI was trying to evade responsibility for losing in the competition; some said that such an arrangement had no problem because LUI could consult local clinics when necessary; some said that LUI went to see the cityscape on the day before the competition, which implied he did not fulfil his responsibility but blamed others instead, and he should be grateful to the management for taking the trouble to accompany him to

Russia for the Winter Olympic Games, but instead he just blamed others. Afterwards, I discussed this issue in a television programme with Mr Ronnie WONG from the senior management of the SF&OC, who even said that he was very busy and had originally planned for a family trip to Changsha for skiing; but as no one was willing to go with LUI, he had no choice but to go as a huge favour. What kind of a remark is this? Does he really respect sports? Is this a proper remark from the senior management of the SF&OC, who should understand the spirit of the Olympic Charter?

President, when Mr MA Fung-kwok proposed his motion just now, I could fully feel his affection and concern for the present situation and prospect of the sports sector of Hong Kong as well as our sports policy because I have the same affection and concern. This review report on the sports policy titled Towards A More Sporting Future was published in 2002. But why are there still so clear and strong views that the task is not well done? The report contains a lot of detailed requests. But there are already many shortfalls and insufficiencies in the aspect of venues alone. It is recommended in this consultancy report that Hong Kong needs an ice sports centre for the development of ice skating and ice hockey, as well as for holding tournaments and other activities. But to date, Barton LUI and other athletes preparing for the participation in winter sports games as well as their affiliated organizations have to seek hard for training venues.

President, regarding the attitude of the Home Affairs Bureau, I can only say that it is trying to shrink all the responsibilities and acts as if it is not involved. Apart from this, I have to point out that my amendment highlights the issue of incentive awards for disabled athletes because at present the levels of awards for them are only 10% of those for able-bodied athletes, irrespective of whether for team or individual athletes. Miss Tanya CHAN of the Civic Party raised this issue in 2009 but so far there is no clear reply. It is stated in the Olympic Charter that "The practice of sport is a human right. Every individual must have the possibility of practising sport, without discrimination of any kind and in the Olympic spirit, which requires mutual understanding with a spirit of friendship, solidarity and fair play". Being an athlete in swimming at one time, I hope that the Olympic spirit will not just pass on in my blood. I also hope that the Government will be driven by this debate to conduct a reform.

I so submit.

**DR HELENA WONG** (in Cantonese): President, I have proposed an amendment to Mr MA Fung-kwok's original motion, which urges the Government to strengthen the monitoring of the administrative and financial structure of the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) and various national sports associations (NSAs). We hope the governance structure of the sports sector can be modernized and broken away from its dynastic nature so as to enhance the overall standard of sports in Hong Kong. Another important point of my amendment certainly concerns whether arrangements can be made for a team doctor to accompany and offer support to athletes of the Hong Kong representative teams participating in international competitions. This concern arises from the much criticized and queried way of the SF&OC in handling matters in the recent Sochi Winter Olympic Games. Barton LUI, an athlete of the Hong Kong skating team in the Winter Olympic Games, revealed in an interview that he had requested before his departure for the Games that a team doctor be arranged to accompany and offer assistance to him when necessary. The request was turned down on the grounds that all the places of the Hong Kong delegation had been taken up. However, four senior officers of the SF&OC including President Timothy FOK, Honorary Deputy Secretary General Ronnie WONG, and other staff members joined the delegation. Hence, the SF&OC was much criticized. The incident has aroused concern about the governance and decision-making process of the SF&OC which has a history of more than 60 years.

How are the officers of the SF&OC selected? Dr Kenneth CHAN has specifically shown us just now. According to the relevant rules and regulations, the SF&OC shall hold an election of its executive committee which comprises 14 officers every two years. Six of the incumbent officers, that is, the President, the Secretary General, the three Deputy Secretary Generals and the Treasurer have one vote each, and 31 NSAs have two votes each. There are a total of 68 votes. A candidate will be elected by obtaining more than 50% of the votes. That is the information I have obtained. However, has an election been held? Is it true that the rules and regulations have not been followed? According to a recent report in the programme News Lancet on i-Cable News channel, Timothy FOK was not re-elected as the President of the SF&OC two years ago through a formal election. Ronnie WONG, Deputy Secretary General of the SF&OC said that the decision to have Timothy FOK re-elected to be the President was reached by a

round of applause, without any vote-counting as mentioned by Dr Kenneth CHAN just now.

I wish to ask Secretary TSANG of the Home Affairs Bureau whether the Bureau knows the SF&OC has not followed the rules and regulations. It has totally ignored the constitution and selected officers by way of clapping. They support this President to remain in office so long as he bears the surname of FOK or belongs to the royal FOK's family. The position is hereditary, isn't it? But we are in the 21st century now. If the SF&OC is a private club, that will be none of our business. But the SF&OC is funded by public money and responsible for selecting elite athletes to represent Hong Kong in participating in international competitions. Why can such poor management be tolerated? I have never got any explanation from the Secretary at the meetings of the Panel on Home Affairs. It is really shocking to learn that officers and the management of the SF&OC have been selected in that way. Let us imagine: Can a person become a Member of the Legislative Council without going through an election and just because he or she bears the surname of TSANG?

The selection process of the Deputy Secretary General of the SF&OC was similar. When Kenneth FOK, the son of Timothy FOK, was chosen as Deputy Secretary General five years ago, no formal election was held. By bearing the surname of FOK, he had an edge over the others. At an Annual General Meeting of the SF&OC, it was suggested that Kenneth FOK, being the son of President Timothy FOK, could naturally become the Deputy Secretary General. Hence, voting was considered a waste of time and Kenneth FOK was welcomed to the management of the SF&OC with a round of applause.

Ronnie WONG also said that according to the constitution, a member of the management of the SF&OC has to fulfil the minimum requirement of having served as an office-holder in an NSA for more than two terms. However, it was reported that at the time, Kenneth FOK, had only served as the President of the Gymnastics Association of Hong Kong for a term of two years. Hence, he did not fulfil the relevant requirement. Was Kenneth FOK eligible to be a candidate? When the SF&OC was questioned, it gave the response of "no comment". As no reason could be given, it was obvious that there was none. Since the father was taking care of the son, nobody dared to say anything and so

the son was elected. Everyone has to hold office for two terms in order to be admitted to the management, but he can be admitted by holding office for only one term without being challenged. What kind of a world is this? It is really shocking. The shocking selection process of the SF&OC's management is indeed an international scandal. Why has the governance structure of the sports sector been turned into the FOK's dynasty, a private club? Why do people think that it is natural for the FOK's family to gain exclusive control of the SF&OC?

Not only has the SF&OC been privatized and become a private club of the FOK's family, it is also facing the problem of an ageing management which has a very long tenure. Among the 14 members of the management, 10 have been holding their incumbent positions since 1990's without being replaced by any new members. The positions have been held by the same group of people who are getting old. While I am not advocating age discrimination, my question is, should more young people be admitted gradually to the governance structure of the sports sector to bring in new ideas so that Hong Kong will be represented by people who are full of vigour? Why is the management getting older and older? The SF&OC amended its constitution last year to the effect that an officer shall retire at the age of 70 and cannot hold the same office for a period of 12 years. The tenure of its officers is very long. As legislators, we can hold office for a maximum of four years after which we have to run in an election again. But they can hold office for a maximum of 12 years. The amendment seems to be an improvement. But it is annoying to learn that the amendment is not applicable to the President. Timothy FOK, now 68, has been the President of the SF&OC for 16 years since 1997. Apparently he is going to remain in office because the SF&OC points out that the new rule is only applicable to officers who are newly elected. Prestigious old officers such as President Timothy FOK can hold office until they are 80. Buddy, please spare him and spare us as well. Is it not ridiculous? Everyone has to retire at the age of 70 after serving for 12 years, but Timothy FOK can remain in office until 80 even when he is holding a walking stick or sitting in a wheelchair. I hope the Secretary for Home Affairs can look closely into the matter and find out what has happened.

There is a complaint from the sports sector that while it requires one to hold an important office in one of the 31 NSAs for at least four years and be nominated internally to run for the position of officer, some can be elected

through the "front and back doors". In addition, the SF&OC has been criticized for lacking transparency in its selection process of athletes to participate in competitions.

President, I have proposed the amendment in the hope that we can face up to the problems. We have to reform the sports structure so that it can keep pace with the times. Therefore, I hope Members will support our amendment to develop an open sports structure in Hong Kong which is transparent financially, so that it will be accountable to the public and raise the overall standard of sports in Hong Kong.

President, I so submit.

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): President, I thank Honourable Members for their concern about the sports development in Hong Kong.

The development of the system of sports in Hong Kong has gone through a long history. It is characterized by the active participation of non-governmental sports organizations which are supported by the Government in terms of policies and resources. At present, there are sports organizations in every district across the territory and many sports events are backed up by financial and other forms of support given by enthusiastic people. Many of these sports organizations have established connections with the relevant international sports organizations. And, some members of the sports sector of Hong Kong have become members of the International Olympic Committee, the Olympic Council of Asia and the international federations of individual sports. The system of sports in Hong Kong is different from that of other Mainland cities, featuring the characteristics of "one country, two systems".

The efforts made and the achievements gained by the sports sector of Hong Kong all along should not be denied. Sports can enhance physical fitness of the people and forge solidarity in the community. After the reunification, the first term of the Government of the Hong Kong Special Administrative Region comprehensively examined the strategy for sports and published a report entitled Towards a More Sporting Future in 2002, setting out the overall strategic



objectives, namely, to "develop a strong sporting culture in the community, achieve greater excellence by our elite athletes and raise our international profile on sport", in other words, to "promote sports in the community, support elite sports, and develop Hong Kong into a prime destination for hosting major international sports events", which are familiar to all.

To implement the strategy for sports development, the Government has established the Sports Commission which is underpinned by the Community Sports Committee, the Elite Sports Committee and the Major Sports Events Committee. The Commission and its Committees are responsible for examining and formulating specific policies and measures according to the actual circumstances of Hong Kong and providing additional resources step by step to promote sports development.

#### *Promoting sports in the community*

The Government has injected most of its resources in sports for promoting sports in the community. The Leisure and Cultural Services Department (LCSD) has been organizing a variety of physical recreational activities for different target groups to promote a healthy lifestyle for different sectors of the community, including the elderly, persons with disabilities, young people at risk and low-income households. Many of these activities are provided free of charge.

To encourage sports participation in the community, sufficient venue capacity has to be provided by the authorities. From 2007 to the beginning of 2014, the Government has completed construction and improvement works which cost more than \$10 billion. The swimming pools in Kwun Tong and Victoria Park were reopened after the completion of reconstruction works last year. Sports facilities now under construction include the indoor sports centres in Area 14B, Sha Tin, Area 3, Yuen Long and Area 4, Tsing Yi. In 2014, the Government is planning to seek funding of more than \$1.7 billion from the Legislative Council to build an indoor sports centre in Area 24D, Shatin and another in Area 14, Tuen Mun.

I shall illustrate the progress of promoting sports in the community with the example of swimming. According to the records of the LCSD, the total attendance at public swimming pools was more than 12.06 million in 2013,

representing an increase of 15% compared with that in 2012. Since the launching of the Public Swimming Pool Monthly Ticket Scheme in July 2012, more than 120 000 tickets have been sold, half of which were bought by persons aged 60 or above at a discounted price.

Schools are the best start to promote the continual development of sports. Under the School Sports Programme, the LCSD has joined efforts with various national sports associations (NSAs) and the Education Bureau to promote an interest in sports among all primary, secondary and special school students in Hong Kong and identify students with potential to provide them with more advanced training. More than 90% of all schools in Hong Kong have participated in the Programme. The LCSD gives priority to schools for using public sports facilities free of charge or at discounted prices.

We also launched the Pilot Scheme for Student Athlete Support in collaboration with the Hong Kong Schools Sports Federation in the 2013-2014 school year. The Scheme provides support for students from low-income families by subsidizing the costs of personal sports equipment, transportation fees for training and competition, as well as school squad coaching fees. A total of 363 schools have joined the Scheme so far.

The Hong Kong Games is a territory-wide sport event held biennially by the Sports Commission since 2007 with the 18 districts as participating units. It provides opportunities for exchanges for athletes from various districts, helps to promote a culture of sports and forge solidarity in the community. The numbers of athletes and members of the public participating in the Hong Kong Games have been increasing considerably. In the 4th Hong Kong Games held in 2013, more than 3 100 athletes contested in eight sports and the number of attendance in related promotional activities was more than 400 000.

With a strong sporting culture in the community, there will be a greater chance to produce outstanding athletes. The LCSD provides support for sports organizations through the Sports Subsidy Scheme which covers squad training, promotional activities in schools, organization of and participation in competitions, community sports programmes, staff training and some of the expenditures incurred by staff members and administrative costs.

*Supporting elite sports*

The Government has been promoting the development of elite sports and supporting outstanding athletes, no matter whether the sport has been incorporated into the elite training programme. Nurturing elite athletes cannot be accomplished overnight and winning in international competitions requires assistance and support on all fronts. Since 2009, the LCSD has been supporting the NSAs in implementing the Enhanced Feeder System Scheme through recurrent provisions. At present, 49 NSAs are benefiting from the Scheme.

To support elite athletes in a more systematic manner, the Hong Kong Sports Institute (HKSI) has adopted a selection system to provide support for various elite sports according to the recommendation of the Sports Commission. The system has been carefully studied and reference has been made to the best practices of other countries and places. Assessment will be graded according to a set of objective criteria. At present, 26 sports are covered under the Elite Vote Support System. If an individual athlete has achieved outstanding results, additional financial support will be provided by the HKSI under the Individual Athletes Support Scheme.

The major new facilities of the redeveloped HKSI were completed in 2013. The HKSI uses an athlete-focused elite training system which takes care of the physical, emotional and personal development needs of athletes. Apart from coaching, support in sports science and sports medicine, the HKSI also provides athletes with academic advice, career counseling and bridging-over training. At present, the HKSI is supporting 1 043 athletes (including athletes with disabilities) among which 272 are full-time athletes.

The recurrent provisions given to the NSAs by the LCSD include support for their participation in overseas competitions. The Home Affairs Bureau also provides funding support for athletes preparation and participation in major games. For example, for preparation of the Asian Games in Incheon this year, we have provided about \$7.5 million to 15 NSAs.

Since 2008, the Government has been providing funding to the HKSI and the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) to provide support in education and career development to incumbent and retired athletes. Incumbent athletes and athletes who have retired within two years (including athletes with disabilities) can apply for scholarships or subsistence allowances under the Hong Kong Athletes Fund.

Since September 2012, the Home Affairs Bureau, the LCSD, the Education Bureau and the HKSI have joined efforts in implementing the School Sports Programme Coordinator Pilot Scheme, under which retired athletes can have the opportunity to work and pursue further studies by working as co-ordinators in secondary schools to encourage students to participate in sports.

Hong Kong has achieved encouraging results in international competitions in recent years. It is most remarkable that LEE Wai-sze won a bronze medal in the 2012 London Olympics which is the third Olympics medal that Hong Kong has won. Besides, our squash athletes once again won all the gold medals in the East Asian Games. Our young athletes have similarly achieved outstanding results: Karen CHANG won a gold medal in the Cadet Girls' Sabre Individual in the World Junior and Cadet Fencing Championships last year, and the Hong Kong national under-17 football team was qualified for the first time to enter the AFC U-16 Championship Competition.

The Hong Kong Men's Relay Team won a gold medal in the 4x100m relay in the Asian Athletics Championships and our Men's Cricket Team has recently finished third in the ICC World Cup Qualifier. In addition, Hong Kong athletes with intellectual disabilities returned to the 2012 Paralympic Games after 12 years and the Hong Kong Paralympic Team won a total of 12 medals including three gold, three silver and six bronze. These results did not come by easily and we are proud of our athletes.

*Developing Hong Kong into a prime destination for hosting major international sports events*

To implement the policy objective of developing Hong Kong into a prime destination for hosting major international sports events, the Sports Commission has established the "M" Mark System to support the sports sector to host

international sports events in Hong Kong, cultivate an interest in sports in the public and promote the development of sports-related industries. In 2013, a total of 11 events have obtained the "M" Mark. Business organizations have been actively sponsoring major "M" Mark sports events. The Government has been providing funding to the NSAs to host major international events in Hong Kong. In 2013-2014, the NSAs have received funding to host 10 major international events and about 80 other international events in Hong Kong.

*Support for athletes with disabilities*

I have repeated the expression of "including athletes with disabilities" in my speech a number of times. The Government has indeed supported athletes with disabilities all along. The Home Affairs Bureau, the LCSD and the HKSI have provided a total funding of about \$25 million to support the participation in sports by athletes with disabilities. The assistance includes training athletes, recruiting coaches, identifying talented athletes through the Enhanced Feeder System Scheme, making arrangements for local and overseas training and holding competitions. Upon the completion of the development projects of the HKSI, special sports facilities for athletes with disabilities will be provided.

We have to provide support to meet the different needs of our athletes. The training needs for every sport are different, no matter whether it is a sport for athletes with disabilities or not. Hence, the support received by one athlete cannot be directly compared with that of another. We have been working closely with the Hong Kong Paralympic Committee & Sports Association for the Physically Disabled and the Hong Kong Sports Association for the Mentally Handicapped to provide the most suitable support to athletes with disabilities.

President, it takes 10 years to grow a tree, but 100 years to nurture talents. Nurturing elite athletes, instilling a sporting culture in the community, providing additional sports facilities and hosting major international sports events require time, persistence and determination. The Government has formulated clear policy objectives for the development of sports in Hong Kong. We will pay attention to recent developments, listen humbly to different views and make adjustments to the policy initiatives according to the actual needs. However, we do not consider it appropriate to abolish the established development strategies

and start afresh by conducting aimless reviews which may add uncertainties to the policies to be implemented.

As I have mentioned just now, the development of the system of sports in Hong Kong has gone through a long history and many stakeholders are involved. If all parties co-operate and participate actively, the effect of synergy will be achieved. On the other hand, conflicts arising from a lack of communication will lead to undesirable results. Hence, there is a proposal to appoint a designated officer to oversee all sports matters in Hong Kong and manage the relevant resources. I can understand the aspirations concerned.

Establishing a sports commissioner is one of the proposals stated in the election manifesto of the incumbent Chief Executive. The Government has conducted careful studies on the subject and listened to the views of some members of the sports sector. Since the Government and many non-governmental stakeholders are involved in the area of sports, it is not easy to find a person from the sports sector who can oversee the work of all parties. Even if there is a suitable candidate, it will be difficult to consolidate the different organizations, structures and resources. Furthermore, even if consolidation and centralization is achieved, the characteristics of "one country, two systems" may be lost. Nevertheless, we will continue to resolve these problems.

We are fully aware that there is much room for improvement in the sports sector. The Home Affairs Bureau will follow the principle of people-based governance more closely in implementing sports policies. To enhance the governance level, operation efficiency and transparency of the NSAs, the LCSD has provided additional funding to them for these purposes and organized workshops and seminars with a view to strengthening the administrative and management skills of relevant staff members. The Independent Commission Against Corruption has also published the Best Practice Reference for Governance of NSAs which provides comprehensive guidance for the principles and standards of good governance and internal control.

I hope this brief explanation will facilitate Members in their discussion. I look forward to hearing the views of Members and will respond to them later. Thank you, President.

**MR WONG KWOK-HING** (in Cantonese): President, in his motion on Evaluating the effectiveness of the policy on "promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events" and formulating a long-term sports policy today, Mr MA Fung-kwok has proposed 14 recommendations in four areas. I am very grateful to Mr MA Fung-kwok for proposing this motion to give the present-term Government the chance to reflect on this subject.

President, the Government sought approval from the Finance Committee of the Legislative Council on 14 January 2011 for the funding of \$60 billion for the bid to host the 2023 Asian Games but the proposal was voted down by the majority of Members, with 14 in favour and 40 against. From my observation, among the Members who opposed the proposal, other than those Members and political parties that are habitually anti-Government, there were also Members from other political groups and parties. Why was this funding application of the Government met with such a strong opposition? I think that the Government must ponder it seriously and learn from this experience. The Bureau that put forward the vetoed proposal was also led by Secretary TSANG Tak-sing, who is present today.

According to the record of the discussion and the opposing views that day, Members mainly considered that the Government had not done enough in several areas: First, the Government lacked a long-term strategy for the development of sports, including Sport for All and elite sports; second, the Government lacked long-term planning of the provision of sports facilities in future and it also lacked an improvement plan for the existing sports facilities; third, the lack of measures and plans for the improvement of sports facilities in the community; and fourth, the lack of support for professional athletes. After failing to obtain funding for the bid of the Asian Games, what has the Government done to reflect and follow up on these four areas? Therefore, I think that the motion proposed by Mr MA Fung-kwok will make the Government consider and reflect on its failure in the bid to host the Asian Games and to sum up the overall experience in order to make further improvement.

President, when the Government applied to host the Asian Games in 2011, it made some promises and undertook to follow up on them closely even if its bid was unsuccessful, and it would not let the failure hinder the fulfillment of its promises. As such, let us first look at the development of sports venues and facilities. The authorities undertook then to allocate about \$30 billion to design and construct a number of sports centres. From what we see today, the Kai Tak

Multi-purpose Sports Complex is expected to be completed in 2018 or 2019. There are also other sports facilities that the Secretary has mentioned earlier, which I will not repeat. However, among the projects listed then, I find that sports facilities in several districts still lack follow-ups and timetables. For example, the Tsuen Wan West sports centre is still at the design stage; there is no plan for the construction of sports centres in Kowloon City and Sham Shui Po, and the Tai Po Plover Cove Road sports centre is also still at the design stage. The examples that I just cited were the projects promised by the authorities in response to the criticism of the lack of sports facilities then. Several years have passed, what progress have they made regarding the sports facilities in these districts? I very much hope that the Secretary can give a response.

In addition, there is the issue of sports facilities in the community. Sports facilities in the local community are also acutely inadequate. Mr MA Fung-kwok has cited many examples just now, which I need not repeat. What I want to say is that the Kwai Tsing District Council has applied to the Legislative Council recently for the allocation of the funding of \$100 million earmarked by the Government for each district, so as to provide fitness equipment for the elderly in public housing estates. From this we can see that the fitness equipment for the elderly in the more than 100 public housing estates under the Housing Department is also seriously inadequate. This example precisely reflects the insufficiency of many such facilities. I hope that the Government will seriously give it a thought.*(The buzzer sounded)*

**PRESIDENT** (in Cantonese): Mr WONG, your speaking time is up.

**MR CHEUNG KWOK-CHE** (in Cantonese): President, Mr MA Fung-kwok has said that for 12 years, the Government has not conducted any reviews of the sports policy since the publication of the Report of the Sports Policy Review Team in 2002. First of all, I would like to say that after the last Social Welfare White Paper was published in 1991, the Government has not published any documents on the comprehensive planning of social welfare in the last 23 years. As a result, the present social services are fragmented and piecemeal. Actually, without long-term planning, whether it is the policy of sports, social welfare, education or healthcare, it will only be strained and incomplete, and will not yield good results no matter how much effort has been put in.



As regards this subject, Mr MA Fung-kwok has proposed 14 recommendations touching on various aspects. But I wish to focus on physical education because it also needs long-term planning. Physical education is one area of education, which involves nurturing. Nurture means more than just doing sports that aims at strengthening the body and mind. Before we talk about promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events, we have to distinguish whether we are dealing with physical education or sports. In many European and American countries, sports not only are leisure activities for the grassroots but also favourite hobbies of white-collar workers and professionals alike.

If we look carefully, we will see that most of the social norms and competition rules are enshrined in the rules of sports. A person who engages in sports can very often forge qualities that are highly valued in a competitive society, including the characters of a leader such as enterprise, creativity, as well as passion, courage and determination for competition. The focus of physical education in schools is to nurture these personal qualities rather than skills and physical strength. The reason why a sports competition is so fascinating is that it allows the athletes to give play to these qualities rather than merely displaying their skills and strength; otherwise, we only like to watch dog or horse racing, and team sports like football and basketball will not be so popular. Besides, we have also found that some European and American sports stars are often invited to give talks after retirement to share with others their valuable experience gained from competitions, in order to boost people's confidence and encourage children to move upwards because these communities know that the achievement in sports is the demonstration of how these personal qualities have been given play.

Even from the money point of view, sports in schools have great economic effect. First of all, governments of different places in the world, including the Hong Kong Government, are all trying to industrialize and professionalize sports. That is to say, resources used for promoting sports in the community, not only can achieve self-sufficiency through marketization but also can be turned into a business. However, the industrialization and professionalization of sports cannot be achieved overnight but needs long-term planning. To achieve that, apart from providing the structure, measures, funding and facilities as proposed in the original motion, more importantly, it has to provide education.

Take football as an example. Football fans need to be nurtured from a young age because those who like to play football since they are small will grow up into football fans. Young people are the ones most energetic. When they gather in the school, they will form teams. Motivated by the competing spirit, they will participate in sports. Again, from the money point of view, young people are the most focused and biggest clientele of the sports market. Besides, schools are also the most cost-effective place to nurture the so-called "sports consumers". From primary school to university years, football players and fans can be nurtured every day in schools.

Take the United States as an example. There are about 4 000 post-secondary colleges, tens of thousands of sports teams, hundreds of thousands of players and over 10 million audience. There are truly plenty of products and customers, with an inexhaustible supply of both. The development of its education system, including elementary schools, secondary schools and universities, has also made possible the broadcasting by local television stations of the matches of 100 000-odd high schools with an audience of tens of millions. Some people even think that if there was no such good training in sports, what I mean is good physical education, in the education system of these European and American countries, there would not be the EPL in England, the UEFA European Football Championship in Europe, the NBA and Superbowl in the United States and the NHL in Canada, and the sports industry in these countries will not be so well-developed. At present, in Hong Kong and the Mainland, the local governments and enterprises all put money into football clubs or organizations like the Hong Kong Football Association, which is a short-sighted practice. The Government's so-called "investment in sports" is very often focused on the number of medals won in international events such as the Olympics and The Asian Games. As such, the Government fails to see the wood for the trees.

President, at present, the primary and secondary students in Hong Kong spend very long hours in school, have plenty of homework and go to various tutorial classes after school every day. After dinner, they start doing their homework until 11 pm or midnight. It is hard enough for them to squeeze one or half an hour to do exercise during which time. If they spend half an hour more on exercise, they will never finish their homework. Under such an

education system, how can students get the chance to develop their potential? How can they have any room for creativity? Physical education needs to be nurtured. The first thing to learn is sportsmanship. And, education as a whole needs to develop students' well-rounded personalities before anything else. Therefore, the education system in Hong Kong has to undergo a reform to create room for physical education in school.

President, I so submit.

**MISS ALICE MAK** (in Cantonese): President, today I would like to talk about my views on Hong Kong's policy on sports with the help of three examples.

The first example is a complaint I received earlier in the Kwai Tsing District about the venue of a shooting club that had served the district for a long time. Owing to conflicts between the shooting club and the national sports association (NSA) it belonged to arising from poor management, the shooting club withdrew from that NSA. Consequently, the Government withdrew the permission given to the shooting club to use its sports venue and hence the shooting club had to close and could no longer serve the residents in the Kwai Tsing District nor provide a venue for the shooting sport.

From this incident, we can see how far the Government supports or monitors those NSAs or the Sports Federation & Olympic Committee of Hong Kong, China (SF&OC). There are never short of complaints against the poor management of NSAs or their staff disputes. However, the Government fails to play a negotiating and balancing role. Every time there is such a complaint, the Government's defence is that it has to remain neutral and refrain from interfering in such incidents. As a result, everyone can see that the poor management of the various NSAs and conflicts among them hinder the development of various sports. In respect of this problem, I believe that the Government can no longer use the excuse of it "not in a position to interfere in the operation of the SF&OC" or "not in a position to interfere in the operation of NSAs" to avoid doing anything about this problem. Otherwise, these conflicts and disputes will never cease and will affect the promotion of sports in Hong Kong.

The second example I wish to talk about is the assistance to the dragon and lion dance sports which I have mentioned many times before in this Chamber. As a matter of fact, this is not merely a review of the assistance provided to the dragon and lion dance sports but from it we can also see the Government's narrow-mindedness as regards its policy on promoting sports in the community, supporting elite sports, and developing Hong Kong into a prime destination for hosting major international sports events. I once told the Secretary that some dragon and lion dance sports teams that we met with had won medals in the Asian Indoor and Martial Arts Games, and the Government had also invited them to perform in the opening ceremony of the Expo 2010 Shanghai. However, after they came home, there was no place available for them to practise and they were forced to practise underneath flyovers or by the side of the streets. During their practice, as their equipment would obstruct the street, they were often prosecuted by the Lands Department and the Food and Environmental Hygiene Department by way of summons. What is wrong with Hong Kong? Why are our athletes prosecuted when all they want is just to engage in a proper sport?

The athletes engaging in the dragon and lion dance sports have to apply for a licence every time they go out to perform. We have recently learnt that if they wish to participate in these sports, they have to notify the police in advance and even to put down their personal particulars such as the identity card number. Why is it that only the athletes of these sports are required to do so while those of other sports are not? Is this policy discriminatory? The Government has all along adopted a discriminatory policy towards certain sports and look at them through tinted lenses. Thus they have no venue to practise and the Government has no intention to assist them in terms of funding or policies. Be it really so, will the standard of the dragon and lion dance sports in Hong Kong decline?

In fact, Hong Kong dragon and lion dance teams have competed in overseas countries and won many awards, just like the athletes of other sports such as track and field. Therefore, in this respect, we hope that the Government should not narrow-mindedly focus on and support only the sports that are considered elite but should rather comprehensively examine some local sports with development potential such as dragon and lion dance and dragon boat racing. As a matter of fact, we have an edge in these sports in terms of geographical and human factors. We hope that the Government will introduce policies to support these athletes instead of only caring about elite athletes.

The third example I would like to talk about is the promotion of sports in the community. What has the Government done in this regard? Recently, we have repeatedly invited the Leisure and Cultural Services Department (LCSD) to meet with us and petitioned to the Government for a swimming pool in Tin Shui Wai North. However, the Government often follows the Hong Kong Planning Standards and Guidelines to determine if the number of residents in a district is sufficient to support the construction of a swimming pool or sports centre. However, we think that it is time to review these standards. And, the development of sports facilities or venues in Hong Kong can no longer be constrained by these so-called standards. More importantly, it is the residents there who request for a swimming pool built in Tin Shui Wai North, which will be equipped with venues for diving training and related facilities so that residents of the New Territories will have the chance to receive training in diving.

At present, only the swimming pools in Kowloon Park and Victoria Park are equipped with diving facilities but none of the swimming pools in the New Territories have such facilities. Since the Government is planning to build a swimming pool in Tin Shui Wai North, the residents there opine that the community sports facilities should be tied to the sports development in Hong Kong. By providing diving facilities in the swimming pools in the New Territories, more students can be trained as diving athletes and this sport can be better developed in Hong Kong. However, owing to its rigid mentality, the Government still regards this as a community facility and considers the addition of diving facilities unnecessary. Moreover, the Government seems to worry that there will not be sufficient residents to use the swimming pool after its completion. Hence, it has dragged its feet for over a decade and the construction of the swimming pool is still being studied and discussed.

The Secretary mentioned the sports centre in Area 4, Tsing Yi earlier. It sounded very nice but I believe everyone knows that the discussion about this project has been carried on for 20 years but the sports centre is not completed yet.*(The buzzer sounded)*

**PRESIDENT** (in Cantonese): Miss MAK, your speaking time is up.

**MR FRANKIE YICK** (in Cantonese): President, "Athletes of Hong Kong are not rubbish." I think everyone remembers this famous remark made by LEE Lai-shan, the windsurfing athlete, after winning the first-ever Olympic gold medal for Hong Kong in 1996. Hong Kong athletes are indeed not inferior to any other athletes. I have looked up the information and found that since the 1954 Asian Games held in Manila up till last year, Hong Kong athletes have won a total of 551 medals in various major international sports events, including 120 gold, 170 silver and 261 bronze. Hong Kong athletes are outstanding and there is no question about that.

Hong Kong adopts the "policy of training top athletes". The Hong Kong Sports Institute trains over 1 000 athletes in 16 elite sports, including track and field, badminton, snooker, cycling, swimming and martial arts. Apart from the training for elite athletes, I am also concerned about the assistance the Government and the Sports Federation & Olympic Committee of Hong Kong, China (SF&OC) provide for the retired athletes in employment and further education because many elite athletes suspend their studies or work to become full-time athletes to pursue their dreams. However, the peak of an athlete's career is relatively short, perhaps just eight to 10 years. When they withdraw from the frontline and leave the stadium, they will have to face the practical problems concerning their living and future. They have competed in various events all over the world for Hong Kong, in which they have given their best. We think that the Government and the relevant sports authorities should give them appropriate and sufficient support after their retirement. For those who have won medals in the Olympics or Asian Games, they may be better off as they are better known. However, for the majority of athletes who have never won any trophies, their situation will be very different when they retire.

Before 2008, there were no system in place and no support given to athletes. The SF&OC launched the Hong Kong Athletes Career & Education Programme in 2008, providing current and retired athletes with support in education, employment and life skills, helping retired athletes who aspire to university education to find ways for admission, setting up university scholarship schemes, helping those who wish to work in their job search and their English skills, and so on. The launching of this Programme is a good start, but what were its results in the past six years? Has any review been conducted? How to improve it? President, I ask the Secretary these questions because I understand that there is not sufficient support for the retired athletes at present. I hope that the Secretary will make a response in this respect.

Actually, by enhancing the support for current and retired athletes in their pursuit of further education, employment and the development of a "second career" upon retirement, it can encourage more young people with potential in sports to join the league of full-time athletes as they have no need to worry about the lack of protection against an insecure future after they leave the arena.

President, next I would like to talk about the governance of the SF&OC and other sports organizations. More than a month ago, the Hong Kong Winter Olympics representative, Barton LUI, complained about the insufficient equipment and the absence of a doctor accompanying the team. He was immediately refuted and criticized in very harsh terms by the senior management of the SF&OC. In the past, we have also often heard criticisms against the SF&OC by athletes and others regarding its refusal to accept others' views and its lack of transparency.

Many other national sports associations with a long history such as the Hong Kong Football Association also receive funding from the Leisure and Cultural Services Department. Similarly, they have to face the problem of enhancing governance standard and transparency. One of the examples is the recent incident of suspected match-fixing by a football team in which a number of players were arrested by the Independent Commission Against Corruption.

From the wording of the different amendments to this motion, we can see that various sectors in society and colleagues in this Council have very strong views concerning the governance of the SF&OC. The Liberal Party opines that the Home Affairs Bureau should step up the regulation of these subvented organizations, including the SF&OC and other sports organizations, to enhance the transparency of their operation and governance standard for the benefit of the sustainable development of sports in Hong Kong.

President, the Liberal Party supports the original motion and all the amendments. I so submit.

(The President noticed Mr Albert CHAN was displaying a placard the contents of which had nothing to do with the motion)

**PRESIDENT** (in Cantonese): Mr Albert CHAN, I already reminded Mr Gary FAN yesterday that the contents of the placards displayed by Members during the meeting of this Council must be related to the matters being dealt with.

**MR YIU SI-WING** (in Cantonese): President, after the reunification, "promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events" have been the SAR Government's policy on the development of sports. The policy requires the implementation of specific measures and regular reviews; otherwise it will become an empty slogan. The Government is duty-bound to improve the current sports policy according to the trend of development.

Everyone knows that if a city becomes a prime destination for hosting major international sports events, the greatest gain is that it can boost its popularity and international status, thereby attracting overseas visitors and stimulating local consumption, which would help promote sports in the community and support elite sports. That is why many cities are actively bidding to host mega sports events.

Shanghai is a case in point. In recent years, it has hosted a number of well-known international competitions in succession, including the Formula 1 Chinese Grand Prix, ATP World Tour Masters 1000, IAAF Diamond League, Shanghai International Marathon, World Golf Championships, World Snooker Shanghai Masters and Tour of Chongming Island International Cycling Race. Besides that, Shanghai continues to host various international and national sports events. There will be over 100 events to be held in Shanghai in 2014, 28 of them international events, making Shanghai the focal point of major international sports events.

Active government participation is the main reason for Shanghai's successful hosting of so many events. But with the government taking the lead, there are advantages as well as disadvantages. One advantage is that the government can provide many incentives, making it easier to find funding for the events while one disadvantage is that public money, that is, tax-payers' money is involved, and if the government only injects funds without caring about the returns, it will easily become a black hole of money spending.



Therefore, to support and to successfully host a major sports event, a government must, before injecting funds, first study implication of the event in the international community and carefully analyse the investment made and the returns gained, including the overall benefit to society. It is advisable to find sponsors to share the expenses. If injecting funds is just for the sake of injecting funds, the event will be difficult to last long.

As the saying goes, "Experience is the best teacher." We must learn from the failure of the Harbour Fest 10 years ago. Of course, we have also successes, for instance, the Hong Kong Rugby Sevens Tournament (Hong Kong Sevens). After 30-odd years' development, it has now become an annual major international sports event in Hong Kong.

According to the survey conducted by a market research company, the Hong Kong Sevens in 2011 attracted over 21 000 overseas visitors to Hong Kong to watch the game. The venue of the game, the Hong Kong Stadium, has the capacity of holding 40 000 people. Over half of them were from overseas. These visitors stayed in Hong Kong for six days on average and they usually came in groups of four. Their spending per capita was over \$12,000. Other than tickets of the games, they also spent on accommodation, shopping, food and beverage, and transportation. A rough estimation shows that the direct economic benefits brought by these overseas visitors amounted to almost HK\$300 million, coupled with the local audience's spending during the game, the actual amount was even larger. According to the statistics of air ticket booking in 2009 to 2012, the number of long-haul visitors in Hong Kong during the Hong Kong Sevens were only next to that during the peak seasons such as the Easter holidays and between October and November.

The aforementioned example indicates that Hong Kong is well-equipped to host major international sports events. These events will attract long-haul visitors with great spending power to come to Hong Kong especially for the games and they will bring in considerable economic benefits. I suggest that the Government lays down a plan with clear objectives to support the hosting of two to three major events similar to the Hong Kong Sevens to build up a name for Hong Kong so that once audience see these sports events, they will think of Hong Kong. In so doing, Hong Kong will have regular proceeds from tourism brought by such events.

President, as the population grows, the boundary of communities extends. The Government needs to appropriately provide more sports and leisure facilities in various districts to meet the daily needs of the public. However, I am against excessive injection of resources without objective assessment, resulting in the failure to reasonably and fully utilize the facilities.

According to the information submitted by the Leisure and Cultural Services Department to the Legislative Council, certain government sports facilities are underutilized. For example, in the past five years, both the usage rates of squash courts and tennis courts were under 60% while that of bowling greens was even under 40%. I hope that the Government will examine whether the resources injected have been properly used.

There will be three sports venues in the Multi-purpose Sports Complex at Kai Tak. We must understand that other than occupying vast sites, these sports venues will incur huge construction costs and need tremendous manpower for management and maintenance upon completion. I suggest that the Government estimates very carefully the expenditure and revenue before and after the construction of these three sports venues. And, based on the information available and after taking on board the views of various parties, it makes an objective assessment of the usage of these venues by residents from the local and other districts, so as to maximize the economic and social benefits of these venues and meet the development needs of the sports sector in Hong Kong.

President, I so submit.

**MR CHRISTOPHER CHUNG** (in Cantonese): President, what happened to the Hong Kong athlete at the Winter Olympics held in Sochi, Russia has again aroused public concern. There is indeed room for improvement in Hong Kong's nurture of elite athletes. Some even point their finger directly at the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC). I would like to point out that we must first understand the role of the SF&OC in giving support to athletes before analysing the problems concerning sports in Hong Kong. In this motion, some Members have proposed more efforts in monitoring the SF&OC. Can problems be solved and sports development be promoted

simply by stepping up the monitoring efforts? We have to first understand the operation of the sports sector before we can give fair and constructive comments.

The SF&OC is an organization responsible for arranging for Hong Kong delegations to participate in international sports games. Over years, it has been organizing and co-ordinating athletes to participate in competitions outside Hong Kong, assisting athletes in complying with different regulations established by the organizer to avoid disqualification upon infringement of the rules. Moreover, according to the Olympic Charter, the International Olympic Committee (IOC) should be free from political, religious and economic intervention when promoting sports development. And the SF&OC, an IOC member, operates independently and works in partnership with instead of under the Hong Kong SAR Government. If we ask the SAR Government to review or monitor the operation of the SF&OC, I think this is not reasonable because in reality, the SF&OC is only subordinate to the IOC.

As for promoting the development of a particular sport, we rely on the training efforts of the national sports associations (NSAs). Working independently, the NSAs cultivate and select elite athletes to take part in overseas competitions, as well as train up coaches and referees, apart from promoting sports in the community. Resources of the NSAs are mostly subvention from the SAR Government, which range from several hundred thousand dollars to \$15 million a year. NSAs with a better performance will be given more resources. But the operation of the NSAs does vary in standard. In the past, many athletes complained about the black-box operation, slow turnover of executive committee members, unfair selection of athletes for competitions and disorderly financial management of the NSAs. If we cannot properly fix the operation problems of the NSAs, the sports development in Hong Kong will be hindered.

Since the Government provides an annual subvention of \$250 million to the NSAs, we expect the authorities to monitor how the NSAs use the funds to ensure the effective use of public money. Therefore, while respecting the independence and autonomy of the NSAs, we wish the NSAs can act in line with public expectation and enhance their internal governance level, including the improvement in operation transparency by perfecting their rules and regulations,

the betterment in internal management and audit capability, and the formulation of clear long-term goals, so that athletes, coaches and professionals involved can understand the operation of the NSAs and work together to promote sports development and enhance the overall standard of the athletes.

In respect of the Multi-purpose Sports Complex at Kai Tak (Kai Tak MPSC), this large-scale project was discussed at the Panel on Home Affairs the day before yesterday. According to the current planning, there will be three sports venues at the Kai Tak MPSC, one of which is a main stadium capable of accommodating 50 000 people designed with a retractable roof to allow the hosting of different recreational and cultural events, for which we support. However, a venue capable of hosting mega sports events should be integrated and all-inclusive in nature so that different types of sports competitions can be held there, such as not only badminton, gymnastic and martial art competitions but also cycling and swimming events. Although the Kai Tak MPSC does not have swimming facilities, if it has an all-inclusive design, temporary pools can be added in the future to host international competitions. For example, the World Swimming Championships (Short Course) was held at the Hong Kong Coliseum in 1999. At that time, as many as 70 countries or regions sent representatives to take part in the competition. So we can see that if more flexibility is introduced to the design of the main stadium, it can be used for more purposes to facilitate the hosting of different types of sports competitions.

The Government set up the Sports Commission in 2005. It is chaired by the Secretary for Home Affairs. It is responsible for advising the Government on sports development issues. The Sports Commission is underpinned by three committees, namely the Community Sports Committee, the Elite Sports Committee and the Major Sports Events Committee. An advantage of such an arrangement is that the Secretary can have a direct understanding of public opinions on sports development so that their opinions can be integrated into the policies. However, there are voices from the sports sector calling for the establishment of a sports commissioner with a designated responsibility of promoting sports development. The ideal person to take up the position is someone who has a thorough understanding of the sports sector, or even who was an athlete before. Two years ago, Chief Executive LEUNG already proposed in his manifesto for election the establishment of a commissioner for sports. He

also indicated that a person from the sports sector would be appointed to take up the position so as to avoid leadership by an outsider. I hope the Government will re-consider this point.

There are three amendments to today's motion. The Democratic Alliance for the Betterment and Progress of Hong Kong will abstain from voting on the amendments proposed by Dr Kenneth CHAN and Dr Helena WONG because the SF&OC is an organization independent from the Government and there should not be any interference and intervention of the Government in the management of the SF&OC. On the other hand, we support Dr Fernando CHEUNG's amendment and Mr MA Fung-kwok's original motion.

I so submit.

**MR NG LEUNG-SING** (in Cantonese): President, sports are an important element in every society around the world, which bring about better physical fitness of the people and an enriched cultural life through physical training, skill practice and competition. The popularity of and the level attained in sports are usually an important indicator to mark the progress of a country. Hong Kong is a sophisticated commercial city. Other than enjoying a booming economy, Hong Kong people love sports, culture and art as well. But our existing sports policy was made more than 10 years ago. Along with the progress of society, we do have to review the policy and its effectiveness.

Now, I would like to raise some opinions about the sports policy. Firstly, sports enhance people's physical fitness and their capability in handling everyday challenges and resolving difficulties. Sports are beneficial to society as people's health can be improved and thus their medical needs be reduced. In 2002, the SAR Government published the Report of the Sports Policy Review Team titled *Towards a More Sporting Future* which precisely illustrated the problem. A sports policy must be formulated in relation to people's health, while its effectiveness must be measured by the enhanced health level of the people. So, it is good for people's health with the appropriate establishment of sports research institutions to analyse the effectiveness of different sports in enhancing people's health, so as to facilitate the targeted promotion of sports in the community.

Secondly, regarding the policy of supporting elite sports, apart from providing athletes with potential and contribution with training to enhance their specific skills, they should also be taught with the knowledge about sports science. Also, providing them with support in medicinal care, accommodation and diet nutrition is important as well. Sports elites need to have support in their long-term personal development, such as living protection, occupational training, disability care, as well as education or employment opportunities upon retirement. The Government plays an important role in this respect. The mechanism for support must be clear and practical. Moreover, flexible and appropriate favourable policies should be formulated to encourage the participation of commercial organizations through actively sponsoring sports events and hiring retired athletes.

I would like to say something other than comments on the policy level. First of all, it is about promoting sports in the community. As mentioned by some Members just now, I was also a sports enthusiast when I left school and first entered the job market. I did have some encouragement and prizes. I had a deep understanding of how sports can help improve health and team spirit, and enhance positive energy to move forward. Therefore, the Government should put in more resources for promoting sports in the community. This is particularly important for the general health of the public, especially amid the fact that our population has been ageing fast. I have all along been proposing the construction of more all-weather swimming pools in different districts, more walkways and cycling tracks along the waterfront to encourage territory-wide participation. In addition, the Government should urge private clubs to open more their facilities for the use of outside sports associations. Apart from public sports grounds, sports venues in schools should also be appropriately opened in holidays to enable different commercial and industrial sectors, and community organizations to hold more recreational events, so as to help heighten public interest in sports. It will surely be beneficial to the health of the people.

Secondly, it is about the support for sports. In Hong Kong, many commercial organizations advocate corporate culture and encourage the diversified development of their staff, by frequently organizing different recreational activities, including game carnivals, water and land sports competitions, after-work recreational activities, and so on. The Government

should encourage the Leisure and Cultural Services Department and schools to provide more venue rental services so as to support the relevant activities. Moreover, many commercial and industrial enterprises also fulfil their corporate social responsibility by sponsoring and supporting sports development. In this connection, I wish to make a declaration of interests in passing. I am the director of the BOCHK Charitable Foundation which has given much support and sponsorship for the sports development of Hong Kong over years

For example, the Foundation has awarded sports elites by providing title sponsorship for the Sports Stars Awards for eight consecutive years; it has continued its sponsorship of the Hong Kong Island & Kowloon Regional Inter-school Sports Competition, the largest school sports competition of its kind in Hong Kong, for 11 consecutive years to look for potential young athletes; it has sponsored the development of badminton, the most popular sports in Hong Kong, for 15 consecutive years; it has sponsored the Festival of Sport since 2007 to promote the "Sport for All" message. Like the Foundation, numerous industrial and commercial enterprises promote the development of various mega sports events, such as the Hong Kong Marathon and the Hong Kong Rugby Sevens Tournament mentioned earlier, and the cross-harbour swimming race in which Members of this Council have also participated. Therefore, the Government should encourage and commend commercial organizations in their support for the development of sports, and even provide them with appropriate incentives to facilitate co-operation and interaction among officials, businessmen and the people.

President, to promote sports and encourage the integration of the physically-handicapped and able-bodied can foster sportsmanship as well as enhance the quality of society, so as to facilitate the harmonious development of Hong Kong, which is all gain and no loss to us. I hope the Government can keep abreast of the times and facilitate the development of sports by reviewing the relevant policies.

President, I so submit.

**DR FERNANDO CHEUNG** (in Cantonese): President, thank you for allowing me to speak at a later time because I had to conduct a lecture.

As regards Mr MA Fung-kwok's motion today on "promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events", I would like to talk about the comprehensiveness and appropriateness of the development of sports among people with disabilities from these three perspectives.

In respect of promoting sports in the community, we always say that Hong Kong is an inclusive society and it allows disabled people to participate in sports activities. Of course, the Convention on the Rights of Persons with Disabilities stipulates that persons with disabilities can access to places for sports, entertainment and recreational and leisure, and children with disabilities can participate on an equal basis with others in games, entertainment, leisure and sports activities, including related activities held in school.

An organization named Treats which organizes inclusive activities for children has conducted a survey recently on whether Hong Kong's playground facilities can truly attain the goal of inclusiveness. At present, the Leisure and Cultural Services Department (LCSD) has about 700 outdoor children playgrounds providing over 800 sets of children recreational facilities with about 70% of them providing inclusive recreational facilities. A survey conducted by Treats this year found that in 18 general playgrounds and four playgrounds providing inclusive play equipment operated by the LCSD, most of the facilities were not up to par in terms of easy accessibility, playability and convenience. They found that in respect of easy accessibility, the playgrounds were rife with problems, including passages obstructed by iron rods, facilities for the use of visually-impaired persons like braille maps damaged and the surface of the access to these playgrounds rough and uneven, not suitable for the use of those with walking difficulties.

Besides, among the 700-odd respondents with disabilities, most of them said that they had not met any people with special needs playing in the playgrounds that provided inclusive play equipment and 60% of the respondents with disabilities said they would not use those facilities because those facilities were not convenient for them to use. Even though telephone numbers were



posted in the proximity of the facilities for people to contact the barrier-free liaison officers, reporters found that their phone calls were never answered.

From this we can see that the Government provides the so-called "inclusive play equipment" for the use of people with disabilities on a piecemeal basis. The access to both the venues and the equipment poses difficulties to these people. Besides, the inclusive play equipment for children with disabilities cannot achieve the goal of inclusiveness. Therefore, Kris TONG, the chief officer of Treats, suggested that the authorities should re-examine the definition of inclusive play equipment and the related measures.

In respect of schools, the Subcommittee on Integrated Education of the Legislative Council studied the relevant problems last year. Many organizations indicated that students with disabilities were unable to participate in physical education lessons on a regular or equal basis. For example, SAHK pointed out that many physically-handicapped students were unable to participate in physical education and visual arts lessons, sports day and swimming gala. The Hong Kong Professional Teachers' Union also said that many schools attended by students suffering from bone problems, cancer or chronic diseases, or those who were frail did not allow these students to participate in physical education lessons or sports day for fear of their health and safety in the absence of professional advice.

Moreover, students suffering from visual impairment are also unable to attend domestic science, art and physical education lessons. The University of Hong Kong conducted a study on students with visual impairment two years ago and found that 40% of these students had difficulties participating in sports activities and another 55% of them were barred from engaging in sports activities, including ball games and simple exercises such as stretching and jogging because their teachers were afraid that they would be injured.

In respect of public facilities, not all playgrounds, sports grounds or swimming pools are suitable for the use of people with disabilities. For instance, many swimming pools cannot accommodate people using wheelchairs. In overseas countries, however, the swimming pools there are equipped with special facilities to provide extra assistance to people with disabilities.

Concerning the support of elite sports, disabled Elite A athletes are unable to fully engage in sports activities although they have had great accomplishments in the past. For example, SO Wah-wai and three other physically-handicapped athletes won gold in the 4 X 100 metres relay in the Paralympics 18 years ago. Up till today, disabled athletes have had even better results in international competitions and the Paralympics than able-bodied athletes in mainstream competitions but it is a shame that they cannot engage fully in sports. The reason is that the monthly subsidy received by disabled Elite A athletes is only more than \$5,000 but the basic scholarship received by non-handicapped Elite A athletes is over \$20,000 a month, a difference of over four times. Why is there such a big difference between the two? What kind of a policy is this on supporting elite sports?

(THE PRESIDENT'S DEPUTY, Mr Andrew LEUNG, took the Chair)

People always say that Hong Kong is an inclusive society and people with disabilities have equal opportunities of participation. Today, the disabled Elite A athletes are participating in international-level competitions. They are basically full-time athletes and are receiving professional training. Athletes have to reach an international professional standard in order to participate in international competitions. Why do they not have similar treatment? The Hong Kong Sports Institute always says that it will provide facilities and hostel places for them but some athletes cannot live in the hostel due to their needs in their daily lives and many of the facilities there cannot provide the training they need.

As regards developing Hong Kong into a prime destination for hosting major international sports events, the Standard Chartered Hong Kong Marathon is a disgrace to Hong Kong. This was the third year that the Standard Chartered Hong Kong Marathon admitted wheelchair competitors. In last year's Marathon, six disabled athletes participated and five of them were disqualified for not being fast enough. Six disabled athletes participated in this year's Marathon but four of them were said to be too slow. What did they mean by "too slow"? Most of them were very experienced in participating in international marathons and they had never received such poor treatment. In this year's Marathon, a disabled participant was forcibly pulled off the competition on the grounds of safety when he was less than three minutes away from the destination.

Even if the authorities wish to promote sports in the community, support elite sports and develop Hong Kong into a prime destination for hosting major international sports events, people with disabilities are barred from participating in athletic competitions, including sports activities in school, and using public facilities on grounds of safety. Why is it so? All these have attracted fierce criticisms from overseas and local athletes.

In last year's Marathon, an overseas participant was forcibly pulled off the track and the organizer even forbade him from walking back to the destination on his own. Local participants also said that this incident was so disappointing that it could be described as cold-blooded. Why are such so-called "major international events" so discriminatory against the participation of disabled athletes? If similar incidents happen again next year, will it demonstrate Hong Kong's spirit of inclusiveness or its ignorance or even discrimination?

Deputy President, I support the promotion of sports in the community. We wish to encourage some people to fully engage in sports with all their might to achieve the best and become elite. Besides, hosting major international events and attracting athletes of very high standards from all over the world to participate will also help boost the standards of local athletes. All these are desirable. However, I think that giving no regard for disabled athletes, treating them as outsiders or barring them from participating on the grounds of safety is absolutely unacceptable and it is also a violation of international conventions.

Deputy President, I so submit. I hope that the Home Affairs Bureau will handle this issue with great care in future and do its best to be inclusive in all aspects.

Thank you, Deputy President.

**DEPUTY PRESIDENT** (in Cantonese): Mr Albert CHAN, a point of order before you speak. What is the relation of the slogan you are displaying with this motion?

**MR ALBERT CHAN** (in Cantonese): Deputy President, they are related. The President has just left the Chamber, and I was going to explain it to him. The slogan is meant to highly commend the sportsmanship of the Taiwanese students and hence ...

**DEPUTY PRESIDENT** (in Cantonese): Last night, the President also asked Mr Gary FAN to put away the slogan he displayed.

**MR ALBERT CHAN** (in Cantonese): There is obviously a political meaning behind Mr FAN's slogan, yet mine just intends to highly commend the sportsmanship of the Taiwanese students.

**DEPUTY PRESIDENT** (in Cantonese): We are now discussing the effectiveness of Hong Kong's policy on promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events, which has nothing to do with Taiwan. Please put away the slogan you displayed.

**MR ALBERT CHAN** (in Cantonese): Deputy President, you have made this ruling because you do not understand the underlying meaning of this expression: "Go for it!". This slogan commends the development in sportsmanship and sports activities of the Taiwanese students, which is directly related to this motion. Deputy President, when speaking in this Council, we can draw comparison with other places.

**DEPUTY PRESIDENT** (in Cantonese): I have already made the ruling, and it is consistent with the President's ruling yesterday.

**MR ALBERT CHAN** (in Cantonese): The President did not ask me to put away this placard just now.

**DEPUTY PRESIDENT** (in Cantonese): I am chairing the meeting now, and I ask you to put away the slogan.

**MR ALBERT CHAN** (in Cantonese): Deputy President, I request that this be put on record: I consider that the ruling of the President of the Hong Kong Legislative Council is discriminatory against other places, especially Taiwan ...

**DEPUTY PRESIDENT** (in Cantonese): You can argue your case with me or the President on other occasions.

**MR ALBERT CHAN** (in Cantonese): Deputy President, I want this be put on record: I think you are discriminating against and targeting Taiwan, and I strongly protest against it. In that case, I change the wording to "Hong Kong", so that I am asking Hong Kong students to go for it. Hong Kong students should learn from Taiwanese students. Go for it!

**DEPUTY PRESIDENT** (in Cantonese): Mr CHAN, you may speak now.

**MR ALBERT CHAN** (in Cantonese): Deputy President, any discussion on the sports organization and the related activities invariably concerns software and hardware. Over the past few decades, we have witnessed major changes in the sports organization: In 1973, the Council for Recreation and Sports was established; in 1981, it was renamed as the Leisure and Cultural Services Department (LCSD); in 1985, the Regional Council was established to share the work of the Urban Council in respect of cultural, leisure, recreational and sports activities; in 1989, the Sports Development Board was established; in 2000, the two municipal councils were abolished and destroyed with the support of the Democratic Alliance for the Betterment and Progress of Hong Kong; in 2003, with the establishment of the Community Sports Committee and the Elite Sports Committee, the relevant duties were taken up by these Committees instead of a Policy Bureau. As a result, the sports organization became "laymanized" and was led by technocrats. In fact, the entire sports organization has been downgraded.

Deputy President, over the past two decades, I have been criticizing the sports organizations in Hong Kong and highlighting various serious deficiencies and problems with these sports organizations in Hong Kong. In 2010, I have produced and presented to the Government a 13-page paper titled *The Problems and Future of the Sports Organizations in Hong Kong*, listing out the seven vices of the sports organizations in Hong Kong. I pointed out that as a result of these seven vices, sports development in Hong Kong as a whole had become filthy and corrupted, bringing shame to sports in Hong Kong.

The spate of problems recently, regardless of whether it is about the Winter Olympic Games or the Hong Kong Football Association (HKFA) ... In fact, whenever any selection is held for the national sports associations, scandals invariably occur. Hence, no matter how many sports facilities are constructed, it will be no use at all without good software. If we compare the sports facilities of Hong Kong with those in other advanced places over the world, our sports facilities are definitely adequate and sophisticated, especially football pitches. In Kwun Tong alone, there are over 20 hard-surfaced and grass football pitches in total. But why is the standard of football still so low in Hong Kong? The problem lies with the HKFA. We have said time and again that football has no future in Hong Kong unless the HKFA is reformed. I think Dr LAM Tai-fai will also strongly agree with my comment. Without good software, it is still empty talk even if the so-called Kai Tak Sports Complex is built. The People Power maintains its opposition against funding for the construction of the Multi-purpose Sports Complex (MPSC) at Kai Tak because both the identified site and its planning are erroneous. As the MPSC at Kai Tai is included in the original motion and the various amendments today, the People Power will not support them.

I would like to recount the seven vices of the sports organizations in Hong Kong. The first vice is their black-box operation and lack of transparency. In the case of some organizations, even their own members do not have access to the constitution. People who have browsed the websites of some sports organizations may notice that no information is given about their financial reports, the date of elections, and so on. Recently, Timothy FOK was re-elected as the President of the Sports Federation and Olympic Committee of Hong Kong, China by hand-clapping, which is a form of "Mainlandization" of Hong Kong's sports organizations and a shame indeed. Hence, there is no way of participation and monitoring by members of the public as well as their own members if these organizations lack transparency in terms of their operation, financial position as well as the contents of the constitution.

The second vice is the absence of a monitoring mechanism. Given the independent operation of these organizations, the Government seldom exercises control over their internal affairs. As a result, many cases of power abuse and abuse of authority for personal gain have happened. Moreover, ambiguities and mistakes are often found in the annual reports, while the declarations of interests are also muddled. Let me illustrate with an example. We all know who the

organizers of the Hong Kong Marathon are. Those persons are also in charge of certain organizations, and they pocket the profits and organize the event. There are countless similar cases involving the abuse of authority for personal gain.

The third vice involves the leading of insiders by outsiders. As a result, the administration lacks professional knowledge. Many organizations are under the control of elite cronyism, such that the key positions are passed from one generation to another in the same family, and a person who does not play football can become the Chairman of the HKFA. If we consider the situation overseas, their football clubs are all led by former football stars. But it is different for Hong Kong. All the organizations are manipulated by the elites, resulting in transfer of political benefits or mutual protection in other areas. If insiders are led by outsiders, the sports sector will definitely be doomed.

The fourth vice is the power abuse by the management. They have no sense of democracy, and everything is controlled by a few people who would cover up for each other. As a result, these organizations are completely controlled by the senior management.

The fifth vice is the abuse of authority for personal gain. The embezzlement of public funds is commonplace. Most of the times, these cases are difficult to investigate. Many allegations are simply unaccounted for after they have been referred to the LCSO and the Home Affairs Bureau for follow-up, just like they are swallowed up by the deep sea or the black hole.

The sixth vice is cronyism. This situation is blatantly clear. We can see clearly online earlier that the post was passed from the father to the son, or the mother to a certain person. The organizations are all under the control of people from the same family.

The seventh vice is the ageing leadership. The key posts are often held by the same person for two or three decades, which is not conducive to resolving the corruption of the management at all.

Deputy President, there are actually other vices as well, including an unfair selection system, backroom deals and the Government's bureaucratic red tape. All these are not conducive to the development of the organizations. If a real reform is to be instigated, the organizations must be opened up and democratized,

while the transparency of their operation must be enhanced. It would be most important for the organizations to develop through the help of professionals, rather than the elites who control everything. Moreover, an ombudsman system should be established to handle all problems relating to the national sports associations and the sports clubs. Another major reform should be a complete overhaul of the relationship between the amateur sports associations and the Olympic Committee. The amateur sports associations should be abandoned after the establishment of the Olympic Committee, so that the question can become more professionalized and internationalized.

**MISS CHAN YUEN-HAN** (in Cantonese): Deputy President, Hong Kong people of different generations welcome sports. From the football and ping-pong hits between the 1950s and 1970s to the present various ball games and mega sports events, including the Marathon, sports are welcome by all Hong Kong people. As such, I hope the Government will respect public opinions and place sports in a higher position. The Government should consider the point that Hong Kong people love sports. Very often, more people are attracted to mega sports events than politics. Therefore, I hope the Government will face up to the situation.

For example, a very ridiculous incident occurred during the recent Winter Olympic Games, which I have followed up for a few days despite my heavy workload. I cannot help asking why things have turned out like this. We should be pleased to have our young athlete, Barton LUI, qualified for the competition. However, he told us his true feelings after the competition and queried why there was no team doctor to provide support. Such remarks triggered sarcasm and mockery from the senior management of the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC), and the incident turned into a farce. In my view, such remarks are only some positive feedback from an enthusiastic athlete who strives for good performance. Athletes from around the world are given similar support with the exception of those of Hong Kong. This situation warrants the Secretary's careful consideration. The achievement of an elite athlete is indeed the result of the individual's efforts and the support of other people. But under the abovementioned situation, how can we nurture outstanding athletes? I am most astonished to see that LUI, who is very eager to achieve good results, is given such treatment.



Talking about nurturing athletes, we are all aware of the emergence of Jeremy LIN, an American Chinese player, in the United States National Basketball Association. I am so touched by the achievement of this young man who has drawn so much attention from all the Chinese around the world. As such, I have written an article titled "Is it impossible to have another Jeremy LIN in Hong Kong?". It is really difficult for Hong Kong to have an athlete like Jeremy LIN because we can tell how little support is given by the Government to our athletes from the above incident alone. Therefore, may I ask the Secretary whether he knows how many of our athletes have to take up part-time jobs in insurance, transportation, fire services in order to make both ends meet? Once I have watched a special television series about athletes either produced by the Radio Television Hong Kong or the Television Broadcasts Limited. After watching the series, I truly understand that our athletes hope very much to devote themselves in sports training and enhance their personal standard but are unable to do so because they need to earn a living.

It is really not easy to be full-time athletes in Hong Kong because very often they have to do part-time jobs. While certain elite athletes may get greater support from the Government now, how about those athletes with marginal results or those with great potential but sub-standard performance? The television series has brought a lot of questions in my mind. Those should be typical encouraging stories about enthusiastic young people pursuing their passions in sports. But their stories become sad ones in reality. From my observation, there are a lot of young people in Hong Kong who have talents in sports. But being treated coldly by the Government, they regard sports as an optional hobby. When it comes to a choice between bread and hobbies, it is so sad that they usually choose the former because of the problem of livelihood or the influence of people around them.

Just now Mr MA Fung-kwok has mentioned LEE Lai-shan, WONG Kam-po, Sarah LEE. It is true that the Government has given support to certain sports or individual elite athletes. But for most sports, such as those non-professional ones, they are neglected, not because the athletes are not professional enough, but because the Government only takes care of certain elite sports without paying attention to those with sub-standard performance or potential. In the Mainland, sports authorities will get to remote areas to identify children with potential, such as talented swimmers, and give them step-by-step training. During the process, their potential will be tapped so as to achieve the standard set by the government. I really hope that the Secretary will follow this example.

Another problem which I have spent a long time following up is the turf pitch at the Hong Kong Stadium, which has become another big joke. Members may still remember that it was so embarrassing last summer having to get members from an English football team to help clear the turf pitch before a match could be held there. Deputy President, who should be held responsibility for this? Our only decent pitch has turned out to be like this. Yet, the problem did not suddenly emerge at that time but has long existed. I do not deny that technical problems are involved, but why does such a situation exist? Neither do I deny that the weather of Hong Kong plays a part in it, but why is the Government so helpless? Why can nearby regions with similar climate, humidity and weather do something that we cannot? What exactly is the problem?

According to the analysis in the relevant programme, the reason is that the Government did not care in the past and had a sudden awareness only when the turf pitch became an embarrassment in front of the world. The Secretary said at the time that experts were found to deal with the problem of the pitch. Or should a sports commissioner be appointed as pointed out just now? In view of the recurrence of these incidents and the unabated enthusiasm of the general public in sports and international mega sports events such as the Olympics and so on, the Government should really sum up the relevant experiences.

Moreover, I have also taken part in the development of the Multi-purpose Sports Complex at Kai Tak and I concur with what Mr MA Fung-kwok said today, that is, the transparency of the project should be enhanced. In particular, I hope the Government will not just listen to the views of the SF&OC, but also those from the districts, schools and especially athletes. Only by doing so can the views collected be regarded as complete. But I have to give my commendation to the Secretary for his persistence. When some people request for a conversion of the development area into housing purpose; when some people, including certain colleagues in the Legislative Council, only stress the importance of housing construction and neglect the aspirations of local residents and other members of the public, the Secretary has done a good job. Doha, a city not well known to many people, has humbled us with its numerous facilities that surpass ours. Therefore, the Government should not stay at the level of "promoting sports in the community and developing Hong Kong into a prime destination for hosting major international sports events" and forget everything after drawing up these directions (*The buzzer sounded*) ... but should face up to the situation. Thank you.

**MR KENNETH LEUNG** (in Cantonese): Deputy President, in the recent weeks, the short track speed skater participating in the Winter Olympic Games held in Russia has slammed the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) for the lack of support. Started as an insignificant incident, it was subsequently turning into big trouble. The Government's major principle in relation to the sports policy is "promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events". This is a slogan, behind which there are many problems in the sports development in Hong Kong at present.

The first is the problem with our culture, which is a relatively deep-rooted issue. Hong Kong's existing education system undeniably focuses on academic achievements with little emphasis on the positive effects of physical education on young people in terms of their personality and will power training. Also, it overlooks the possibility that sports can be a specialty. In fact, sports can be an occupation. Even though a lot of schools are now providing students with opportunities to play sports, and many parents are willing to allow children to take part in sports activities after school, there is still little change in such a mindset in society and so sports activities are usually considered by parents as a tool for entering prestigious schools. Students with outstanding sports talents are often admitted by schools under the Direct Subsidy Scheme even they do not have good academic performance. In other words, playing sports is just a way to get a place in prestigious schools.

The second is a practical problem. A sports career comes with hurdles even for young athletes with talents and determination. This is easy to understand. First of all, as Miss CHAN Yuen-han has just said, athletes do not have much income and their career indeed offers no long-term prospect at all. This is because the Government's support for athletes is seriously insufficient, apart from the fact that the Government fails to promote sports and develop it into a profession, as I have just mentioned. An athlete may have to spend a lot of time on training and practices starting from the age of seven or eight, and the peak of their career may last just around 10 years. If they have to focus on their sports career, the Government must give them greater support, such as more opportunities for further studies, employment and job switch upon their retirement. Only in this way can athletes see prospects and living protection in their sports career.

The third is the problem of the use of resources. Undeniably, the Government has spent quite a lot of resources on the support for the sports development in Hong Kong in recent years. The so-called resources are money. For example, the Elite Athletes Development Fund was established in 2011, and a total of 16 sports are currently listed as elite sports. Nevertheless, is there something wrong in nature to determine the target of subsidies by elite sports? How elite sports are selected? In most cases, it is decided by objective criteria such as the performance track records and the number of medals won in international sports competitions in the past. However, will the other sports be deprived of the chance of development under such selection criteria? Let us take Hong Kong's popular sports, such as football, basketball and gymnasium, as examples. Why are these sports not considered as elite sports? If there is no chance to be selected as elite sports, how can there be opportunities of development? Anyway, the authorities can still use past track records as a criterion for subsidies for some sports. Deputy President, however, the pursuit of achievements and medals is not the single standard in sports. In fact, we aim at sports for all which will bring better health and quality of life. Therefore, I wish the Government can seriously consider the assessment criteria for elite sports.

The fourth is the problem of venues. Actually, quite a number of Honourable colleagues have mentioned already that the lack of sufficient home venues for training is both a serious inadequacy to the routine training of athletes as well as an enormous obstacle to the current sports development in Hong Kong. At present, most of the sports venues in Hong Kong are under the management of the Leisure and Cultural Services Department (LCSD). Sports teams have all along encountered difficulties in renting the LCSD venues. A very simple example is that many Hong Kong First Division football teams are facing the problem of a lack of training venues, and team coaches usually have to compete online with other members of the public to book venues for practice. In this regard, the Government must consider whether better sports teams, be it football, basketball or volleyball teams, can be given priority to use these sports venues for training.

Deputy President, lastly, I would like to talk about the relationship between developing Hong Kong into a prime destination for hosting major international sports events and the development of sports. In 2012, a study in Australia

indicated that the hosting of mega sports events bore no relation to the promotion of sports in the community. Of course, these mega sports events, such as the rugby tournament and the Standard Chartered Marathon, are to a great extent related to Hong Kong's tourism and image. As for the promotion of sports in the community, however, it is pointed out in the study that there is not necessarily a relationship between the two. If we do not have a comprehensive planning for sports and an overall blueprint for the upgrading of our next-generation sports infrastructure, it will be of little help to Hong Kong's sports development by just spending resources on organizing mega sports events in pursuit of developing Hong Kong into a prime destination for hosting major international sports events.

Deputy President, I so submit.

**DR LAM TAI-FAI** (in Cantonese): Deputy President, "self-satisfaction leads to loss while modesty brings benefits" is an old Chinese axiom that we are very familiar with. Quoted from the *Analects of Confucius*, it means complacency harms and modesty benefits.

I have listened very carefully to the long speech delivered by the Secretary. He spent most of the time reporting the achievements of athletes in different sports these years and the work done by the Leisure and Cultural Services Department, from which I can well imagine his full satisfaction and good feeling of the current situation. His speech gives me an impression that the athletes' achievements today are the result of the Government's tremendous efforts in the past. This is what he would like to tell us. I can see neither any review of the inadequacy of the Government nor any intention of looking for shortcomings, followed by breakthrough reform, improvement and enhancement. I think there is obviously something wrong with this kind of mindset, which shows complacency and refusal to make progress. I am very worried about this. If the sports of Hong Kong are developed along such a mindset, we will go backward instead of forward, and the situation will even become worsened.

Deputy President, the topic of the motion today is "Evaluating the effectiveness of the policy on 'promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events' and formulating a long-term sports policy". Today in

this Chamber, it seems that quite a number of Honourable colleagues have focused on criticizing Timothy FOK for doing nothing and monopolizing the sports arena during his long office as the President of the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC). I think they have strayed away from the topic under discussion today. In fact, I do not completely agree with their comments but I do not wish to argue here. Similarly, the Secretary's speech today has strayed away from the topic as well. It can even be described as "without a topic". This is because he mentioned nothing about formulating long-term policies. He just told us the list of achievements. Neither did he tell us the evaluated effectiveness of the so-called policy on promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events implemented in the past, nor draw up any clear objectives for supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events in the future. His speech lacks substance and objectives.

Indeed, there is always room for improvement and enhancement in a system. Otherwise, it will become rigid, outdated and stagnant. Therefore, Deputy President, whether the sports development today can make a breakthrough and get away from the dead end, as well as gain people's support and recognition depends on whether the Government will have the strong determination to make extensive reform and adopt a brand new mindset. The Government must act as the pioneer in reform and take the lead to make changes and improvements by working in concerted efforts with the sports sector, the national sports associations, the SF&OC, as well as sports lovers.

As for the current problems or defects in the sports sector, I believe that the Secretary knows these only too well and has a very clear idea. Therefore, he must be courageous enough to go where we know full well there are extreme difficulties, and should never pay lip service by making empty slogans with very little achieved despite all the fanfare. He cannot keep talking about promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events without honouring these promises nor formulating any related measures and policies.

The Secretary has just pointed out that the current sports system is in line with the feature of "one country, two systems". I cannot understand why. But anyway, there is always room for improvement in a system. And I think the Secretary cannot turn a blind eye to the current problems, defects or inadequacies

and practise self-deception. In fact, I think the Government must make the sports sector a bigger pie, providing opportunities and a platform for more people to participate. We should work together and turn a small circle into a big one by putting together the wisdom and the years-long united efforts of different people so as to make the pie bigger. I think that the development of sports will bring much room for breakthrough progress.

The Secretary has also indicated earlier that sports can bring a sense of cohesion among the people, which is an important element every society cannot ignore. I therefore consider that the success or failure of our future sports development depends on whether the Government is willing to make changes, dares to make changes, and is capable of making changes; and whether it will carry out reforms well and devise future development objectives and approaches properly. If the Government simply attends flag presentation ceremonies or welcomes gold medalists or prize winners back home at the airport trying to steal glory from the athletes and telling the press that it will give full support to the sports development and elite athletes in Hong Kong, I think this is not going to work in the long run.

In order to avoid endless criticism, I believe that the Secretary should be more proactive in giving advice to the Chief Executive. The Policy Address this year only spent 103 words on sports development policies, which were also devoid of content. It just said that two sports centres would be built. But is this able to satisfy the expectation of Hong Kong people for the sports development? I agree with the Secretary's view just now that we must start developing sports in schools. Therefore, the co-operation between the Government and schools is very important. But the Secretary needs to know that the current policy initiatives for the co-operation with schools are not effective. There are a lot of schools without sports facilities, not even very basic and necessary ones. So the Government must formulate policies to improve the situation expeditiously.

Deputy President, I so submit.

**MR IP KWOK-HIM** (in Cantonese): Deputy President, Hong Kong's major policies on the development of sports at present are threefold: To promote sports in the community, to support elite sports, and to develop Hong Kong into a prime destination for hosting major international sports events. These three policies

involve consideration of various levels and are interrelated. For example, promoting sports in the community can provide a pool of talents for elite sports, supporting elite sports can boost the standard of Hong Kong's sports, which can help attract major sports events to be held in Hong Kong, while developing Hong Kong into a prime destination for hosting major international sports events can arouse the public's awareness of sports, which helps promote sports in the community. Members of the public have never had much objection to these three policies. But no matter how good a policy is, without appropriate measures to support it, it will only be empty talks. The recent complaint lodged by Barton LUI, the short track speed skating athlete representing Hong Kong in the Winter Olympics, against the lack of support by relevant parties has revealed the problems in the implementation of Hong Kong's sports policy.

The Government injected \$7 billion in January 2012 to set up the Elite Athletes Development Fund in the form of a seed fund and the investment return is used to promote the development of elite sports and elite athletes. Frankly speaking, \$7 billion is not a small sum and taking 4% or 5% as the average yearly return rate, there will be an amount of about \$300 million made available every year. The problem lies in how such resources are to be reasonably distributed. The Hong Kong Sports Institute (HKSI) is the organization to assist the Government in elite sports training. At present, about 1 000 elite athletes are receiving subsidy from the HKSI but even though they are all elite athletes, the treatment received by different athletes varies subject to the sports they engage in.

Take dancesport for example. As dancesport is not one of the 16 grade A elite sports of the HKSI, even elite athletes of this sport cannot live in the HKSI hostels or use the fitness equipment there and if they are injured during the competition or training, the HKSI will not provide medical care support for them. Barton LUI is faced with the similar situation. As short track speed skating is not a grade A elite sport of the HKSI, he gets very little support. Besides, as he is only an Elite C athlete, he only gets a monthly subsidy of \$4,548. An athlete can hardly subsist on this amount of money, let alone bearing the various expenses on training himself/herself.

Barton LUI may be a more fortunate one. With the financial support from his family, he can afford to suspend his studies to become a full-time athlete. Not every athlete is like LUI to have a family who can provide financial support for them. Therefore, we often see athletes having to do part-time jobs after training as they cannot subsist on the extremely meagre monthly subsidy and



many of them engage in the insurance business to help make ends meet. If an athlete has to worry about his/her livelihood, he/she will not be able to become a good professional athlete to pursue excellence in an athletic competition. Therefore, in developing elite sports, the Government must not disregard the professionalization of athletes. To bring about the professionalization of athletes, it must provide them with sufficient financial support.

Under Hong Kong's policy on developing elite sports, to be exact, the policy on developing the elite of the elites, only elite athletes engaging in elite sports can obtain relatively more support. For elite athletes engaging in non-elite sports, the subsidy they get is minimal. There is some truth about resources being limited and there not being enough resources to go around, and hence we cannot criticize too harshly the policy of pooling the resources on the training of elite athletes of the elite sports. But if the HKSI receives \$200 million or 300 million in government funding each year, which is not a small sum, is it necessary to be so harsh on the elite athletes engaging in non-elite sports? As the athletes of non-elite sports get few resources, it is more difficult for them to attain good results; thus it will be hard for the sports they engage in to become elite sports. This is just a vicious cycle.

Moreover, the HKSI's criteria for screening elite sports have always been criticized for lacking transparency and social recognition. For instance, many people do not understand why sports such as football and basketball that they are familiar with are not listed as elite sports. Mr Kenneth LEUNG has also mentioned this point. Judging from the results, in the past 16 years, Hong Kong short track speed skating athletes were qualified for participation in four consecutive Winter Olympics. It is rare and commendable for our athletes to qualify for the Olympic Games but short track speed skating is still not accepted by the HKSI as a grade A elite sport up till today. It is no wonder why some people consider this a big joke.

In conclusion, what needs to be done now regarding the policy of developing elite sports is to review the direction of subsidization to allow every elite athlete to receive better support so as to obtain better development. I so submit.

**MR CHARLES PETER MOK** (in Cantonese): Deputy President, the ruined turf pitch of the Hong Kong Stadium last year was a laughing stock of the whole

world. I was there at that football match. Although there were numerous holes in the pitch, I still wanted to find a hole to bury my head in it. Afterwards the Government promised to improve various sports venues and facilities but it is still dragging its feet over the formulation of a long-term sports policy. The Government has all along turned a blind eye to the problems already found or being often talked about currently, such as the corruption involved in the public-private partnership — be it the Hong Kong Football Association, football match fixing or the Winter Olympics, they are all a mess — and also the lack of planning for the city and facilities and so on.

The original motion mentions about evaluation. It is most important to promote sports in the community and the ultimate goal is to have everyone participate in sports for the sake of their own health rather than merely for the trophies. If few people participate in sports, will there be any elite sports to support? If we only set our eyes on hosting major sports events, our emphasis is not on sports any more but tourism.

Perhaps because the Government's policy is tilted toward supporting elite sports and hosting mega sports events, the sports sector is especially concerned about the development of the Multi-purpose Sports Complex at Kai Tak (Sports Complex). I think that in respect of the development of the Sports Complex, the transparency of its management has to be enhanced and a clear consulting mechanism has to be set up. The authorities have already recommended that the Government provides funding for the construction of the Sports Complex and invites private corporation to manage it in the long run. A tender exercise is to be conducted next year and it will be constructed by a public-private partnership. However, people always feel nervous about public-private partnerships. There have been many management problems in many development projects carried out by public-private partnerships in the past. For example, after the 1881 Heritage, the former Marine Police Headquarters Compound located in Tsim Sha Tsui, was opened, the media revealed that its developer had produced additional floor areas without paying premium to the Government. I suggest that the Government amends the current tender and co-operation terms to enhance its monitoring duty.

Besides, the Government should also ensure that after the Sports Complex is commissioned to a private corporation for long-term management, the rental matters of the facilities inside will not be completely commercialized. As

regards its operation, the needs of other social strata should also be taken into account. The operator can neither refrain from offering concessionary rents to needy organizations on the grounds of operating costs nor give priority to commercial activities. Otherwise, it will give rise to unfair distribution of public resources and turn the Sports Complex into another private club of the wealthy.

In respect of the future design of the Sports Complex, owing to the constraints posed by the land and various environmental factors, I guess many professional groups in the community would worry that the venues and facilities of the Sports Complex will not be able to cope with large-scale international competitions and the usage rate of the Sports Complex will not be up to par, and in the end, it will become a white elephant, a waste of public money. Therefore, I think that the Sports Complex should be for multi-purpose use with flexible combinations, so as to provide venue support for more sports. And other than sports, it can also be used for large-scale commercial or cultural events.

Apart from the Sports Complex, there are also other sites with various potential and unique resources in Hong Kong that can help enhance the development of sports in Hong Kong. The authorities should review the present land policy and policies on the revitalization of factory buildings so as to release more space for the development of sports venues by the private sector, and encourage young people, in particular, to start up businesses and develop the local creativity industries. In recent years, there are many indoor sports venues, such as velodromes and skating rinks, in overseas countries designed by young people and these venues are very popular. Some overseas organizations are interested in coming to Hong Kong to develop their projects. However, many organizations said that they had difficulties applying for the change of the use of factory units and various government departments lacked co-ordination and a uniform system. And their applications were very often stalled for half a year or more. The current policy on revitalizing factory buildings mainly involves providing assistance in renovating or redeveloping the buildings. In respect of this issue, Members may think that I am talking about the data centres of the IT sector but the situation is very similar. I suggest that the Development Bureau gives more assistance to small applications concerning the change of the use of factory building units and set up a co-ordination centre under the Home Affairs Bureau similar to the Data Centre Facilitation Unit under the Office of the Government Chief Information Officer. Actually, nothing is impossible and the

thing to do is the same, which is to co-ordinate and improve the work among departments.

In respect of hosting more major sports events, no other outdoor events hosted in Hong Kong is bigger than the Hong Kong Marathon which many colleagues have talked about today. This event attracts the participation of the general public and also top athletes from all over the world. I believe everyone knows that many people like to participate in marathons in various parts of the world. Hong Kong is, in itself, a fascinating place but its appeal lies in the city instead of the tracks. Many local residents also like to participate in the Marathon and they are in the number of tens of thousands every year. However, the tracks, including the track for the 10-kilometre race, are just too crowded. I participated in the 10-kilometre race once but switched to the half marathon afterwards. Besides, the races are basically held on flyovers, tunnels and highways. People may think that those are car races. It is a rather lonely race for the participants as there are no audience to cheer them on along the way. They also have to compete against time because the time limit for the race is rather short and they are afraid to be taken away by buses if they stayed longer on the tracks. Unlike Hong Kong, in overseas countries the time limit is rather long and hence the participants can feel at ease and take their time to finish the race to give full play to sportsmanship, which is very important. The Government has to look squarely at this major annual event, extend the period of road closure and improve the track arrangements and traffic support system to allow the participants to feel at ease when racing. This way, it can achieve what Members have said, that is, rather than hosting the major events for the sake of hosting major events, we host the events for the purpose of encouraging the community to participate in sports.

Deputy President, I so submit. Thank you.

**MR CHAN CHI-CHUEN** (in Cantonese): Hong Kong's strategy for developing sports is threefold: To promote sport in the community, to support elite sports, and to develop Hong Kong into a prime destination for hosting major international sports events. Dr LAM Tai-fai mentioned in his speech just now that we should avoid letting these three objectives be turned into empty slogans without any policies or actions. What are the results of these three objectives? Members have given different evaluations. To really make the three objectives effective, the first step is to eliminate the hegemony. The scandal about the

doctor to accompany the Hong Kong team in the Sochi Winter Olympics being kicked out has aroused strong opinions for the reform of the Hong Kong sports sector. It is a shame that the candidates for the new term of the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) are still the same old faces of Timothy FOK who has been the President for 16 years, PANG Chung, Ronnie WONG and Kenneth FOK, and it is highly probable that all of them will again be elected. They are what I call stubborn old men who form the hegemony of sports.

After the scandal about the Hong Kong Sochi Winter Olympics team having no team doctor broke out, Dr Kenneth CHAN and I wrote to the authorities via the Panel on Home Affairs to ask why the athletes participating in the Winter Olympics did not receive the support they should have. The answer from the authorities was that the Government had allocated \$650,000 to the Hong Kong Winter Olympics team, an increase of 1.4 times over the funding of \$264,000 allocated to the Hong Kong team participating in the 2010 Vancouver Winter Olympics. The authorities also advised that in as early as September last year, it was estimated there would be at most four athletes participating in the Winter Olympics. When the SF&OC applied to the Home Affairs Bureau for funding, it also indicated that one volunteer medical staff would be accompanying the team. The authorities also suggested that among the 13 places, one should be reserved for the medical staff. It was only that the SF&OC ultimately defied the authorities' suggestion and ignored the athletes' demand for a team doctor. This is the hegemony of sports. It seems that even the Government is unable to control the SF&OC.

The election of the new term of the SF&OC will be held on 27 this month. What is different this time is that the number of candidates will exceed the number of seats for the first time. In all the elections before, as the number of seats corresponded to that of candidates, the members were elected by the clapping of hands. Among the nine candidates for the deputy chairmen, five are incumbent members seeking another term of office and two are the sons of retiring deputy chairmen, which is *de facto* hereditary succession. There will be a new face. Who is that person? That is HO Kim-fai, the athlete in rowing who won Hong Kong's first-ever East Asian Games gold medal. We hope that this election will have a breakthrough, breaking the hegemony, dynasty, aristocracy, hereditary succession and aged management.

Concerning the threefold strategy, I have always had reservation about the development of Hong Kong into a prime destination for hosting major

international sports events. As regards the major sports events, I do not support hosting one-off events like "spectacular fireworks display" such as the Olympics Games and the Asian Games that are held once every several years and after hosting one of these Games, a city will have to wait a few decades to have the chance to host another one. If Hong Kong aspires to bid for the hosting major sports of events, it should strive for the hosting of international events that are held annually so that Hong Kong will have colourful and varied sports events. But what is the reality? It seems that the Government is not too keen on developing Hong Kong into a prime destination for hosting major international sports events. Sir David TANG and Mr Lawrence YU strove for the staging of the inaugural Formula E Motor Racing Championship Series in Hong Kong as one of the stations last year but in the end owing to problems with the race tracks and Hong Kong was unable to present solid solutions, it was removed from the wish list of venues. It was rumoured that because the authorities were unwilling to bear the responsibility of widening the race tracks and installing crash barriers, problems that could have been solved were rendered unsolvable and in the end the plan fell through. In an interview, Mr Lawrence YU criticized the Government for being over-cautious for fear of criticisms from the media. A mega sports event that could have boosted Hong Kong's international image fell through on account of bureaucracy and conservative mentality of the authorities. I would like to ask how the Government can follow through the so-called policy of developing Hong Kong into a prime destination for hosting major international sports events.

In the following I would like to focus on the issue of promoting sports in the community. The aim of this is to encourage the public to exercise more but the objective fact is that even if we want to engage more in sports, there is no venue for us to do so. Many sports venues run by the Leisure and Cultural Services Department (LCSD) have long been criticized for being the money-making tools of speculators. Some popular sports venues, in particular, have long been occupied by speculators. People who want to rent them have to buy tickets from these speculators. The Ombudsman has repeatedly criticized the many loopholes in the rental arrangements of these venues. The LCSD has put in place counter measures accordingly and formulated rules for renting venues in order to address this problem. However, as the saying goes, "The priest climbs a foot, the devil climbs ten". The speculators are still able to avail themselves of loopholes. For example, it was reported a couple of days ago that a children education organization had repeatedly rented public sports venues from

the LCSD for \$1,000 or \$2,000 to hold sports events and charged entrance fees, making close to \$100,000 in profit in each event. The LCSD has also indicated that the organization concerned had rented its public sports venues over the past two years to hold at least eight sports events but it had not followed the rules concerning the usage of the venues to inform the LCSD that it had charged fees from the public and neither had it contributed part of the proceeds to the LCSD, keeping the LCSD in the dark all the time. As the Bureau is criticized for ineffective supervision, it should make a greater effort in the future.

Lastly, I would like to point out that the Government only charges some sports venues run by community organizations a nominal rent. However, the renting procedure and system of these organizations lack transparency and the sports venues become their realm. It is very hard for ordinary people to rent such venues. Therefore, when promoting sports in the community, the Government has to pay more attention and make greater efforts to overlook the management of the sports venues; otherwise, even if the people want to engage in sports, they have no venue to do so because of the ineffective supervision by the Government.

I so submit.

**MR WONG YUK-MAN** (in Cantonese): Deputy President, this motion proposed by Mr MA Fung-kwok today exactly highlights the grave shortcomings of the sports and recreational policy of the SAR Government. When it comes to evaluating the effectiveness of the policy on "promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events", is there any effectiveness at all? No, there is no effectiveness at all. I do not know what has been done by the Secretary — who is in the Chamber now — over the years. He is always full of empty talk. Just now, Dr LAM Tai-fai was spot on with his comment that they were all slogans.

Mr MA Fung-kwok proposed 10-odd suggestions specifically relating to sports policy, facilities, participation and support for athletes — all of which are nothing new. Simply put, if any government, especially the SAR Government, has such huge fiscal reserves, its resource allocation on sports and recreation is not spent properly. We often receive many complaints about the sports clubs, or

whether some athletes are qualified to take part in matches. What can we do? There is nothing we can do, apart from listening and comforting.

Regarding the core question of why Hong Kong sports are consistently on the decline, actually, Mr MA Fung-kwok has not responded to it in his motion. Society as a whole is indifferent to sports because Hong Kong's economic, labour, education and sports systems cannot offer a proper space for the development of sports. We cannot just rely on one single department.

Let me give a very simple example. How many years have been spent on the discussion of standard working hours? Given the long working hours of workers in Hong Kong, how much leisure time do they have? How can young workers or employees take part in sports? How can an interest and a habit of doing sports be developed among them? The problem is very clear.

On the other hand, the education system never encourages children and youths to develop their interest and talents in sports. The reason is simple. Hong Kong's education system is based on an elitist approach, and academic achievement is more or less the only criterion when it comes to the chance of receiving further education and the choice of streaming. Most schools and parents will only concentrate on raising the academic results of students by giving them a lot of homework. For example, for Primary One students, they have to finish seven or eight pieces of homework each day, take one dictation per week, and sit for one test every two weeks, as well as one interim examination each month. How can they do any sports? The entire development process of school children is over-burdened by a large amount of homework.

Physical education in primary schools is more or less a subject in form rather than substance. Of course, a few schools will enrol elite athletes in order to boost the school's reputation. But most government schools or elite schools in the district will pay little attention to the students' achievement in sports. Perhaps some parents may, from an opportunistic perspective, actively engage their children in sports training so as to give their children extra credit in their applications for secondary schools.

The Government's stance in sports, or even promoting sports in the community — the Chinese expressions of "普及化", "精英化" and "盛事化" are really a mouthful — is mere lip-service. How can sports be promoted in the community? From the public's perspective, how can sports be promoted in the



community if there is no way to allow more people to participate in sports? Let me give a simple example. I was told by some cyclists that the roads in Hong Kong are not designed to facilitate cyclists (or those who do cycling as a sport), and they must often compete with lorries while cycling on the highway. As a result, accidents occur frequently. But the Transport Department just turns a blind eye to the problem, and nothing has ever been done to improve the situation. Places in the rural areas, such as Lantau and Sai Kung, have always been popular picnic spots for the public, yet the Government has all along failed to protect them properly, and even allows private developers to destroy these places. Hence, with its so-called policy of promoting sports in the community, the Government is just acting like the fabled YE Gong who professed to love dragons but was scared by the actual sight of them.

On the other hand, people are generally unenthusiastic about sports. They neither watch nor participate in sports. Given the lack of interest in sports in the community, there is naturally no way to attract commercial investment or sponsorship in sport events. If the general public are attracted to participate in sports activities, or that there is a certain number of spectators, it can create a positive image or even bring in advertising revenue.

(THE PRESIDENT resumed the Chair)

Given the lack of commercial sponsorship in sports in Hong Kong, many elite athletes can only rely on subsidies and support provided by the Government. However, over the years, Hong Kong's sports policy and system have yet to reach a satisfactory level, and many scandals have happened. Recently, I have criticized the leaders of the so-called "Sports Federation" on an online television programme that their bureaucratic red-tape was unbearable. I heard that PANG Chung had answered Barton LUI's remarks by this counter-question: "Is it necessary to pay respect to him every day?" Buddy, Barton LUI's family had provided a lot of finance on their own so that he could take part in the Winter Olympic Games. Later, it was revealed that a place in the delegation could have been allocated to the team doctor, but it was taken up by another person. Why was Ronnie WONG in the delegation? What was the matter with him? Basically, it is absurd for him to take up the place in the delegation. There are countless similar scandals. Some people consider that it is useless to raise these questions in this motion debate today. Sure, what is the use of bringing them up

here? But those people in charge of our sports policy, or people who are controlling the sports clubs, or the leaders of the "Sports Federation" should all be fired. They are the shame of the sports sector. As their funding is provided by the Government, is it not reasonable for the Secretary to exercise monitoring over them?

Currently, the sports sector has become a venue for hunting fame — the Member who represents the sports sector is in the Chamber now — they are just hunting for fame. Have they made any concrete contribution to the sports sector of Hong Kong as a whole? Honestly, the speaking time limit of seven minutes is too short. I have written an article on the subject, and the Secretary can feel free to have a look.

There is a serious lack of supporting measures for sports in Hong Kong, and no livelihood protection is provided to the athletes. Secretary TSANG Tak-sing as well as the senior management in the sports sector have failed to strive for the promotion of sports in Hong Kong. Together with factors such as people's livelihood and the education system, sports cannot be promoted in the community. That is the crux of the declining development of sports in Hong Kong. Thank you, President.

**MR WU CHI-WAI** (in Cantonese): President, I heard many Honourable colleagues talk about various questions with sports in Hong Kong, and the crux is that notwithstanding the large amount of public resources allocated to the National Sports Associations (NSAs), the results are hardly convincing from the public's point of view, and insofar as the promotion of elite sports is concerned, it again fails to meet the public's expectation. In particular, the public are sceptical about the governance of the NSAs.

Recently, we have a discussion on the Multi-purpose Sports Complex (MPSC) at Kai Tak which involves an allocation of public resources as much as \$30 billion. When we discussed the West Kowloon Cultural District development, we took the opportunity to review the sports policy as a whole as well as the arrangements to implement the cultural policy. But when it comes to the MPSC at Kai Tak involving such a substantial allocation of resources, why is the opportunity not taken to comprehensively review and make adjustments to the current governance of the NSAs? Why is the opportunity not taken to improve the relevant work in a targeted manner through this important sports facility?

Whenever the Secretary speaks about the matter in this Chamber, he invariably says that regular reviews would be conducted, while it is necessary to develop the MPSC at Kai Tak because Hong Kong lacks large-scale sports venues, such that Hong Kong cannot promote itself as a host to major international sports events. Notwithstanding, we are gravely concerned that the MPSC at Kai Tak might eventually become a white elephant for Hong Kong. Why do I say so?

Let us consider the sports venues we have right now. There is the Hong Kong Stadium. How many days is it in use each year? Some refer to the substandard facilities at the Hong Kong Stadium and consider that it is not suitable for use, but with a capacity of 40 000 seats, can it be used for hosting other events or activities rather than football matches? If no events, other than the annual Hong Kong Rugby Sevens, are held in the Hong Kong Stadium, can we say that Hong Kong has already been developed into a prime destination for hosting major international sports events? Hence, as I see it, we must firstly ascertain the position and role of the MPSC at Kai Tak and take the opportunity to review the sports policy of Hong Kong. Without doing so, the Government's policy on supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events is invariably some sort of slogans.

The second question is about promoting sports in the community. We can all understand the promotion of sports in the community and hope that every citizen can become more healthy through taking up sports, so that some healthcare expenditure can be reduced. Of course, as we can see, the Government is lousy in promoting sports. As Mr WONG Yuk-man said just now, Hong Kong people neither appreciate nor like sports. But is that the truth?

I would like to make a few points for the Secretary to ponder on. He can visit some places, such as the Fa Hui Park, the Southorn Playground, or what we call open venues, and play a game of basketball by following a queue on the spot, and he will discover that these sports are very popular. But that is not the direction of the Government's existing policy. Instead, the Government is building many indoor venues because it wants to tell people that there are adequate facilities in the community of Hong Kong, and they are operated under good management. But these venues are facing the problem of short supply because of the emergence of "queuing gangs". What action is taken by the Government to deal with the "queuing gangs"? Perhaps the Government tries to

devise some measures to increase the difficulty of queuing. But can it really solve the problem? No, the problem is still unresolved because the Government is only tackling the problem of the "queuing gangs", rather than dealing with the demand and supply of sports facilities.

Given the sparse land and large population of Hong Kong, of course we understand that it is impossible for the Government to build sports facilities endlessly in order to satisfy the demand for all. But it is exactly because of this reason that perhaps we should have some venues or give more consideration in terms of the arrangements or the mentality, to the provision of open venues, so that whenever we want to play a particular kind of sport, we can play it by following a queue on the spot, unlike the present arrangement where advance booking is required. Now, if we want to play a game of football, we must mobilize 22 persons before an advance booking for a football pitch can be made. Actually, this is a very complicated process. As a result, people are prompted to hire the "queuing gangs" to help.

Another important source of venues is schools. As some Honourable colleagues mentioned just now, the subject of physical education in schools is more or less useless or meaningless, while students are not encouraged to take up sports under our education policy. But another absurdity is quite clearly that no consideration has been given to opening up the sports facilities in schools for public use. After school, the schools will be closed. Has the Government considered that these sports facilities can actually be put to better use? If this can be done, more venues will be available in our society, such that members of the public can engage in their favourite sports more easily. Likewise, for example, the arrangements for cycling as a sport, the arrangements for running as a sport, and so on, can actually be achieved by making additional use of existing facilities under a more lenient policy.

Of course, another issue under extensive discussion in society is the land lots granted to various clubs in Hong Kong, and the Secretary has recently assigned an Assistant Director to deal with it. What should be done about them in future? Sports facilities in these so-called private clubs are actually built on important land resources of the community. Should the Administration formulate policies, so that the relevant facilities can be widely — my emphasis is on "widely" — used by members of the public? If we want to have a good atmosphere of sports in society, the provision of adequate venues is a pre-requisite. It is only when such a condition is fulfilled in society that a large

enough audience exists to allow for the potential development of enterprising in sports. With the presence of commercial factors in sports, athletes would be given the support to go professional. Otherwise, the Government is just using public money to nurture elite athletes continuously. But is that a reasonable approach?*(The buzzer sounded)*

**PRESIDENT** (in Cantonese): Mr WU, your speaking time is up.

**MR WU CHI-WAI** (in Cantonese): Thank you, President.

(The President noticed that a placard irrelevant to the motion was displayed by Mr LEUNG Kwok-hung)

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, I have already reminded two Members that objects displayed by Members in the Chamber must be relevant to the business being dealt with by the Council. Hence, please put away the placard which is irrelevant to this motion.

**MR LEUNG KWOK-HUNG** (in Cantonese): It is related to the agenda of the meeting. We are debating on the subject of sports today, are we not? As fairness is the essence of sportsmanship, this Council has to respect the principle of fairness too. That is what I will speak on.

**PRESIDENT** (in Cantonese): Mr LEUNG, I do not accept your explanation. Please remove your placard.

**MR LEUNG KWOK-HUNG** (in Cantonese): What can I do? I cannot even talk about that.

**MR SIN CHUNG-KAI** (in Cantonese): President, although I am not very familiar with the policy on sports, I understand that it is very difficult for the grassroots to participate in sports because of a lack of suitable sports venues.

Mr MA Fung-kwok's motion mentioned the policy of "promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events". Developing Hong Kong into a prime destination for hosting major international sports events certainly involves many factors, but promoting sports in the community is the basis of supporting elite sports. If sports have not been promoted in the community, how can we support elite sports? If only a small group of elite athletes is taking part in a sport, it is not a popular sport. The promotion of that sport by the Government will only serve the group of elite athletes instead of the public. Therefore, the fundamental question is how to promote sports in the community.

The basis of promoting sports in the community should come from the most basic level. As the saying goes, "Good tools are a prerequisite for good work." The fact that Hong Kong lacks various kinds of sports venues is disappointing. The planning guidelines formulated by the Government years ago are now outdated. I was a member of the Hong Kong Housing Authority and I know that when it plans a new public housing estate, it will always build a basketball court in the recreational area because of a lack of space. I am not biased against basketball and I know it is a popular sport too. However, I have witnessed that people often play football in basketball courts. What does that show us? Very often, the Government, the Leisure and Cultural Services Department and other government departments have not provided adequate sports facilities and venues for students, school children and people who are interested in sports. If Members have the chance to visit a grass-roots district, they can see people taking turns in playing football, particularly during weekends, near the housing estate. If the four or five teams there play in an orderly way, the team which scores first can stay on and the team which loses will be replaced by another team. Otherwise, four or five teams will play with two or three footballs in the same court at the same time.

President, in the first speech delivered by the Secretary just now, he pointed out that the authorities had already put in place some good basic policies where changes were not necessary. There may well be a policy on sports venues and facilities, but it cannot meet the actual needs of the people.

President, my second point concerns the governance of the sports associations, which was mentioned by Honourable colleagues earlier. We

understand that the sports associations are independent and autonomous bodies. Should the Government interfere with their business lightly? I have reservations about it. But the point is, having received Government funding, the sports associations should carry out their duties. They cannot receive public resources without being monitored by the public. This is the argument. If the sports associations are self-financed and have raised sufficient funds for their work without the need of any financial support or assistance from the Government, the Government surely cannot monitor them.

I would now turn to the issue of the gun club mentioned by Miss Alice MAK earlier because the Legislative Council Complaints Division is handling the case. The Home Affairs Bureau has been troubled by this case for years. Recently, the Secretary for Home Affairs has sought approval from the Legislative Council to create a designated post to handle matters regarding private clubs. The Democratic Party supports the application and we hope that the Government will properly manage the problem of private club venues and review the situation. Let me explain what happened in the case of the gun club briefly. The Government has allocated certain venues for the management of the Hong Kong Shooting Association. A small and independent gun club had no place for practice, but the Association refused to accept it as its member. The current situation is that after the Government has allocated certain venues for a certain national sports association to manage, that association has the right to allow or refuse the use of the venues by certain people. If such a decision is made for safety reasons and according to uniform standards, we would certainly find it acceptable. But it seems that the Association refused to let certain people use the venues because of personal grudges. The Legislative Council has already held two or three case meetings regarding the case. And it seems that the Government does not have a clue to how to handle it. As the Government is now able to create the additional post, I hope it will add certain conditions and formulate some fair, open and just rules and regulations for the use of these venues when allocating them for the operation of sports associations.

My last point concerns the use of private venues and sites land. The Government has allocated a lot of resources and sites to private clubs at a very low price, for example, it may charge a large piece of land at a token price of a dollar or two. These are valuable resources. According to the rules and guidelines of the Government, these private clubs should make the venues available for public use at certain times. To put it simply, the current situation is

that despite policies devised, there are ways to circumvent them. Many clubs are only paying lip service to the Government by holding some events once in a while with some photographs taken. They have not actually made the venues available for public use. I hope that after the new post is created, the Secretary will ensure that effective provisions will be included in the renewal or the grant of land lease to private clubs so as to allow the public to use these private venues.

**MR LEUNG KWOK-HUNG** (in Cantonese): President, sports mean challenge. On the topic of sports, I do not know what Members are talking about today, but among the five areas of personality, intellectuality, physicality, sociability and aesthetics, the development in aesthetics is considered to be the ultimate pursuit in life.

Why is the development of sports or physicality so poor in Hong Kong? The reasons are surely related to our social circumstances. While we are complaining how corrupt the sports sector is today, the problem actually has a long history. President, as you are aware, the Government has been supporting the development of sports through the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) and the committees formed under the SF&OC are vested with the special duty to select athletes to participate in international competitions. I believe the Secretary has socialized with these people and has had far too many cocktails and meals with them.

As the saying goes, "While a Chinese sponge cake is sold on one side, grass jelly is enjoyed on the other". It is all a matter of preference. The support given by the Government to the different committees of the SF&OC will depend, first of all, on personal connections. The presence of people with close connections and big wigs in a committee does make a difference. When the Legislative Council conducted a visit to the Hong Kong Golf Club in Fanling to study the Northeast New Territories New Development Area project, the people of the Club almost refused to let me in because I did not wear a tie. That is hegemony, is it not? When legislators visited the Club for the clear purpose of checking whether any land resources in the Northeast New Territories had been wasted, these people were bold enough to behave in such a way. I am not sure if Mr Ronny TONG was with us at the time, but I remember Dr LAM Tai-fai was also one of the aggrieved. In the end, they let us in out of courtesy. President, have you visited the Club before? Anyway, you may not be qualified to do so.



How many people are playing golf in Hong Kong? Unlike a football, a golf ball is only very small in size. President, you can pay a visit to the districts and find out how many people do not have a place to play football. On Sundays, the Philippine people in the basketball court on Lockhart Road have to compete with other teams of players for the use of the court before they can begin to practise. If they lose in the preliminary contest, they have to let the winning teams play first and wait two hours for their turn.

President, I call that corruption. I wonder if Mr MA Fung-kwok and Secretary TSANG Tak-sing will go with me to the Labour Department on Monday to help the football team members of the Happy Valley Athletic Association (HVAA) claim for arrears in wages? Look how corrupt it is! The Hong Kong Football Association (HKFA) cannot handle the internal problem of match-fixing and so it has suspended the membership of the HVAA. As a result, the football players of the HVAA are left out in the cold. They are not given wages and they cannot participate in matches, and no one is going to take care of their problem. President, have these people contacted you before? They have sought assistance from Members of the Legislative Council, but since nobody wants to handle such a difficult task, I will help them make their claims and institute a judicial review afterwards to find out whether it is proper for the HKFA to handle the matter in such a way. It is so time-consuming and inefficient.

President, in the colonial days of the British Hong Kong Administration, I believe you have watched foreigners play with the balls on the ground and by that I mean lawn bowling. What made the Chinese feel most disagreeable was that because of corruption, the foreigners could play in the big bowling green opposite the Chater Garden in Central while the Chinese could only watch from outside. Buddy, that kind of system is still with us. Just consider how members of the SF&OC are elected. Besides, as "money makes the world go round", an athlete will not get money if no medal is obtained.

President, considering these problems, the development in the five areas of personality, intellectuality, physicality, sociability and aesthetics is far from satisfactory and the development in aesthetics is even most disappointing. We are not talking about how sports activities can enrich the life of an ordinary person; we are talking about cronyism or dollar diplomacy here. Whether a society is just or not can be judged from its development in physicality and

aesthetics. Simply look at the election system. Even the SF&OC will let the big gun take charge, but with the election of the Chief Executive, it has to go through the Nominating Committee. President, have you heard anything so ridiculous?

Under the Nominating Committee, an athlete who can finish the race in 9.9 seconds is not qualified to take part in the competition, but the one who can only do so in 10.9 seconds is. What on earth is the reason for that? The Nominating Committee has to nominate athletes by the block vote system to take part in the 100m race. It will reject the athlete who can finish the race in 9.9 seconds because he may not be absolutely safe, may not deliver the best performance and may not be able to represent Hong Kong. Those are the bizarre remarks made by CHENG Yiu-tong. If this guy is so concerned about absolute safety, why does he not take up the position of the chairman of the committee for the prevention of AIDS?

Therefore, we cannot base our arguments on reasons anymore. Sports are created by man and one of the objectives of the International Olympic Committee is to turn hostility into friendship so that people will not contest in wars but on sports grounds. However, our society is rotten from head to tail. The rulers are only concerned about whether the electors are selected by them, if they are not, they will not be allowed to participate in the 100 m race. When you are trying to play a game of football, they will move the goal.

President, despite the ruling you have made today, I am giving my total support to the Taiwanese students who are protesting against the administrative hegemony of the Taiwanese government on the principle of fairness. President, when the time comes for a filibuster, you will again be the one to rule on whether the Committee stage amendments of the Bill are to be scrutinized one by one. It all depends on whether people have a sporting spirit. We can see that it is happening in Taiwan now. President, I have come to the conclusion that this legislature is useless because it is discussing a subject which the people of Hong Kong are not really interested about in a debate on a motion which is not intended to have any legislative effect, but remains silent on the issue which the people of Hong Kong are most concerned about. Buddy, how can this legislature avoid the negative outcome of "game over"?

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MR CHAN KIN-POR** (in Cantonese): As there is no specific policy on sports in Hong Kong, the development of sports has been stagnant. Sports does not only promote the physical and mental well-being of the participants, it also brings great benefits to society. Since the reunification, the Government has been busy dealing with various economic and political crises and does not have the time to work on policies which require long-term planning, including the sports policy. Hence, there are doubts about whether the Government's policy of "promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events" back then has been reduced to nothing more than a slogan now.

I enjoy running and I can share with you that sports do not only strengthen physical fitness and promote health, but also make people real good. It is also a good time to think of new ideas while running. Hence, I have been a keen supporter of sports development and I encourage the public to engage in sports. However, the Government needs to formulate a long-term policy to promote sports. To put it simply, sports basically promote physical and mental health of the public, and thus public healthcare expenditures can be reduced.

However, the benefits which sports bring are far more than that. Sports also make a significant contribution to the stability and harmony of society. In the United Kingdom and in many countries across Europe, football is so popular that it has actually been developed into a social culture. Football matches are an essential part of the leisure of the public. The sport is not only a leisure activity, it unites the community and the nation and greatly reduces discontentment in society. As family members can easily find a common topic or devotion to share, the family bond is strengthened. As we can see on television, whenever there is a major match, local supporters will participate in the event enthusiastically. Since the people have found sustenance in life, they are more satisfied with society and social conflicts will naturally be reduced. Therefore, sports is an important mechanism for the promotion of stability in every country.

Frankly speaking, there is a great need to establish a similar mechanism in Hong Kong. Since Hong Kong is a fully-developed economy, young people do not have much room for upward mobility and most of them cannot obtain a sense

of satisfaction or achievement from work. Therefore, it is necessary for them to find a personal interest for sustenance in life. A sport provides the best option. Whether they are participating in a sport or watching a sports competition, it will bring them a lot of pleasure and relieve them of the stress at work. I once worked in a German company. Young people in Germany actually face similar problems. The government of Germany encourages cultural development among young people so that they can have more fun in life. Sports are one of their key initiatives. Therefore, sports and the policy of the whole society are interrelated. Many foreign governments have attached great importance to the policy on sports. The SAR Government should learn from their experience and seriously formulate a long-term sports policy.

How can sports development be promoted? The original motion today has put forward many useful suggestions which are worthy of the Government's consideration. I believe we should start with promoting sports in the community. It is best to begin at schools because students are the group that regularly participates in sports. Many sports enthusiasts actually cultivate an interest in sports when they are students. The Government should encourage schools to pay attention to the development of the subject of physical education so that students will be taught more knowledge of sports and nurtured an interest in sports. In addition, more intra- and inter-school sports competitions can be held to enable students of different standards to have the opportunity for participation.

At the same time, the Government should provide more good-quality and affordable sports facilities in the community. Otherwise, even the public want to play sports, there are no venues for them to do so. Also, more competitions can be organized at the community level. I support the idea of forming sports teams by the public to participate in competitions. Furthermore, sports can be regarded as a trendy activity, such as the cycling hit in recent years, which is worth promoting by the Government. The Government should also build major cycling tracks to tie in with this trend.

As far as supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events are concerned, the conditions in Hong Kong are unfavourable for nurturing professional athletes because very few professional sports competitions are held locally and the

standards of those held are not high. I have suggested the Government to assist local football, basketball and volleyball teams to take part in the professional league in the Mainland. This will enhance the standards of our athletes, attract the people of Hong Kong to watch sports games and support local teams, as well as facilitate exchanges between Hong Kong and different provinces and cities in the Mainland. Of course, there will be full of hurdles. In order to achieve desirable results, many technical and financial problems have to be resolved. Although negative stories about the professional league in the Mainland are reported from time to time and the proposal may give rise to controversies, I think it is still worthy of the Government's consideration. If one or two strong teams can be formed in Hong Kong to contest the championship in the professional league in the Mainland, it will certainly attract the support of the people of Hong Kong and the development of the relevant sports will successfully be promoted.

Finally, the original motion proposes to develop sports-related industries, including sports insurance, to provide athletes and young people with diversified career pathways, and encourage the business sector to sponsor sports activities. As the Member representing the insurance sector, I certainly welcome the proposal and agree to the need to develop sports-related insurance products. However, the premise is that there is a considerable demand in the market without which the business cannot sustain in the long term. I believe other sports-related industries will face the same problem too. Therefore, the Government should first formulate a long-term sports policy and vigorously promote the development of sports. When more people like sports, the development of sports-related industries will naturally see a success. I so submit.

**MR IP KIN-YUEN** (in Cantonese): President, I thank Mr MA Fung-kiok for proposing this motion so that I have the chance to comprehensively examine the physical education (PE) policy of Hong Kong schools. I also take this opportunity to consult the frontline workers in the education sector. Many school principals, PE teachers and staff of the Education Bureau have shared with me their experiences. As such, my speech today in fact reflects the opinions of frontline education workers on PE.

President, on 17 March, *Ming Pao*, *Sky Post* and *Hong Kong Economic Times* reported that a teacher named TSANG Yin-hung from CUHKFAA Chan

Chun Ha Secondary School has preparing herself to climb the Mount Everest in a bid to encourage students to set their goals and make their dreams come true. She was determined to be the first Hong Kong female to reach the summit. Ms TSANG steeled herself with sports and set a personal example to encourage students not to give up their dreams easily. This is really a romantic, encouraging and touching story. There are a lot of teachers with enthusiasm and strength in the education sector but many of them have no chance to realize these qualities because of the inconsistent education policy and the lack of supporting hardware. This is really frustrating.

The Government proposed in 2002 the objectives of promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events. Why should sports be promoted in the community? What is the purpose? From the example of Ms TSANG, we learn that sports can enhance one's willpower and endurance while team sports competitions can help build up team spirit. Sports therefore involve the education of personal conduct. On the other hand, sports are related to the health of children. According to the standard set by the World Health Organization, each student should accumulate at least 60 minutes of moderate- to vigorous-intensity physical activity daily in order to build up a strong physique. Therefore, sports involve both physical as well as personality strength. It is thus important to promote sports in the community.

The most important tool for promoting sports in the community is PE in primary and secondary schools. In Hong Kong, schools often emphasize on academic achievements only and PE is forced to take a secondary position. Sometimes students are exhausted after dealing with academic subjects. Some students who have outstanding performance in sports have to choose between academic studies and sports after reaching the senior secondary level. Consequently many of them will give up sports. For those who persist in the face of difficulties, there will be occasions of "a sports competition today followed by a school test tomorrow". How should students make their choice? Very often they cannot enjoy the benefits brought by sports.

While students find it hard to develop in sports, how about teachers? Under the current policy of the Education Bureau, schools are recommended to allocate at least 5% of the total lesson time for PE, which means PE is only allocated a maximum of two hours or two sessions in one cycle. Having PE

lessons for two hours is already a luxury because many schools have been occupying the PE lessons with make-up classes, tests or supplementary classes. Even if PE lessons are available, it still depends on the weather. From my personal experience when I was a teacher, when it rains, it depends on whether there is a covered playground; if there is, students can still take their PE lesson; if not, students will be forced to return to their classroom for self-study. Therefore, PE teachers are always helpless. Some of them tell me that they are nothing but shepherds because a PE lesson is a time for herding sheep.

President, there has long been a lack of incentive for developing PE in schools. Teachers can only get some subsidies through the Diversity Learning Grant and seek the opportunity to bring students out during regular school hours to learn about different sports such as golf, tennis, rock climbing, or add a small amount of equipment in a bid to rekindle students' interests in PE. Nonetheless, as far as school PE is concerned, the Diversity Learning Grant is scarcely adequate but better than nothing. The biggest problem is the lack of venues. The education sector has repeatedly raised the problem of inadequate sports facilities in schools. Some school principals in Wong Tai Sin district have relayed to me that there are as many as five secondary schools in the district with a campus that is not up to standard. The basketball courts of one of these schools are even smaller than those in primary schools. Submitting booking forms for venues by PE teachers has become an important yet menial task for these teachers in every academic year. They have to teach as well as submit booking forms for venues. In fact is this really necessary? Yet they also have to train the school teams and coach in competitions. Now with the added task of booking venues, their misery is beyond our imagination.

Although schools may book the sports facilities under the Leisure and Cultural Services Department and the Housing Department through the whole year advance booking system, there are inevitably keen competitions for facilities among schools on many occasions. For example, there are over 10 schools in Kwai Chung district but only two hard-surface soccer pitches. School teams have to arrange joint training with other schools. While the situation of individual schools is so poor, is the situation of major inter-school competitions better? The answer is not much better. A teachers has relayed to me that a primary school once joined an inter-school volleyball competition and they needed to leave the venue as soon as the competition was over because the court was booked for a very limited period. Why are schools and the Hong Kong

Schools Sports Federation not allowed to make a longer booking or provided with more slots for their choice? Therefore, I support very much point (5) of the original motion, that is, to effectively deploy venue resources. I hope this can be achieved by the authorities.

The Home Affairs Department is currently implementing the three-year School Sports Programme Coordinator Pilot Scheme under which government schools are given extra resources to hire a school sports programme co-ordinator to promote sports in their schools. However, there is a quota of only 15 which is obviously inadequate. If sports are to be further developed in Hong Kong, apart from having many enthusiastic people and PE teachers such as Ms TSANG mentioned above, we also need good policies, venues, facilities, and other resources so as to provide a better platform for PE.

I so submit.

**DR KWOK KA-KI** (in Cantonese): President, I feel honourable today to have the chance to talk about a subject with which I am not very familiar. The only connection between me and sports is my participation in the Standard Chartered Hong Kong Marathon for years. And, many of my friends also have some knowledge about the sports sector. President, whenever we talk about the sports sector of Hong Kong, we are really upset. In the recent two years, Hong Kong has made two significant sports plans. One of these is the Government's plan announced in 2010 to bid to host the Asian Games. As we may still remember, the Secretary was very eager at that time but frankly speaking, I do not feel sorry for the failure of the plan in the end. Even if the Government was then given the funding to host the Asian Games, what would that mean to the sports sector of Hong Kong? The second plan is the development of the Multi-purpose Sports Complex at Kai Tak. In fact, there were rumours last year that Secretary Paul CHAN intended to resume the site but luckily he gave up the resumption under pressure. However, the construction of the Sports Complex costs \$23 billion.

Even though the Sports Complex is to be built, or even if the bid to host the Asian Games was successful then, I do not think Hong Kong people, especially those who love sports, would be excited. Though the Asian Games and the Sports Complex are related to sports, most young people, students and even the working class in Hong Kong do not have the opportunity to take part in sports. Just now Mr IP Kin-yuen has already mentioned ... President, in fact the



Secretary for Education should be among those government officials who are present today. A decade ago when Prof Arthur LI was the Secretary for Education, the sports sector already voiced the difficulty in getting training venues. They see that many schools ... President, the situation of each school is certainly different. For some prestigious schools such as the Diocesan Boys' School, the Diocesan Girls' School and the La Salle College, there are decent sports venues. On the contrary, the situation of some other schools, such as those poorly-funded schools in Wong Tai Sin district, is very miserable. Some school campuses are equipped with many sports venues which residents in the vicinity and the public would also like to use. However, the Education Bureau has all alone refused to adopt a relaxed approach and to give support with its policies. As a result, sports grounds in some schools are kept shut and unused while children in the nearby housing estates cannot even find a place to play football.

Currently students only have at most one physical education (PE) lesson every week but this PE lesson may be used by other teachers for make-up classes or other purposes. The reason is that both schools, teachers and even parents do not attach importance to sports. In the profit-centred and result-oriented society of Hong Kong, no one cares about sports. While today we discuss how to enhance Hong Kong sports, I do not attach much importance to the training of elite athletes, although I agree we must nurture elite athletes. The sports sector is very efficient because whenever they look for elite athletes, they can import some from the Mainland to form a group of elite athletes. These "instant" athletes in fact are not of much help to the sports circle of Hong Kong. Certainly some of these Mainland athletes may subsequently stay in Hong Kong as coaches. An example is our "ping pong duo" who have indeed made contribution to the sports sector of Hong Kong. Then the Secretary and the Chief Executive could take this opportunity to receive these Olympic medallists at the airport so as to stand in the limelight for a while. A railway station was subsequently named Olympic Station.

However, apart from standing in the limelight after an athlete gets a medal in mega sports events, how much does the Government care about our sports? The answer is it does not care much and has never been sincere. While the Government spends \$23 billion on building the Sports Complex, many sports facilities in schools are dilapidated and most communities do not even have a decent swimming pool, soccer pitch or basketball court. Many children, particularly those from the grass-roots families, do not have any chance to join even one interest class during the summer holiday due to not enough places,

venues, instructors or a lack of subsidies. The Sport Complex costs tens of billion dollars, but so what? Even if we succeeded in bidding to host the Asian Games years ago, so what? Perhaps we can then stand in the limelight for a while because the most important thing is to show off.

Now I would like to go back to the sports sector of Hong Kong, which is rather disappointing. For example, during the Marathon in which I have also participated, there have been a lot of scandals. The chairman of the organizing committee does not miss any chance to make money. In the past, the chips used in the event were already produced by his own company. Now even the publicity of the event is carried out by his company. Isn't it ridiculous? President, the representatives of the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) are not returned by election but by applause. This is even worse than the elections in the Mainland. An old man over 80 or even 90 can stay in the post for decades and is elected by applause only.

Moreover, some athletes who strive to get a place in competitions are always ignored just because they do not belong to the "clique". A boxing phenomenon of Hong Kong, Rex TSO, who has the potential to challenge the world championship, cannot get access to the competition because he is not a member of the Hong Kong Boxing Association. Ms CHOW Tsz-ki, a member of the fencing team at one time whose ranking was 14th in 2008, was denied access to the competition in 2011 due to the political dispute between the Hong Kong Sports Institute and the Hong Kong Fencing Association. It did not help even she lodged a complaint. Subsequently she even thought of committing suicide. In 2009, WONG Chu-kong, a coach of the police judo club, founded the Hong Kong Alliance of the Victims in Sports because of the unfair selection process by the Judo Association of Hong Kong, China, chaired then by BEI Kwan-kei. We may not be able to finish talking all these incidents even by tonight. Yet there is another problem concerning the corrupting Hong Kong Football Association. The Government has indeed owed the sports sector a lot and our younger generations will be those who suffer.

I so submit. Thank you, President.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

**MR MA FUNG-KWOK** (in Cantonese): President, do I need to speak on the amendments?

**PRESIDENT** (in Cantonese): You may now speak on the amendments. The speaking time limit is five minutes.

**MR MA FUNG-KWOK** (in Cantonese): President, first of all, I would like to thank Dr Kenneth CHAN, Dr Helena WONG and Dr Fernando CHEUNG for proposing their amendments, as well as the other 21 Members who spoke. Their amendments are consistent with my motion in terms of spirit and therefore I will support the amendments of all these three colleagues. Now I would like to express my further opinions by concluding their amendments into two points.

Firstly, Dr Kenneth CHAN and Dr Helena WONG are respectively concerned about the governance of the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) and various national sports associations. They request for stepping up supervision. It is true that the SF&OC and various national sports associations form an integral part of our local sports system, and their management and efficiency have significant impact on local sports development.

Those members of the SF&OC and most national sports associations in my contact are enthusiastic in promoting local sports development, who have devoted their heart, money and energy. During the drafting of today's motion, I have also consulted them, who have provided positive feedback in the hope of helping local sports development.

Similarly, the community is not apathetic to local sports development. An example is the public concern over the recent incident of Barton LUI. Obviously, it is understandable for the community to have so many comments on the SF&OC and various national sports associations and to request these associations to enhance their governance and transparency.

I also note that the SF&OC has recently introduced some changes regarding the term of office and retirement age for its management. I support such changes very much and hope that the SF&OC will make constant improvement in response to the request of the community for continuous enhancement in the governance of sports organizations.

Reviews and improvements are certainly never enough. In fact, the sports sector has also made introspection to see if the existing structure is ideal for promoting sports and how sports organizations can enhance their governance and transparency. These issues are often touched on. In my original motion, the review on the overall management structure and system certainly includes the SF&OC and various national sports associations. Therefore, I think the relevant proposals put forward in Dr Kenneth CHAN's and Dr Helena WONG's amendments can be included into the review.

Secondly, both Dr Kenneth CHAN and Dr Fernando CHEUNG have respectively raised their concerns on the participation in sports by persons with disabilities and on disabled athletes. We must not neglect the rights and needs of persons with disabilities in sports. In my original motion, I also hope that the Government will enhance its support for persons with disabilities and provide them with more opportunities to participate in sports. I also recognize one of the proposals in Dr CHEUNG's amendment, that is, to provide a barrier-free environment in sports venues to facilitate persons with disabilities to participate in sports.

We must admit that there is certain difference between persons with disabilities and the able-bodied. It is important to explore how to provide special supporting measures to persons with disabilities according to their needs so as to enable them to benefit from the three directions in our sports policy. Take for example the direction of developing Hong Kong into a prime destination for hosting major international sports events. The Hong Kong Paralympic Committee & Sports Association for the Physically Disabled (Paralympic Committee) has reflected that it is difficult for the competitions for disabled athletes to meet the application criteria under the "M" Mark System, which request for economic effectiveness and mass public participation. Past international competitions for persons with disabilities held in Hong Kong, such as the Wheelchair Fencing Grand Prix, were staged by the Paralympic Committee in the face of difficulties. Therefore, can the Government exercise discretion in supporting mega sports events for persons with disabilities? Certainly I support reviewing the incentive award system and improving the treatment to disabled athletes so as to recognize their efforts and enhance the support for them. However, as there is certain difference between the sports for disabled athletes and those for able-bodied athletes in terms of competitiveness and scope of participation, I do not agree that the review on the incentive award system should aim at bringing the levels of incentive awards for disabled athletes on a par with those for able-bodied athletes.

President, in his initial response, the Secretary said that he did not want an aimless review. It seems he is trying to deny the need for a review. However, having listened to the speeches of some 20 colleagues, I find that none of them denies the need for a review. In particular, the Multi-purpose Sports Complex at Kai Tak will soon be developed and today a number of colleagues have also expressed a lot of opinions on sports development. I hope the Government can pay heed to these opinions and conduct a comprehensive review on our future sports policy based on those opinions that are workable. Such a review, which is definitely not an aimless one, will bring about benefits.

I so submit. Thank you, President.

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): President, I thank Honourable Members for their views and will respond to them.

As I said in my opening speech, the SAR Government has formulated clear strategic objectives on sports development and set up the institutional structure to devise policy initiatives according to the actual situation of society for the implementation of these strategies.

A number of Members mentioned the issue of governance of sports organizations. As I said earlier, while the Government respects the autonomy and independence of the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) and the national sports associations (NSAs), it will monitor the effective use of public money.

Each NSA is an independent legal person. It is affiliated to the SF&OC and even the relevant International Sports Federation and carries out its daily business in accordance with its Memorandum and Articles of Association. For example, the selection of athletes to participate in competitions has to meet the requirements of the relevant International Sports Federation. The Government has no right to intervene, but we will ask the NSAs to handle the matter in an open, fair and just manner.

Any proposals or initiatives which are beneficial to the development of sports will be welcomed as long as they are in line with the Olympic Charter.

We know that on the 27th of this month, the SF&OC will hold its Annual General Meeting and elect its honorary officers. We have learnt that the election procedure, the method of nomination and the verified list of candidates have been released in a press release and also uploaded onto the website of the SF&OC for the information of the public. The eligible voters of the SF&OC come from different fields of the sports sector, and the officers take up their positions on a voluntary basis and these positions are open to be filled. We will note whether such an exercise will continue to be carried out in an open, fair and just manner.

As the department responsible for managing the Sports Subvention Scheme, the Leisure and Cultural Services Department (LCSD) has established a steering committee and introduced a series of measures to assist the NSAs to enhance their internal controls and corporate governance. The LCSD has also assisted the NSAs to set down performance targets in their major areas of work with a view that the funding provided will be linked to a greater extent to their governance performance and compliance with the guidelines.

The LCSD provides recurrent funding to the NSAs and various sports organizations through the Sports Subvention Scheme. In 2013-2014, the Scheme provided recurrent funding amounting to a total of \$259 million to 58 NSAs and 26 sports organizations.

Some Honourable Members have talked about the support for elite athletes. Countries all over the world support elite sports and elite athletes in different ways. In some countries, elite athletes rely solely on commercial sponsorships and in others, the government provides the main support. In the last 10 years or so, the SAR Government has been increasing its support for elite athletes. It will provide corresponding support for athletes with outstanding performance.

Regarding promoting sports in the community, the SAR Government has spent more than \$3 billion on sports each year of which 88% has been used on promoting sports in the community. As the Policy Bureau responsible for sports affairs, the Home Affairs Bureau has been taking note of the demand and supply of public sports facilities. As we all know, increasing land supply for housing is one of the major areas of work of the Government of this term and as such, the number of existing public sports facilities has not reached the recommended level in the Hong Kong Planning Standards and Guidelines. I believe Members will

understand that it is not an easy target to achieve, but we will continue to move forward in that direction progressively.

In response to Members' concern regarding private recreational facilities, we have commenced studies on policies on private recreational leases in which the policy needs of sports development will be considered comprehensively. The Government will consider asking the private organizations to make facilities available to the public for sports activities and will consider the matter from the perspective of land use planning with the relevant Policy Bureaux and departments.

As far as the Kai Tak Multi-purpose Sports Complex (KTMSC) is concerned, we have maintained contacts with the sports sector and the people in the district to provide them with the latest information on planning and consult their opinions. The documents have been uploaded to the designated website of the KTMSC for the information of the public. At present, we are focusing on internal planning and will continue to listen to different views, including those of the sports sector.

Dr Fernando CHEUNG has raised the issue of sports facilities for persons with disabilities. All new facilities of the LCSD are designed with barrier-free access. The Government is also conducting improvement works on existing facilities to provide barrier-free access as part of the retrofitting programme in government premises and facilities.

As I said in my opening speech, the training needs of each sport are different, be it is a sport for persons with disabilities or not. Hence, it is inappropriate to quantify the treatment given to athletes and make direct comparisons. We have been maintaining contacts with the Hong Kong Paralympic Committee & Sports Association for the Physically Disabled and the Hong Kong Sports Association for the Mentally Handicapped. If there is any request from disabled athletes to switch to full-time training, we will certainly give due consideration to it.

In response to the issue of assisting retired athletes to pursue further studies or develop a "second career" mentioned by Mr Frankie YICK, the Government and some sports organizations have introduced various educational and career

support initiatives for incumbent and retired athletes which cover support from educational institutions.

Under the Joint University Programmes Admissions System, the Sub-System for School Principal's Nominations and the Self Recommendation Scheme give due recognition to students who have achieved outstanding results in sports. The eight University Grants Committee-funded tertiary institutions also accept athletes nominated for admission by the SF&OC and the Hong Kong Sports Institution (HKSI).

Athletes may apply for leave of absence, suspension, deferral or extension of studies to suit their study pace and schedule of training and competitions, in accordance with the regulations of individual institutions. In addition, the HKSI provides subsidies to athletes enrolling in diploma or degree courses offered by eligible institutions through the Hong Kong Athletes Fund to facilitate their career development after retirement as athletes. To date, the HKSI has provided subsidies amounting to about \$14.4 million to 147 athletes from the Fund.

Since 2008, the HKSI has implemented the Athletes Integrated Educational and Vocational Development Programme to provide assistance to athletes in education and career development which includes academic guidance, consultation and tutorial services, career planning and vocational training. The Programme also makes work experience placement arrangements for elite athletes wishing to become coaches after retirement and provides subsidies for those enrolling in recognized coach training programmes. In 2013-2014, the HKSI has organized 40 programmes, benefiting about 680 athletes.

The HKSI and the Beijing Sport University have jointly offered the five-year part-time programme of Bachelor of Education in Sports Training for Hong Kong athletes and to date, 69 students have graduated.

As far as the SF&OC is concerned, the Government provides funding for it to run the Hong Kong Athletes Career & Education Programme which has 10 programmes. Under these programmes, grants are provided for athletes to enrol in language courses and scholarships are offered to athletes enrolling in certificate or degree courses run by eligible educational institutions. Assistance in planning for a "second career" which includes career planning, consultation



services and placement schemes, is also provided under the programmes to retired athletes and those who are about to retire.

The SF&OC has invited business organizations to offer job opportunities to retired athletes and so far, more than 10 enterprises have joined the programme. Up to 2012-2013, 57 athletes have secured full-time or part-time jobs through the programme and 55 retired athletes have been awarded scholarships under the programme to pursue further studies.

Regarding the incentive award for disabled athletes who win awards in major international competitions, the levels of incentive award given to disabled athletes are different from those given to able-bodied athletes. The reason is not related to the difference in their physical conditions, rather, consideration is given to the different levels of participation and competitiveness in different competitions. For example, the level of incentive award for a gold medalist in the Paralympic Games will be higher than that for a gold medalist in the East Asian Games. We acknowledge the efforts made by disabled athletes and will try our best to assist them in their development in sports through different means.

Mr NG Leung-sing mentioned the sponsorships for sports provided by enterprises. At present, sponsors can apply for tax deduction on deductible charity donations under the Inland Revenue Ordinance. In fact, some NSAs and sports organizations are charitable institutions of a public character which are exempt from tax.

To celebrate the 10th anniversary of the "M" Mark System and Support Packages, the Major Sports Events Committee has launched the "M" Mark Sports Event Awards to recognize the contributions of NSAs and event sponsors in bringing major international sports events to Hong Kong. We hope that the Awards will enhance the public's understanding and interests of various sports events and promote the development of relevant industries.

Once again, I thank Members for their concern and views regarding the development of sports in Hong Kong. I believe the sports sector will continue to seek better support for athletes and promote the development of sports in Hong Kong with one heart under the principle of mutual respect and support.

President, I so submit.

**PRESIDENT** (in Cantonese): It is now past 2 pm. In order not to affect the meeting of the House Committee which is scheduled to start at 2.30 pm, I now suspend the meeting to 3.30 pm. If the House Committee cannot finish its business by 3.15 pm, the Council will resume 15 minutes after the completion of the meeting.

2.02 pm

Meeting suspended.

3.30 pm

Council then resumed.

**PRESIDENT** (in Cantonese): Council will now resume and continue to deal with the motion on "Evaluating the effectiveness of the policy on 'promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events' and formulating a long-term sports policy". I will now call upon Dr Kenneth CHAN to move his amendment to the motion.

**DR KENNETH CHAN** (in Cantonese): President, I move that Mr MA Fung-kwok's motion be amended.

**Dr Kenneth CHAN moved the following amendment: (Translation)**

"To delete "," after "That" and substitute with "Hong Kong has all along lacked a long-term and comprehensive sports policy;"; to add "through tax concessions and other financial incentives," after "career pathways, and"; to add "(5) to review the governance, funding mechanism and operation of the Sports Federation and Olympic Committee of Hong Kong, China and various national sports associations, so as to enhance their governance level and operation transparency, and use the governance level, fairness of funding distribution and operation transparency of the various national sports associations as the criteria for continued funding and determining funding levels; (6) to set up an independent mechanism for handling

complaints targeted at the various national sports associations or disputes involving the various national sports associations;" after "sports activities;"; to delete the original "(5)" and substitute with "(7)"; to delete the original "(6)" and substitute with "(8)"; to delete the original "(7)" and substitute with "(9)"; to delete the original "(8)" and substitute with "(10)"; to delete the original "(9)" and substitute with "(11)"; to delete the original "(10)" and substitute with "(12)"; to delete the original "(11)" and substitute with "(13)"; to delete the original "(12)" and substitute with "(14)"; to add "(15) to allocate additional resources to private sports institutions other than the various national sports associations for subsidizing their organization of sports activities; (16) to establish an inter-departmental mechanism under the co-ordination of the Home Affairs Bureau to assist schools, non-governmental organizations and sports clubs in borrowing sports venues and facilities;" after "sports appreciation;"; to delete the original "(13)" and substitute with "(17)"; to delete "and" after "in Hong Kong;"; to delete the original "(14)" and substitute with "(18)"; and to add "; and (19) to review the incentive award system for disabled athletes who win awards in major international competitions, so as to bring the levels of incentive awards for them on a par with those for able-bodied athletes" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr Kenneth CHAN to Mr MA Fung-kuok's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

Mr IP Kwok-him rose to claim a division.

**PRESIDENT** (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for five minutes.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Abraham SHEK, Mr Frederick FUNG, Mr Vincent FANG, Mr Andrew LEUNG, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK, Mr Christopher CHEUNG, Mr IP Kin-yuen, Mr Martin LIAO, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr Steven HO, Miss CHAN Yuen-han, Mr POON Siu-ping and Mr TANG Ka-piu abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Dr Priscilla LEUNG, Mr Paul TSE, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr WONG Yuk-man, Ms Claudia MO, Mr WU Chi-wai, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mrs Regina IP, Mr Albert CHAN, Mr Michael TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 28 were present, 21 were in favour of the amendment and seven abstained; while among the Members returned by geographical constituencies through direct elections, 30 were present, 16 were in favour of the amendment and 13 abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

**MR ANDREW LEUNG** (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Evaluating the effectiveness of the policy on 'promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events' and formulating a long-term sports policy" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Andrew LEUNG be passed.

**PRESIDENT** (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion on "Evaluating the effectiveness of the policy on 'promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events' and formulating a long-term sports policy" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): Dr Helena WONG, as the amendment of Dr Kenneth CHAN has been passed, you may now move your revised amendment.

**DR HELENA WONG** (in Cantonese): President, I move that Mr MA Fung-kwok's motion, as amended by Dr Kenneth CHAN, be further amended by my revised amendment.

**Dr Helena WONG moved the following further amendment to the motion as amended by Dr Kenneth CHAN: (Translation)**

"To add "; Sports policy and structure — (20) to strengthen the monitoring of the administrative and financial structure of the Sports Federation and Olympic Committee of Hong Kong, China and various national sports associations; and Support for athletes — (21) to arrange for professionals to accompany and offer support to athletes participating in international competitions" immediately before the full stop". "

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Dr Helena WONG's amendment to Mr MA Fung-kwok's motion, as amended by Dr Kenneth CHAN, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

**PRESIDENT** (in Cantonese): Dr Fernando CHEUNG, as the amendments of Dr Kenneth CHAN and Dr Helena WONG have been passed, you may now move your revised amendment.

**DR FERNANDO CHEUNG** (in Cantonese): President, I move that Mr MA Fung-kwok's motion, as amended by Dr Kenneth CHAN and Dr Helena WONG, be further amended by my revised amendment.

**Dr Fernando CHEUNG moved the following further amendment to the motion as amended by Dr Kenneth CHAN and Dr Helena WONG: (Translation)**

"To add "; Sports venues and facilities — (22) to provide a barrier-free environment to facilitate persons with disabilities and the public to participate in sports; and Support for athletes — (23) to accord the same treatment to disabled and non-disabled elite athletes, so that disabled elite athletes may participate in sports on a full-time basis" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Dr Fernando CHEUNG's amendment to Mr MA Fung-kwok's motion, as amended by Dr Kenneth CHAN and Dr Helena WONG, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

**PRESIDENT** (in Cantonese): Mr MA Fung-kwok, you may now reply and you have 11 seconds.

**MR MA FUNG-KWOK** (in Cantonese): President, I would like to thank again the 24 colleagues who have spoken. I hope that the Government will listen to their views and consider them seriously, and conduct a review as soon as possible.

Thank you, President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr MA Fung-kwok, as amended by Dr Kenneth CHAN, Dr Helena WONG and Dr Fernando CHEUNG, be passed.

**PRESIDENT** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)



**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion as amended passed.

**PRESIDENT** (in Cantonese): Seventh Member's motion: Encouraging the return of the industrial sector for development to make Hong Kong's industries more diversified.

Members who wish to speak in the motion debate will please press the "Request to speak" button.

I now call upon Mr CHUNG Kwok-pan to speak and move the motion.

**ENCOURAGING THE RETURN OF THE INDUSTRIAL SECTOR FOR DEVELOPMENT TO MAKE HONG KONG'S INDUSTRIES MORE DIVERSIFIED**

**MR CHUNG KWOK-PAN** (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, as Members may be aware, the relocation of Hong Kong's industrial activities to the Mainland started in the 1980s to 1990s, and nowadays many industries are no longer found in Hong Kong. I am also aware that many Members representing the industrial sector have reiterated that the Government should formulate an industrial policy, which has never been dealt with by the Government throughout the years. If I mention the return of the industrial sector a few years ago, I think many people would say I am a fool — and perhaps this is precisely what they are thinking now — but the fact is, with the changing times, the majority of factories operating in the Pearl River Delta are facing problems such as the appreciation of the Renminbi, soaring labour costs, and even the failure to employ workers. As a result, many industrialists or manufacturers intend to return to Hong Kong for development.

Of course, costs in Hong Kong are not low either. It is therefore impossible for the production of low quality or cheap products to be relocated to Hong Kong. Rather, they may have moved to Southeast Asian countries like

Vietnam and Myanmar. Industries that can return to Hong Kong are mostly the production of high value-added, high technology and high value products, given that the opened China market has enormous spending power. As we can see, the Individual Visit Scheme has become increasingly popular in Hong Kong. Most Mainland visitors come here to buy products made or manufactured in Hong Kong, in which they have absolute confidence, including food, pharmaceuticals, fashion, watches, jewellery and electronic products. All these trades can give play to the brand effect of "Made in Hong Kong". I therefore hope that the Government will start to consider introducing incentive policies to induce the return of high value-added industries.

Take the textiles and garment industry which I represent as an example. Hundreds of small and medium manufacturers and enterprises told me in recent years that they intended to move some of their production lines back to Hong Kong. Of course, the majority of them are producing high value and high fashion clothing, such as furs and suits. A friend asked me if the costs were affordable. In fact, businessmen have only one simple thing in mind, and that is, computation. Nowadays, for example, the wage of an ordinary skilled worker in the Mainland has already reached as high as HK\$5,000 to HK\$6,000 on average. I think many people have not noticed that wages in the Mainland have climbed so high. What is more, a goal has recently been set at the NPC and CPCC. The Central Government plans to have the GDP and per capita GDP increased by a double in 2020. It means that the Mainland's production cost may have a twofold increase in the coming six years. In other words, the current cost of HK\$5,000 to HK\$6,000 will surge to over HK\$10,000 in six years' time. In that case, labour cost in Hong Kong will no longer be the biggest issue.

As I have just said, many Hong Kong products will enter the Mainland market. If we can make good use of the zero tariff arrangement under the CEPA and enable "Made in Hong Kong" products to enter the Mainland market at zero tariff, this would definitely give Hong Kong products a great edge. Let me cite a very good example. Friends engaging in the fur industry told me that furs imported from Northern Europe or Canada to the Mainland were subject to an import tariff of more than 20%, but if the raw materials were turned into Hong Kong products, the 20% tariff could be saved and the savings should be more than enough to pay for the relatively higher wages in Hong Kong.

Assuming that certain industries will be relocated back to Hong Kong, say, the textiles and garment industry, which recorded a gross output of about \$250 billion last year representing 7% of Hong Kong's GDP, the relocation of

only its 10% high value-added production back to Hong Kong for development will help bring about an economic benefit of \$25 billion. This has yet to include other industries with potential which I have just mentioned, such as watches, jewellery and toys. The manufacturing of these products in Hong Kong will definitely bring impetus to the local economy.

Many people will then ask: Where does the land come from? In practice, not much industrial land will be required in the short term as factories to be relocated back to Hong Kong may have just 30 to 50 workers and require an area of less than 10 000 sq ft. It would be unnecessary to employ hundreds of workers as in the Mainland. Thus, in the short run, industrial land will not pose any serious problem. And yet, if we pursue long-term development, the long-term development of industrial land will have to be dealt with by the Government. We certainly understand that the Government has focused on resolving the housing problem in recent years, and as mentioned in the recent Policy Address, industrial land will be converted into residential land. Nonetheless, we should see it this way: While people's housing needs are important, the development of other industries is also necessary to achieve economic effectiveness. Thus, a balance is essential.

I recently asked Secretary Gregory SO what government support would be provided if the industrial sector returned to Hong Kong. In response, he raised a serious concern over the supply of land for industrial development. I then put the same question to Secretary Paul CHAN and he replied that while the supply of land was negotiable, the introduction of relevant policies was also important. The ball was then passed back to Secretary Gregory SO. After all, the development of industrial land requires comprehensive consideration across various departments and Policy Bureaux. The simplest solution is to re-consider revitalizing the three existing industrial estates, or expeditiously develop the fourth industrial estate.

Recently, the SAR Government has also strongly promoted the creative industries. In overseas countries, the development of creative industries has matured and they have been actively promoting the return of the industrial sector in recent years. For example, both London of the United Kingdom and New York of the United States are now advocating domestic production. From this, we can see that creative industries require the support of manufacturing industries. The United States, for example, was hard hit by the financial turmoil

when OBAMA stood for the presidential election in 2008. Therefore, in his election platform, OBAMA vowed that the economy of the United States should no longer count on the financial sector or non-physical economies. When President OBAMA took office in 2009, he immediately formulated certain policies to assist the recovery of the economy, which included actively promoting re-industrialization. In his State of the Union Address made in 2012, OBAMA put forward the Insourcing American Jobs scheme, under which rent and tax concessions would be provided to enterprises bringing job opportunities back to the United States.

From this, we can see that the return of the industrial sector may create massive job opportunities and broaden the types of jobs. The current problem of Hong Kong's industries is being too homogeneous, local young people do not have many choices of employment. Even Prof Joseph SUNG, the President of The Chinese University of Hong Kong, said earlier that university students did not have many subjects to choose from due to the few choices of employment. There is no doubt that the Government has been over-supportive of the financial and professional services sectors — which have achieved great success — which are referred as the tertiary industry in economics. In his recent Policy Address, the Chief Executive also proposed the establishment of the \$500 million Sustainable Fisheries Development Fund, and examined the concrete measures to spruce up agricultural policy. The agriculture and fisheries industries are referred as the primary industry in economics. In other words, Hong Kong does not only have the tertiary industry, the study on the primary industry is also underway. The only thing missing is the secondary industry, that is, the industrial and manufacturing sector. Therefore, in a place where economic development is progressing on all fronts, it would be ideal to have the primary, secondary and tertiary industries developing at the same time.

All in all, the return of the industrial sector would make local industries more diversified, thereby enabling Hong Kong to maintain its competitiveness and giving impetus to economic development. Also, it may create job opportunities, broaden the types of jobs, as well as create more opportunities of upward mobility for young people and the grass-root community. Therefore, this Council urges the Government to introduce concrete measures and support policies to encourage the return of the industrial sector for development.

Thank you, President. I so submit.

**Mr CHUNG Kwok-pan moved the following motion: (Translation)**

"That in recent years, the industrial sector has intended to return to Hong Kong for development, and quite a number of enterprises wish to relocate their core departments and high value-added industries back to Hong Kong, which can in fact help rebuild the brand effect of 'Made in Hong Kong', thereby increasing the export of quality Hong Kong products to the Mainland and overseas places; yet, at present, the development of Hong Kong's industries is homogeneous and stagnant, and not only does the Government not introduce any policy on supporting the development of new industries, it even plans to convert quite a number of industrial sites to residential uses, which dampen the desire of the industrial sector to return for development, and make it difficult to enhance the brand effect of 'Made in Hong Kong'; in this connection, this Council urges the Government to introduce concrete measures and support policies to encourage the return of the industrial sector for development, so as to make Hong Kong's industries more diversified."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr CHUNG Kwok-pan be passed.

Four Members wish to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the four amendments.

I will first call upon Mr Andrew LEUNG to speak, to be followed by Mr SIN Chung-kai, Mr Kenneth LEUNG and Miss CHAN Yuen-han respectively; but they may not move amendments at this stage.

**MR ANDREW LEUNG** (in Cantonese): President, first of all, I am very grateful to Mr CHUNG Kwok-pan for proposing this motion, which gives Members a chance to discuss the industrial development of Hong Kong. I have proposed an amendment to Mr CHUNG's motion mainly because it has not stressed the development of high value-added industries. I have therefore amended the relevant wordings, hoping that the Administration would introduce more policies and measures to attract high value-added industries to return and take root in Hong Kong. As I said when I spoke on the Policy Address in February, although the Policy Address this year has pointed out that government policies

are in place to support the development of the industrial and commercial sectors and maintain Hong Kong's competitive edge, there is not much mention on the concrete measures. To attract the return of the industrial sector, I believe there must be a comprehensive industrial policy to support the enterprises, which includes the supply of land, the promotion of innovation, the stepping up of the training of talents and the support for high value-added industries. Only by doing so can industries in Hong Kong flourish. In this connection, I will put forward some relevant proposals for serious consideration by the Government.

According to the Global Competitiveness Report 2013-2014 published by the World Economic Forum last September, with the exception of Hong Kong, all the top 10 countries have placed special emphasis on industrial development because industry is the gravity of the economy. Instead of solely counting on the financial or tourism sectors, Hong Kong should redevelop a high value-added local industrial sector to make our economy more diversified, thereby expanding the scale of the economy and creating more job and business start-up opportunities for different strata of the community. I therefore hope that the authorities will enhance its support for the industrial sector, so that Hong Kong's economy will not only lean towards any particular side.

Friends engaging in high value-added, high technology industries and operating factories in the Mainland told me that the escalation of operating costs has made the operating environment difficult. Therefore, these manufacturers wish to return to Hong Kong for development through upgrading. Also, I have urged the Government time and again to expeditiously introduce a holistic and comprehensive industrial policy and identify land to build suitable modern factories, so as to attract them to relocate their factories back to Hong Kong. In so doing, processes from product design, product development to the entire production line will be relocated to Hong Kong, thereby achieving a clustering effect and attracting more manufacturers to return to Hong Kong, with a view to giving the greatest impact and revitalizing Hong Kong's industrial development.

However, sufficient industrial land must be made available before these manufacturers can take root in Hong Kong again. Regrettably, the shortage of land has all along been the major stumbling block for industrial development in Hong Kong. Not only are the industrial estates fully occupied at all times, the vacant industrial buildings in the urban areas have failed to meet the requirements of high value-added or green industries. Thus, the Government should expeditiously plan and develop the fourth industrial estate, and review the

existing restrictions on the land grant for industrial estates so that land resources can be fully utilized.

Meanwhile, we hope that when the Government formulates land supply strategies for Hong Kong, it will not only focus on the planning of housing development, but will also take into consideration our industrial development. When exploring new sites for industrial use, the authorities should consider optimizing the frontier closed areas for the development of high value-added industries, thereby attracting Mainland talents to research on and develop new innovative technological products in Hong Kong, and subsequently capitalizing on our proximity with the Pearl River Delta Region to build Hong Kong as a transport and logistics centre.

In January 2014, the *Bloomberg Businessweek* published the rankings of innovative countries. Korea ranked top with Japan, Singapore and Taiwan among the top 10. Hong Kong, however, ranked the 27th, and was two places behind China. In view of this, it is necessary for the authorities to proactively develop innovation and technology, and capitalize on Hong Kong's status as an international financial, investment and business centre as well as our sophisticated intellectual property protection regime and established laws, so as to consolidate our status as a technology and innovation centre in the region.

President, I support, in principle, Mr CHUNG's proposal in the motion to enhance the brand effect of "Made in Hong Kong" — which has all along been referred by the Federation of Hong Kong Industries (FHKI) as "Made by Hong Kong" after we published a book entitled *"Made by Hong Kong"* jointly with the Massachusetts Institute of Technology in 1997. Our production chain can then be expanded for there is no need for certain procedures to be carried out in Hong Kong. All we need is to finish the high value-added part in Hong Kong. In order not to create difficulties for the translation of the Legislative Council Secretariat, I have simply deleted the phrase "Made in Hong Kong" and replaced it with "assist enterprises in promoting Hong Kong brand names".

Nowadays, to many people, the brand name "Made by Hong Kong" is synonymous with "good quality, confidence in use and high reliability". Many tourists scramble for brands flaunting the "Made by Hong Kong" label. Food products, fashion, watches, jewellery, pharmaceuticals and electronic products and high-end printing can best display the value of the brand of "Made by Hong Kong". So long as a product is somewhat related to Hong Kong, it can be sold

at a higher price than similar Mainland products. However, the high wages and costs have made labour-intensive and low-skilled industries no longer suitable for Hong Kong. We should therefore focus on the high-end parts, such as product development and design, technology research and development and patent registration, and make good use of the production base in the Pearl River Delta for production and manufacturing, as well as introduce innovative technology and design into traditional industries, with a view to further promoting "Made by Hong Kong" products. Therefore, the Government should introduce incentive policies to attract enterprises to return, and one way is to induce enterprises to increase their investment in technology research.

At the meeting of the Panel on Commerce and Industry held on 18 February, we discussed the latest development of the Research and Development Cash Rebate Scheme. As at the end of December 2013, the highest amount of cash rebate disbursed was \$1.8 million. In other words, if a project incurs a cost of \$6 million, \$4.2 million is irrecoverable. While this is negligible to large-scale enterprises, it is an unbearable sum for small to medium enterprises. As members of the sector have reflected, given the stringent eligibility criteria of the Scheme and a rate of return of only 30%, many of them are not interested at all. I therefore hope that the authorities would seriously consider adopting the proposal of providing triple tax deduction concession, which the FHKI has put forward time and again on various occasions, so as to attract enterprises to invest in research and development and include high value-added design elements in their products.

In order to support the development of local high value-added industries, adjustments should be made to the relevant procurement policies. The Government should take the initiative to purchase products of local enterprises as the taking of practical actions to support is undoubtedly a booster to local business starters.

President, it is essential for Hong Kong to develop an appropriate high value-added industrial sector which it has a competitive edge. Coupled with the fact that the industrial sectors in the Asia-Pacific Region are moving up the value chain, thus Hong Kong should no longer adopt an inward-looking mentality but take this opportunity to step up the training of talents, thereby enabling Hong Kong's economy to escalate to a higher level.



Vocational education is the best way to train up the necessary talents because not only is it relevant to the needs of the sector and economic development, but it also ensures that the students can apply what they have learnt. In that case, fresh graduates will not become unemployed because of a failure to find suitable jobs on the one hand, they will provide sufficient manpower supply for the sector on the other. Another advantage of vocational education is the general acceptance of the Qualifications Framework. And yet, there is a need for the authorities to expand the scope of the Qualifications Framework and formulate descriptors to encourage more sectors to provide the relevant training, with a view to comprehensively enhancing the ability of employees across the board.

President, in an earlier interview, Mr LI Ka-shing mentioned that the competitiveness of Hong Kong enterprises was no longer as strong as before both in the Mainland and international arena. Given that Hong Kong is a business society with intense competition, the authorities should give the right prescription to resolve the economic problems. The crux lies in how we can enhance our long-term competitiveness and "make a bigger pie" to provide more opportunities.

Hong Kong has a robust intellectual property protection regime, and has established a good reputation for our product quality and safety in the international market. Thus, it is suitable for Hong Kong to develop a high value-added and non-labour intensive emerging industrial sector. But due to a lack of government support for high technology industries and insufficient manpower training, there is a succession gap in professional technical personnel. Coupled with the high land price policy and high wages, operating costs have been forced to surge, causing the local industrial sector to shrink day after day. I hope that the Government will stress the development of the local industrial sector, introduce policies favourable to the development of the local industrial sector and implement initiatives, for example, tax concessions to encourage enterprises to upgrade and move up the value chain. Only this would attract manufacturers to return and build up the brand of "Made by Hong Kong", thereby expanding the scale of Hong Kong's economy and enabling Hong Kong to enjoy steady development.

The Business and Professionals Alliance for Hong Kong supports today's original motion and all the amendments.

Thank you, President.

**MR SIN CHUNG-KAI** (in Cantonese): President, first of all, I am very grateful to Mr CHUNG Kwok-pan for proposing this motion, encouraging the return of the industrial sector for development. The original motion of Mr CHUNG Kwok-pan highlights the rebuilding of the brand effect of "Made in Hong Kong", which I think is an important issue, and so the Democratic Party does not agree with Mr Andrew LEUNG's proposal to remove the part on the brand effect of "Made in Hong Kong". As Mr Andrew LEUNG has explained earlier, the Federation of Hong Kong Industries carried out a relevant study 17 years ago. But 17 years have passed, the previous proposal to use "Made by Hong Kong" instead of "Made in Hong Kong" really warrants our reconsideration of the value of "Made in Hong Kong".

In the past decade or so, the economy of China has taken off and many products were manufactured and finished in China. However, in recent years, we have found that the Mainland has produced many imitation products, counterfeit goods or food products which have aroused safety concerns. Under these circumstances, there is room for us to give full play to the brand effect of "Made in Hong Kong". It would be very pitiable if the industrial sector fails to exemplify and grasp this opportunity.

Therefore, my amendment only seeks to enrich the original motion of Mr CHUNG kwok-pan by putting forward a number of proposals. My few initiatives include revitalizing the various industrial estates to induce the return of the industrial sector for development. With regard to this proposal, I certainly hope that the Government will increase land supply. I wish Secretary Gregory SO and Secretary Paul CHAN can work hand in hand instead of passing the ball around. Also, we hope that the Government will review the Innovation and Technology Fund (ITF) and inject capital into the ITF so as to support the development of the innovation and technology industries. Also, we are of the view that high value-added industries, such as the data hub of cloud computing, have enormous development potential in Hong Kong. Another industry that we should consider developing is the green industries, but I am not going to elaborate on these proposals.

The Democratic Party supports Mr Kenneth LEUNG's amendment for it is a complement to Mr Andrew LEUNG's amendment which highlights the development of high value-added industries. Actually, Mr Andrew LEUNG's amendment has also mentioned an industrial sector of high technology, high value-added, low pollution and having low area requirement, and we also consider these worthy of consideration. As a matter of fact, after the Premier

criticized the last-term Government led by Donald TSANG, who was about to leave office, for having a narrow spectrum of industries in Hong Kong, it swiftly developed the so-called "six major industries". However, the relevant measures were subsequently abolished by his successor LEUNG Chun-ying, and government policies have seemed wavering since then. So, I hope when the Secretary gives a reply later, he will address our concern that the LEUNG Chun-ying administration is just paying lip service in the promotion of industrial development. We support Mr Kenneth LEUNG's amendment as it also contains certain proposals made in Mr Andrew LEUNG's amendment.

Mr Andrew LEUNG's amendment has mentioned the training of talents, which is also highlighted in Miss CHAN Yuen-han's amendment. But since Mr Andrew LEUNG has deleted the part on the brand effect of "Made in Hong Kong", we will therefore oppose Mr Andrew LEUNG's amendment and support the other three amendments.

President, at present, industrial production only accounts for 1.6% of Hong Kong's Gross Domestic Product (GDP) and is relatively low compared with the other sectors. The percentage of the agricultural and fishery sector, though more or less the same as the industrial sector, is even lower. It accounts for less than 1% of GDP. We consider it necessary to expand the scope of local industries and not to focus too much on the tourism, financial and real estate sectors. The industrial sector always complains that the operating cost in Hong Kong is very high, but the fact is that many countries in Northern Europe also have industrial development, and Sweden is an example. We should not think that the wages and capital costs of Sweden or Germany are low, because they are indeed pretty high, but these countries still manage to have flourishing industrial development.

While the Government is duty-bound to promote industrial development, the industrial sector should also work hard. In my opinion, although the industrial sector has capitalized on the low costs of China, including cheap land and low labour cost, when its economy started to take off, it has neglected the need to develop industries of high skill or technology. Thus, when the land and labour costs no longer remain low, industrial development will be stifled by the heavy reliance on cheap land and labour.

Today, the weighting of Hong Kong's manufacturing industry has dropped to only 1.6%. But in our childhood, when industrial development reached its peak some 30 to 40 years ago, more than 1 million Hong Kong people were employed by the industrial sector. Today, however, the number of employees is

negligible. We must develop industries that will benefit the long-term development of Hong Kong, and just as I said earlier, I have highlighted a few areas in my amendment, including the need for the Government to promote the development of data and green industries. I understand that the Secretary is responsible for industrial and commercial affairs, which certainly covers information technology, but when it comes to the promotion of industrial development, including green industries or waste recycling industry, he should better co-ordinate with Secretary WONG Kam-sing.

In the amendment, we have shed particular light on market value. This is a pretty difficult concept because many green industries do not emerge by themselves and their potential values are hard to be recognized. To put it simply, wastes do have values, but in order for wastes to have recycling values, there must be sufficient policy support from the Government. We therefore opine that the promotion of green industries as part of the industrial sector requires the joint effort of a number of government departments, including the Commerce and Economic Development Bureau and the Policy Bureau led by Secretary WONG Kam-sing.

President, the Democratic Party sincerely hopes that the Government will make Hong Kong's industrial development more diversified in the days to come. We also hope that when the ITF expires, the Government will put forward more long-term proposals to promote the development of innovation and technology. As far as I may recall, the ITF is almost exhausted and it is now time for the Government to embark on development of a longer term, and exert greater effort to enhance Hong Kong's high value-added and high technology industries.

I so submit.

**MR KENNETH LEUNG** (in Cantonese): President, first of all, I would like to thank Mr CHUNG Kwok-pan for his original motion. The Professional Commons absolutely supports Mr CHUNG Kwok-pan's motion, and my amendment today focuses on two specific sectors.

Hong Kong's homogeneous structure of industries and our reliance on sectors that are not parts of the real economy (that is, the financial and real estate sectors) have long been criticized. In recent years, the Government has made a number of proposals concerning the development of emerging and competitive industries but generally speaking, it only supports new industries through fund

allocations. There is a lack of comprehensive and substantive policy support and the Government has not paid any attention to industrial land planning. Therefore, it has so far failed to attract the return of the industrial sector, especially high value-added industries.

Given the geographical conditions and modes of economic development in Hong Kong, can all industries in the industrial sector return to Hong Kong for development? I do not think so. In my opinion, industries in the sector that are suitable for the return to Hong Kong must meet four requirements: First, being high-value added; second, being less polluting; third, requiring fewer land resources; and fourth, enhancing the quality of talent. If industries meeting these four requirements return to Hong Kong, they can naturally attract foreign investments and promote a knowledge-based economy. Otherwise, given our current homogeneous mode of economic development, which is not a part of the real economy, it will be very difficult for Hong Kong to maintain its competitive edge in the Asian region within a period of three to four years — I actually mean two to three years.

Let me give some specific examples. The industries meeting the above conditions of being high value-added and less polluting, requiring fewer land resources and enhancing the quality of talent include the pharmaceutical production and certification industry.

Concerning western medicine, information provided by the Census and Statistics Department (C&SD) shows that the production of western medicine in Hong Kong is mainly for local consumption and there is less room for growth in gross export value. The industry has recently focused more on attracting international pharmaceutical companies to conduct Phase I clinical trials in Hong Kong. However, most of the clinical trials conducted in Hong Kong at present are Phase III to Phase IV clinical trials, and we can hardly compete against the Mainland in terms of cost effectiveness in the long run. Therefore, Hong Kong should focus on the development of established certification systems and make good use of talent.

Though the SAR Government has recently established the Health and Medical Research Fund for medical research, Hong Kong is lagging far behind our neighbouring regions, especially Singapore, in respect of the development of the pharmaceutical industry. President, since 2000, the Singapore Government has actively encouraged investment by foreign pharmaceutical companies through providing tax incentives and matching subsidies. Many international

pharmaceutical companies we are familiar with have set up their Asian-Pacific bases in Singapore, including Abbott, GlaxoSmithKline, Pfizer and Novartis. Since nearly all familiar western medicine brands have set up Asian-Pacific bases in Singapore, pharmaceutical and biotechnology were the value-added industries that attracted the largest share of foreign direct investments in the past decade.

From 2002 to 2008, the economic growth of the biopharmaceutical industry in Singapore increased from SGD3.8 billion to SGD10.6 billion. As at early 2013, the biopharmaceutical industry in Singapore accounted for 25.5% of its GDP. Singapore is also a financial centre but its biopharmaceutical industry accounted for 25.5% of GDP, and the percentage is higher than that of its electronics industry for the first time. Singapore has a very high-tech electronics industry but the growth rate of biotechnology is indeed rather significant.

President, I believe the SAR Government should expeditiously make use of the existing advantages and conditions, and strive to become a scientific research base for conducting early clinical trials and certification with Mainland and international pharmaceutical companies. Moreover, the production of proprietary Chinese medicine in Hong Kong will continue to bring Hong Kong stable export values. The proportion of the production of western medicine and traditional Chinese medicine in GDP is still small, so, I think there is still much room for development at this stage, and the Government should continue to support the development and internationalization of local medicine, be it western medicine or traditional Chinese medicine.

President, the second industry that I would like to discuss is the fashion design and production sector. Figures from the C&SD show that the export values of the local textile and garment industry decreased from \$42 billion in 2007 to only \$2.9 billion in 2012. This significant drop in recent years reflects that these traditional industries face enormous operational difficulties and pressures. In the past, the local garment industry mainly engaged in mass production in factories. With the northward movement of production lines, local designs and brands have not been nurtured. This point is very important because the fashion industry put strong emphasis on branding; thus, the industry is contracting.

Although the Government is assisting designers in the fashion industry in carrying out promotional activities, there is still the lack of a holistic platform for the three-pronged development of brands by local budding designers, investors

and overseas buyers. We are talking about fashion brands; now that there are Milan, New York, London and Paris brands, why can we not have Hong Kong brands? According to a research report entitled Global Fashion Industry — Growth in Emerging Markets, Singapore and India have become the two major Asian countries in the world's emerging fashion markets. As compared with these countries and the Mainland, the development of Hong Kong brands is subject to some cost constraints. In fact, local fashion designers are following very closely the international trends, and the Government only needs to subsidize the costs, such as creating the three-pronged export platform that I just mentioned, to strengthen the training of local designers, and to support local designers in participating in international activities, so as to increase the popularity of local brands. I think the high-grade fashion industry rather than the mass production of fashion in factories has great potential, and I believe Mr CHUNG Kwok-pan should agree with me. In addition, the Government can strengthen the supporting software such as training funds for fashion designers and tax incentives, so that some high-end garment industries can take root in Hong Kong, and Hong Kong brands can flourish in the fashion industry.

Furthermore, President, eco fashion, which is a sustainable and trendy fashion industry, has become popular in overseas countries in recent years, and it facilitates the mutual co-operation between the garment industry and the recycling industry. In the United States alone, more than 2 000 enterprises are engaged in the fabric recycling industry, with total annual sales of US\$700 million. For example, Armani Jeans, one of the well-known international brands, introduced as early as in the 1990s the use of recycled denim, wool and knitted products in the manufacturing of eco fashion clothing. Actually, we can also make use of fashion brands, government measures and environmental protection concepts to create new space for development.

With these remarks, President, I support Mr CHUNG Kwok-pan's original motion and the amendments of Members except Mr Andrew LEUNG's amendment. Thank you.

**MISS CHAN YUEN-HAN** (in Cantonese): President, the subject of Mr CHUNG Kwok-pan's motion today is "Encouraging the return of the industrial sector for development to make Hong Kong's industries more diversified", which has been discussed by the Hong Kong Federation of Trade Unions (FTU) for a long time.

I thank him for proposing this motion and we accept all the wordings in the motion. Mr CHUNG Kwok-pan and I have visited Sham Shui Po to meet with members of the industrial sector wishing to return to Hong Kong for development, and we have also learnt about the mindset of creative people in Hong Kong. I know that Secretary Gregory SO has also attended a catwalk there and I hope he is really concerned about these people. I hope the Government would not keep marking time after our discussion today. I just asked the Political Assistant of Secretary Gregory SO if the Secretary would be present. It is good to have him here. I hope the Government would attach importance to this issue. Since the reunification, we have been expressing our views and we have had many dreams; but we have always been disappointed.

A decade ago, the FTU already discussed with the industrial and commercial sectors how the return of the industrial sector could be achieved. I agree with Mr CHUNG Kwok-pan that the wages in the Mainland are no longer low nowadays and there are a lot of conditions favourable to the return of the industrial sector. In the recent Government Work Report he delivered, Premier LI Keqiang strongly emphasized maintaining stability and fighting corruption. I believe this is an opportunity.

President, I have dealt with labour issues for dozens of years. In the mid-1980s, I found the manufacturing sector that nearly a million workers depended on for a living was gradually relocated to the Mainland following the reform and opening up of the Mainland. In the process, I also found that many industries in the sector gradually moved to the Mainland. Under DENG Xiaoping's reform and opening-up policy, a lot of manufacturing capital of Hong Kong was brought back to the Mainland. In the mid-1990s, almost all manufacturers who wished to move their business to the Mainland had done so. At that time, I frequently visited the manufacturers in San Po Kong and Kwun Tong, and I was told that it was unnecessary for me to do so because they could not hold on any longer. This was what we thought at that time. Under such circumstances, I found that many workers had become unemployed, and many brilliant manufacturing workers lost their jobs and left their specialized fields because the factories and industries had gone. At the most prosperous time of the industrial sector ... I organized residents' meetings on standard working hours these few evenings and I asked if there were manufacturing workers present. Many people raised their hands. These people had no worries about jobs before, and even low-skilled workers and workers with lower educational qualifications could earn satisfactory incomes in factories. They also shared many stories with me. For example, sewing machine operators could afford to support several of



their children's studies overseas. They were proud that their children had completed their studies and became professionals. At that time, workers who were keen to make progress could attend classes, participate in apprenticeship schemes and attend technical schools. Quite a number of them achieved upward mobility and became professionals or bosses, and some cottage factories were developed into factories of a very large scale now. If we interview successful industrialists, we would be told that they also went through the same process. In San Po Kong, I have met some people who still insist on engaging in the manufacturing industry; but there have been many changes.

In the mid-1990s when Hong Kong economy experienced the switch from the manufacturing industry to the financial services sector ... I wish to stress that since then the FTU repeatedly told MACLEHOSE ... I would like to correct myself, we told WILSON and then PATTEN that the industrial sector ought to be upgraded and the manufacturing industry should not be allowed to disappear; and we also had discussions with members of the business community. In our view, if the Government did not attach importance to the loss of jobs, the disparity between the rich and the poor would appear, as we have witnessed today. There is a disparity between the rich and the poor because of the absence of career choice and opportunities for the upward mobility for the grass-roots workers. In that case, the poor will continue to be poor and poverty will pass from generation to generation. How can this possibly happen? I agree with the Government that we should help children affected by inter-generational poverty. Will achieving a diversified economy be helpful to them? This is precisely what I am asking Secretary Gregory SO for a response. Does the Government have the courage to do these things, particularly when there is an opportunity now?

In 2012, Hong Kong's services industry accounted for as high as 93% of GDP but the manufacturing sector only accounted for 1.5%. There were only 104 000 people remaining in the manufacturing sector last year. As our structure of industries is seriously tilted towards the financial services industry, many of our ambitious and aspiring young people are rendered helpless. Since the implementation of the Individual Visit Scheme in 2003, the services industry has eroded various trades and sectors. I would like to say that people engaged in the services industry and the retail industry are delighted with the continuous growth of these industries and the workers in these industries consider that their situation is really good; yet, the rents have been rising due to competition. Mr Vincent FANG should understand as his brand which used to be found in street shops is now found in upstairs shops. Toppo is a very famous brand both in Hong Kong and overseas, but it is not even found in street shops here now. I

should not say it this way. Actually, it was very easy and convenient to find Topy in the past but this is not the case today. Why has this happened? Why have rents suddenly surged? I am overjoyed when the decrease in rents has recently been reported in the press because I really think that rents should drop; otherwise, what are various trades and sectors going to do? They cannot survive at all. According to our calculations, from 2003 to 2013, the rents in Hong Kong rose by 17%, and the rents of some shops in busy areas increased fourfold and even eightfold or tenfold. Thus, all trades and sectors were pushed out. Before LEUNG Chun-ying ran in the election, he said that when one industry was flourishing, a hundred industries would be in the midst of a serious downturn. He identified the problem but I do not know why he has not taken any actions so far. Can the Secretary ask the Chief Executive whether he has made such a remark? But I can tell you that he did say so. "When one industry was flourishing, a hundred industries would be in the midst of a serious downturn", how will the Government support the manufacturing industry under these circumstances? The manufacturing industry is the most important and we fully agree with Honourable colleagues' remarks just now. I totally agree with them.

Let us take a look at our neighbouring countries. During the Donald TSANG era, the Government was reluctant to take actions under the policy of a high degree of non-intervention. However, all markets must do something in the face of serious competition or tilting towards a certain economic activity. South Korea and Singapore are typical examples. After the Asian financial turmoil, the South Korean Government believed that they should get out of the doldrums, so it was determined to carry out various studies from 1998 onwards. Finally, South Korea has developed the manufacturing sector that we see today. Their electronic product industry has experienced buoyant development and today's youth are basically using the products they produce such as the Samsung products. I will not go into details about the vast variety of their products. South Korea has also developed a number of fashion brands later on. Quite a lot of young people like to buy clothes produced in South Korea online because they are inexpensive and trendy with good cutting. Their cosmetic products are very impressive as well.

I really have deep feelings after my visit to South Korea. We have witnessed the development of South Korea. We visited South Korea years ago with LAU Chin-shek, the then Chairman of the Panel on Manpower, and we found that the whole city was very modern. People with creativity were allowed to work for nine months in South Korea, and the successful business starters could enter the market with the support of low rents. For those who failed, they

had to withdraw from the market, leaving room for other people. In the early days, South Korea made numerous such efforts. Thus, various kinds of products have emerged in the market and the country has experienced vigorous development. I have repeatedly emphasized that it will not work with only the provision of nine months for development but without the fertile soil for nurture and support. So, I very much support the proposal of Mr CHUNG Kwok-pan about lands. I once intended to abstain from voting on the amendment of Mr Alan LEONG because he deleted the proposal about lands in the original motion. But he subsequently said that he would support all the proposals. I would now reconsider supporting his amendment. I think "K Pop" is prevalent nowadays and LEE Myung-bak is a wonder. I will not discuss in detail the example of Singapore.

To sum up, as long as the Government is willing to introduce policies to support a particular trade or industry, I believe favourable performance will be resulted. Some may say that there are examples of failure in Taiwan. I think there are many reasons for failure. It is no big deal if people can carefully examine and sum up their experience after they have failed. We will not be convinced by people simply saying there are examples of failure. Other highly-capitalistic countries such as the United States and the United Kingdom also have supporting policies in place. Today, I am not just talking about cultural and creative industries. I am saying that the Government needs to formulate numerous supporting policies. The problem is that the Government often talks about the four major industries, the five major industries and even the six major industries. Of course, the Government does not talk about the five major industries or the six major industries. After all, these are merely empty talk. While they are talking, some industries have even disappeared. Sometimes, I really find this ridiculous.

Hong Kong needs an industrial policy and the premise is the availability of industrial land. If there is no industrial land, our hard-earned results will be gobbled up by developers. Our economy cannot be entirely supported by the construction of buildings and shopping centres, and industrial development should be promoted. Therefore, we stress that Mr CHUNG's proposals are essential. Another policy is the provision of tax incentives. The Government should provide targeted incentives, for example, the provision of preferential duty for research and development. If we wish to attract the return of the industrial sector, we must attract high value-added industries as they are the only industries that can afford the high costs in Hong Kong. Therefore, we certainly support Mr LEUNG's amendment.

In addition, the key concern of my amendment is human resources and I believe Honourable colleagues would understand my viewpoint from what I have just said. Yet, I still have a story to share. After many students, particularly design students finish their studies, they cannot find any places to hold catwalks or make clothes samples. They can be said to have nothing at all. However, they often wish to have greater development other than (*The buzzer sounded*) ... Thank you, President.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, first of all, I am very grateful to Mr CHUNG Kwok-pan for proposing this motion today, which allows us to discuss Hong Kong's economic development and policies on industries.

The Government has always attached great importance to economic development. As the Chief Executive has mentioned in the Policy Address this year, Hong Kong needs sustained economic growth to address issues such as poverty, housing, an ageing society, environmental protection and the upward mobility of our young people. The Chief Executive has indicated that "resolving long-term social problems with economic development" is the key vision in administration; and "economic development" is at the top of the Government's five key policy concerns.

The Government believes that it should play a more active role in economic development. Therefore, we have adopted an "appropriately proactive" attitude and put forward a number of policies to promote and support economic development. In the Policy Address 2013, the Chief Executive has stated clearly the need to deepen and expand our industries. We must give play to Hong Kong's strengths to increase business volume while diversifying the products and services of the existing industries and identifying new areas for development. In the Policy Address this year, the Chief Executive has more specifically set the directions and made suggestions for supporting more than 10 industries, showing the Government's determination and efforts to develop diversified industries.

In his motion, Mr CHUNG mentioned encouraging the return of the industrial sector for development. I believe Members would understand that land resources in Hong Kong are precious, and industries that use considerable land resources and are labour-intensive are of not much help in creating quality employment opportunities and the long-term economic development of Hong

Kong, just as a number of Members have mentioned. Traditional industries must move towards the direction of high technology and high value-added, so as to increase cost effectiveness and maintain competitive advantages. The Government will also attach importance to the development of industries with competitive advantages and promote the development of innovation and technology.

The favourable business environment in Hong Kong today is the result of the unremitting efforts of various sectors. The Government will continue to consolidate the advantages of Hong Kong and listen to the forward-looking and strategic views of the sectors to develop new growth points. We will also provide support for the newly-established enterprises and small and medium enterprises, and make appropriate arrangements for talent training in order to maintain a favourable environment for economic development and support the sustainable and prosperous development of the industries, thereby helping people improve the quality of life and realize their ideals.

President, I wish to listen to Members' views on the motion first and I would make a response later.

Thank you, President.

**MR FRANKIE YICK** (in Cantonese): President, I speak in support of Mr CHUNG Kwok-pan's motion today.

There are close links between the industrial, shipping and logistics sectors. When the development of the industrial sector becomes increasingly prosperous, there will naturally be higher demands for logistics services including maritime, land and air transport services, and storage and packaging services. The development of the local industrial sector can play a balancing role as Hong Kong has now put greater emphasis on re-exports. The Kwai Tsing Container Terminals handles more than 20 million Twenty-foot Equivalent Units (TEUs) of cargoes while the airport handles 4 million tonnes of cargoes. Around 70% of these are cargoes for South China, which are re-exported to the Mainland by land or river transport. However, these re-exports may be handled elsewhere due to the handling costs. If Hong Kong has its own industrial production, I believe this will be conducive to the stable development of our logistics industry.

Hong Kong has become an international logistics hub mainly because we provide international transport networks, professional consignment services, fast and efficient clearance of goods and highly reliable storage services, that are better than other cities or competitors. In the face of the continuous development of neighbouring regions and competitors, Hong Kong's competitive advantage will continue to diminish. For instance, Singapore intends to move the existing port facilities to the Port of Tuas in the west in 2027, to increase its annual cargo throughput by two times to 65 million TEUs; Shanghai is actively improving the port facilities of the Waigaoqiao Port and the Yangshan Port; Shenzhen plans to increase the cargo throughput of its port to 2.8 million TEUs in 2015; and Guangzhou is proactively developing the Nansha Port. If we do not think of danger in times of safety and be well-prepared, our position as a logistics hub will really be precarious. According to the world competitiveness rankings announced by the International Institute for Management Development in Switzerland in 2013, among 60 economies, Hong Kong's ranking dropped from first to third, which sounded an alarm for our competitiveness. In addition to the constant enhancement of the competitiveness of our logistics sector, as the Chief Executive has advocated, we should "foster diversity and robust growth in our industries". The industrial sector's return to Hong Kong for development will help stimulate the development of the logistics industry and "make the pie larger".

In the 1980s, a large number of local manufacturers moved northwards, mainly because of the more competitive operating costs, lower wages, rich land resources and tax concessions in the Mainland. However, due to the backward transportation services, financial system and information flow in the Mainland back then, Hong Kong naturally became the southern gateway to the Mainland while the ports in Hong Kong became entrepôts driven by the cargo flow from the Pearl River Delta (PRD). In recent years, the continued economic reform and opening up of the Mainland have promoted rapid development. As a result, the port facilities have been increasingly improved and many Mainland goods have been directly exported from Mainland ports, and they are no longer re-exported through Hong Kong. The Shenzhen Port has therefore benefited from the development of the world factory. Taking the transportation costs into account, most goods of lower values produced in the Mainland are shipped directly from Mainland ports. Hence, the cargo throughput of the Shenzhen Port has been rising in recent years, and it even replaced Hong Kong as the "world's third largest port" last year.

Facing the rapid development of Mainland ports, in addition to the development of high value-added logistics, we should also find diversified cargo sources for the logistics industry. The return of the industrial sector naturally brings increased freight volume. For example, the import of raw materials and the export of semi-finished and finished products will bring additional demands for logistics services. In fact, the talk about the return of the industrial sector to Hong Kong is not a new thing. It was brought up as early as in 2002. Owing to costs and recruitment difficulties, many manufacturing industries have been transferred to places outside the PRD or neighbouring Southeast Asian regions. Nevertheless, Hong Kong still has sufficient industrial design professionals and rich experience in this connection, and we have cultivated a number of well-known quality brands. Considering that Hong Kong lacks advantages in terms of costs, industries in the sector that return to Hong Kong should focus on the development of high-grade and high value-added products. In recent years, many countries and regions such as the United States, South Korea and Taiwan have actively introduced measures to attract the return of industries. For instance, the return of the manufacturing industry to the United States has become one of President OBAMA's key policy directions. He has also proposed a number of measures to attract local and foreign companies to invest in the United States. Over the past few years, giant corporations in the United States such as the Caterpillar and the General Motors have moved back some of their production lines to the United States, and the selling point of the new Mac Pro computer of the Apple Inc. is that it is "assembled in the United States".

According to the findings of a research entitled "Questionnaire Survey on Central China Consumers' Perception of Hong Kong Brands" in April 2012, a considerable number of respondents linked Hong Kong brands with high-quality, fashionable and good value for money. And, 70% of respondents indicated their willingness to pay a higher price for Hong Kong brand products or services over the local brands. Evidently, to a certain extent, Hong Kong brands are popular with consumers. If the Government can introduce preferential measures to encourage manufacturers to bring back some high value-added manufacturing processes to Hong Kong, it can certainly increase the attractiveness of Hong Kong brands and give impetus to Hong Kong's trade logistics industries, which will be conducive to the diversification of Hong Kong's industries in the long run.

President, I so submit.

**MR VINCENT FANG** (in Cantonese): President, more and more Mainland tourists have come to Hong Kong for shopping, and this has recently become a highly controversial issue. Many people who criticized Mainland tourists tend to do so for votes, public opinion or popularity, and they have not rationally analysed the reasons why so many Mainland people have come to Hong Kong for shopping and the opportunities for the future development of Hong Kong.

My remarks will certainly make many Honourable colleagues jump. They will say that I only care about the interests of businessmen and ignore the plight of the public. Indeed, Mainland tourists are of great benefit to the wholesale and retail trades. However, not only these trades but also Hong Kong as a whole are benefited because they also bring business and employment opportunities to various trades and sectors. Full employment in Hong Kong today is inseparable from the development of the tourism industry. The chaotic situation today has arisen because the SAR Government has not properly analysed the opportunities to be brought to Hong Kong when the Individual Visit Scheme was introduced in the Mainland. If there is the simultaneous development of the tourist reception facilities in Hong Kong in the past decade, there will not be so many grievances today and there will be better social and economic development.

Droves of Mainland tourists are shopping in Hong Kong but the SAR Government has yet identified one opportunity, and that is, the reliability and reputation of Hong Kong's retail market, Hong Kong brands and the confidence of consumers in the brand "Made in Hong Kong". Although the Custom and Excise Department found counterfeit goods or unfair trade practices from time to time, as we all know, the Government has spared no efforts in combating them. The media have asked Mainland tourists why they like to do shopping in Hong Kong and these tourists have replied in concert that they have greater confidence in Hong Kong brands, the brand "Made in Hong Kong" and things bought in Hong Kong. Should we turn these advantages into the impetus for the sustainable development of Hong Kong?

President, in recent years, many Honourable colleagues and economists have constantly criticized that our economy has been biased towards the financial and real estate sectors, and we must have diversification of industries. The Liberal Party agrees. As Hong Kong brands and the brand "Made in Hong Kong" are our advantages, we have always told the Government that we would like to assist sectors with potential in their development in Hong Kong, and even



to attract them to return to Hong Kong for development. Given restrictions in respect of land, human resources and labour costs, as Mr CHUNG Kwok-pan has said, we can attract some high value-added industries and industries with local characteristics such as Chinese medicine. I have time and again relayed this to the Chief Executive and at the meetings of the Panel on Commerce and Industry.

Let me give Chinese medicine as an example. There used to be more than 400 Chinese medicine factories in Hong Kong with their own brands. Some Honourable colleagues who have taken Chinese medicine should be able to instantly think of a number of brands. Nevertheless, most of the products of these brands, especially medicinal oils, are still produced in small factories with manual procedures, and these brands may disappear a few years later. Is it because of poor business? This is definitely not the reason because many Mainland tourists buy large amounts of these products. The problem is that the last-term Government specified that the production of Chinese medicine should comply with the Good Manufacturing Practices (GMP). This direction is right but the preparation of a GMP consultancy report alone costs nearly \$1 million and it also needs an investment of over \$10 million to build a production workshop in compliance with the GMP. How can the investment be affordable by a small and medium enterprise (SME)? Therefore, I have asked the government department concerned whether standard factories can be built for rent by the Chinese medicine sector. As all of us can imagine, the government officials replied with a counter-question asking how suitable sites could be found.

Whenever the Government introduces policies to support the business community, many Honourable colleagues will consider how many employment opportunities can be created and how much tax revenue can be generated. They will also criticize that only large enterprises are left in the market. However, economic theories told us that SMEs will be driven out of the market when the operating costs increase. Coupled with the minimum wage, universal protection, conservation and emission reduction, SMEs will barely be able to survive.

In proposing this motion today, we are not asking the Government for money to help. Local brands and local enterprises do not mind striving hard on their own. What we need is policies such as tax benefits and policies on land and factories. We also hope that the Government will attach importance to Hong Kong brands and the brand "Made in Hong Kong", as well as set up a council on Hong Kong brands for officially accredited "No Fakes" and "Made in

Hong Kong" logos, so as to pass on the advantages of Hong Kong and Hong Kong brands.

I so submit. Thank you, President.

**MR WONG YUK-MAN** (in Cantonese): President, the topic of our debate today is "Encouraging the return of the industrial sector for development to make Hong Kong's industries more diversified". The topic tells us that there will not be any objection among Members. The key is the contents. Mr Vincent FANG and the representatives of the industrial and commercial sectors may have differing views on the contents with me. I have no objection to this topic. We all know that this motion will have unanimous support in the end but Members may have different views on the amendments. Anyway, all of us can express our views freely.

Given the homogeneous development of Hong Kong's industries, I need not emphasize the damage of our dependence on property and financial speculation and the Individual Visit Scheme of the Mainland. To withstand the increasingly serious financial turbulence and allow local natural sciences and engineering technology professionals to demonstrate their skills, we obviously should have our own industries. However, for 17 years since the reunification, the SAR Government and the pro-communist camp have all along stressed the integration of China and Hong Kong, the Mainland as our hinterland, and the dovetailing with the development of the Motherland, and have ignored the practical needs of Hong Kong. The situation has aggravated after "689" has taken office. To strengthen the Mainland's control of Hong Kong, he has expanded the Individual Visit Scheme and increased social costs such as rents and costs of the transport system, so as to enable people with funds fled from the Mainland to scramble to buy properties in Hong Kong. There is negligible economic growth in return but numerous local industries are indirectly suppressed. It took me just a minute to speak out for justice but this is also the actual situation.

Hong Kong must refuse to become a vassal city of the Mainland and we must not remain passive any longer. We must become independent and learn a lesson from our bitter experience, and follow the example of Singapore in revitalizing the secondary sector. In the past, TUNG Chee-hwa, the first-term Chief Executive, used to compare Singapore with Hong Kong. He was envious of the Singapore Government's efficiency and its powerful autocracy. This

should not be followed, in particular, Hong Kong is better than Singapore in terms of freedom of expression. However, is there anything that we can learn from Singapore in respect of the development of the secondary sector in the past decade or so? As the Chinese saying goes, "Stones from other hills may serve to polish the jade of this one". Information shows that the secondary sector has only accounted for 7.1% of GDP in Hong Kong, less than the over 10% in Tokyo, New York, London and Paris, and the 20% in Beijing. Similarly, Singapore is a small place but its secondary sector has accounted for 27% of GDP while the manufacturing industry has accounted for 20% (our manufacturing industry has only accounted for 1.6%). It is indeed a very narrow perception that the Singapore economy merely relies on the revenues from the financial sector, re-export trade and casinos (the Sands Casino has recently been constructed).

I would like to spend some time talking about Singapore. I do not like Singapore much but Singapore is doing much better than Hong Kong in respect of the secondary sector. There are four pillars of Singapore's manufacturing industries, including petrochemicals, electronics, biomedicine and machinery manufacturing. As the world's third largest oil refining and petrochemical centre, Singapore has occupied 70% of the market share of the global drilling platform industry, with dominance in the offshore oil drilling industry. As Singapore is the only Asian city that is both a financial centre and an oil refining centre, it has become the oil trading and pricing centre in Asia.

Concerning the electronics industry, Singapore is the world's second largest semiconductor manufacturing centre, second only to Hsinchu in Taiwan, and it is the world's sixth largest semiconductor manufacturing country. Singapore's Chartered Semiconductor is the world's third largest semiconductor company, and Flextronics with its global headquarters in Singapore ranks among the top 500 semiconductor companies in the world and is on an equal footing with Foxconn.

In regard to biomedicine, Singapore is a biomedicine centre in Asia and the relevant industries have a total value of SGD24 billion, accounting for about 2.3% of its GDP and employing more than 10 000 people. A number of pharmaceutical giants and public research institutions in the world are based in Singapore, mainly engaging in niche researches in medicine, genomics, cell and molecular biology, bioprocessing, bioinformatics and bioengineering. Is that marvellous? If I continue reading the list, there are many more areas.

Regarding machinery manufacturing, Singapore is a world leader in oil and gas equipment manufacturing, and the related industries include precision engineering, engineering vehicle manufacturing and solar energy. Singapore also has other manufacturing industries for meeting the domestic demand such as steel and cement factories and breweries. There are many more but I do not wish to appear as though I am giving publicity to Singapore.

In the early 1980s when the Mainland implemented the reform and opening-up policy and the industrial sector of Hong Kong started planning their northward movement, Singapore was actively adjusting its policies on industries and promoting the upgrading of its industries. On one occasion, I was chatting with some Singaporeans and I found that they were very envious of Hong Kong because we had the Mainland as our economic hinterland while Singapore could only hope for the best. When Hong Kong wanted and had the chance to rely on the Mainland, Singapore was able to survive on its own. It was precisely because it did not have such a huge economic hinterland as the Mainland. Thus, it strived for self-improvement. We in Hong Kong are frequently saying that we have the Mainland as our hinterland but our results are not as satisfactory.

Owing to the time constraint, I cannot list all the factors of Singapore's success but I believe that is how the secondary sector in Singapore, accounting for 27% of its GDP, is established. Singapore succeeds while Hong Kong fails. A remote cause is that when the United Kingdom prepared to hand over Hong Kong to the Chinese Communists in the 1980s, it arbitrarily allowed the industrial sector to move northwards, and it failed to strategically preserve the local industrial sector and upgrade technologies. An immediate cause is that the groups in Hong Kong with vested interests were short-sighted. The real estate gang simply seized real estate interests while the communist gang was mindful of draining our economy, making it fail to become autonomous and independent. The SAR Government's proposals of a Chinese medicine port and the Cyberport became a mess. I can still go on counting. The per capita GDP of Hong Kong is only two thirds of that of Singapore, though the two were very close before. I feel very sad whenever a comparison is drawn with Singapore. Of course, we will not make comparisons in many areas. Eighty percent of the people in Singapore are living in government-subsidized housing, how about us in Hong Kong? Every time I visited Singapore, I instigated Singaporeans to criticize the Government but they ignored me. Yet, I got a little more attention in recent years.

The development of high value-added industries needs a favourable social environment. I am not an economic development expert and so I am not able to offer any insight. Nonetheless, I can say with certainty that, with the rapid deterioration in Hong Kong's corruption-free environment, freedom of expression, air quality and living space, we can probably not attract talents and it is difficult to nurture the creativity required. Singapore has brilliant achievements (*The buzzer sounded*) ... I have finished speaking, President.

**MR TONY TSE** (in Cantonese): President, in recent years, there has been a sharp appreciation of the Renminbi, a rise in the production costs of the Mainland's industrial and commercial sectors, a higher living standard of the people, and a rapid economic growth in the Mainland. Mainland China was known as the "world factory" in the past because it had the advantages of relatively lower costs than some neighbouring countries and regions. Today, this advantage of China has diminished and its rapid economic growth makes it increasingly difficult for the operation of Hong Kong businesses which are facing increasingly intense competitions in the Mainland. Therefore, some Hong Kong-funded enterprises have started to consider or have already returned to Hong Kong for development. Enterprises often take a number of factors into consideration when they choose between development in the Mainland, Hong Kong and other regions and cities, such as whether there are favourable policies and measures for sustainable development. The healthy and sustainable development of enterprises depends on their operation and management, as well as important factors such as land, capital, information, the legal system, labour and intellectual property protection, which are often directly affected by government policies.

The motion today aims to encourage the return of the industrial sector to Hong Kong for development. What exactly is the industrial sector? Do the Government and the industrial and commercial sectors have a consistent understanding and view of the industrial sector? Years ago, I already questioned if the Government had explicitly defined the industrial sector. Along with the changing times and the changing economic environment, has the Government appropriately revised the definition of the industrial sector and formulated forward-looking industrial development policies?

I believe we have a better grasp and understanding of the scope of the industrial sector in the traditional old economy. The simplest idea is that there were heavy and light industries in the past. However, with the changing times

and the beginning of the new economic era, the definition of the industrial sector in the old economy has gradually failed to tie in with the global economic development and has evidently become inappropriate. With the development of the knowledge-based economy and high value-added services industries nowadays, if the Government cannot change its relatively closed mindset, give the industrial sector a new definition that can cope with the development of the knowledge-based economy in the new era, and formulate the corresponding policies and measures, despite that there are more innovation industries and more industries have returned to Hong Kong, and the local industrial sector makes great efforts in constant innovation and upgrading, I am worried that in an absence of supporting policies and resources, the Government is not able to properly seize the opportunities of the return of the industrial sector. This will eventually not be advantageous to the industrial sector and even the economy as a whole. I hope the Government would soon become well aware of that, and provide additional and more appropriate software and hardware for the industrial sector, so as to facilitate the rebirth of Hong Kong's industrial sector.

One of the factors for consideration by the industrial and commercial sectors when they determine if they would invest and develop in a certain place is whether there are sound policies and measures for the protection of intellectual property such as patent and copyright. As intellectual property is an important part of intellectual capital management, it has significant impacts on the overall development of enterprises. When there is a maturing internal environment, rising awareness of intellectual property of the industrial and commercial sectors and the community, especially increasing respect for copyright in the online world, as well as constant improvement and upgrading in the external environment and conditions for the co-operation between Hong Kong and the Mainland in intellectual property protection, I hope the Government can strengthen the protection of intellectual property rights at the policy level in areas of publicity, education, training, research, information dissemination and law enforcement, so as to promote the development of Hong Kong into a regional hub for intellectual property trade.

President, Secretary Gregory SO from the Commerce and Economic Development Bureau visited Switzerland in January this year to learn more about the development of the creative industries and innovation and technology there. In fact, there are many similarities between Hong Kong and Switzerland in the social and livelihood aspects, as well as financial and economic development. But the biggest difference between Hong Kong and Switzerland is that Switzerland is a country with diversified industries. Though its structure of

industries mainly comprises the financial and services sectors, the industrial sector is also a key component, taking up nearly 30% to 40%, in which high value-added and high-tech industries are very competitive. In comparison, a lot of people have always criticized that Hong Kong is simply sticking to old agendas. For many years, we have only focused on the development of the four pillars of the traditional economy. Although the Government has proposed the development of the six industries in recent years, what progress have we got these few years? We all know the answer. The Chief Executive said during his visit to Beijing earlier this month that he would submit to the Legislative Council the proposal of the formation of an innovation and technology bureau after the Legislative Council finished scrutinizing the Budget. I hope the community's discussions would be completed as soon as possible and the Legislative Council would expeditiously conclude the deliberations on the relevant legislation. If the Government can proceed at full speed and jointly promote the formation of an innovation and technology bureau, I believe this will be highly beneficial to stimulating the economy and promoting the overall development of Hong Kong.

President, I so submit.

**IR DR LO WAI-KWOK** (in Cantonese): President, I think when it comes to encouraging the industrial sector to return to Hong Kong for development, the mainstream view in society is one of support because this not only reflects the demand of the sector, but also helps improve employment and people's livelihood. If there is any disagreement, it might mainly be confined to what policies should be adopted to better achieve this objective.

Hong Kong's manufacturing industry has started to move northwards since the 1980s in the last century along with the opening up and reform of China, and the Pearl River Delta (PRD) region has become a base for Hong Kong manufacturers to set up factories there. As a result, a "front shop and back plant" operating model has emerged. As I started to establish joint ventures in the Mainland since the early 1980s, I have witnessed the changes during the course of opening up and reform over the past 30-odd years. In the process, Hong Kong has also undergone economic restructuring, with the economy led by the services sector. In 2012, the services sector accounted for a staggering 93.1% of GDP and 88.4% of total employment. Nonetheless, Hong Kong's manufacturing sector still employed more than 110 000 people in that year, with

the most prominent industries being food and beverage manufacturing, printing, garment, electronics, and so on.

However, with the rapid development of the PRD region, as well as factors like the appreciation of Renminbi, the costs of production and operation in the Mainland have been escalating and hence, the difference with those in Hong Kong has been narrowed. In this connection, Hong Kong manufacturers in the Mainland may choose to move the production process to more remote areas in the Mainland, while some may intend to move their core businesses back to Hong Kong.

I think we all agree that the return of the industrial sector for development is not simply about tracking the steps of the past. Hong Kong is now moving towards a knowledge-based economy, while society's awareness for environmental protection is also increasing. Unavoidably, Hong Kong's industrial sector must proactively seek upgrading and restructuring so as to develop towards the direction of high value-added and low pollution. Hence, various support policies in respect of land, tax concessions and dedicated funding are required to encourage the return of the industrial sector for development in Hong Kong. Moreover, various professional services such as those in research, development and application, testing and certification, as well as support measures in green technologies are also needed.

President, I have been urging the Government time and again that while it is trying to increase the supply of land for housing production, it should not ignore other land uses, such as the allocation of sites to support the industrial and commercial sectors. As mentioned in the 2014 Policy Address, the Planning Department is conducting a new round of Area Assessments of Industrial Land in the territory, in order to ascertain the industrial and commercial sectors' demand for land and space. I consider that the Administration should work more proactively so that the necessary infrastructure can also be planned in tandem with the provision of suitable sites so as to dovetail with the development of local industries including both traditional industries and new industries such as technology, environmental protection, and so on.

Meanwhile, in order to enhance the technical and management levels of the local industrial production across the board, Hong Kong must ensure the promotion of innovation in a sustainable manner, especially in promoting



research, development and application of technology. In this year's Policy Address, the Chief Executive announced his decision to re-initiate the setting up of an innovation and technology bureau, which is an active response to the demands of the engineering and technological sectors. I hope that an innovation and technology bureau can be set up smoothly with the support of the Legislative Council and various sectors in the community. This new bureau should formulate more flexible policies and measures to attract investment by the industries in expanding the technology infrastructure, improving the mobile internet and expanding the regional data centres, so as to help different industries and trades increase their competitiveness. In order to encourage research and development (R&D) by enterprises, I reiterate my call here that the Government should offer two to three times tax deduction to enterprises for their R&D expenditure, and fine-tune the arrangements of various R&D funding support schemes, including the vetting and approval mechanism of the Innovation and Technology Fund, in order to facilitate the making of applications by enterprises.

President, in order to encourage the development of the industrial sector and new industries, both talent training and vocational education are essential. The SAR Government should keep striving for maintaining the diversity of Hong Kong's education system and the training of talents at different levels and for different work types. The Government should not only keep on enhancing the level of undergraduate and post-graduate studies of local universities, but also re-establish the positioning of vocational education in our education system as mentioned in this year's Policy Address. Furthermore, resource allocation should be made to various organizations such as the Vocational Training Council correspondingly, so that various kinds of pre-employment and on-the-job vocational education and skills courses can be provided for different subjects and trades in order to train up professional and technical talents urgently required by the industrial and commercial sectors. Of course, the Government should co-operate with the industrial, commercial and professional sectors proactively by providing more internship and on-the-job training opportunities for young people.

It is clear that if the Administration wants to encourage the return of the industrial sector for development, it will not suffice to have just a single or isolated policy or measure. Instead, there must be holistic consideration and co-ordination among work in various aspects including land supply, tax concession, dedicated funding support, talent training, as well as the synergy

among the Government, industry, research and academic sectors, in the formulation of policies and measures.

President, the points I mentioned above actually involve the Government's overall policy on industries. But regrettably, the Government's claim of promoting the development of industries, enhancing Hong Kong's competitiveness and promoting a knowledge-based economy is merely lip-service. Actually, the Government is acting like the fabled YE Gong, who professed to love dragons but was scared by the actual sight of them. In this year's Policy Address, the Government has yet to formulate a balanced and far-sighted policy on industries. Moreover, little has been mentioned about the imminent problems faced by the local industrial and commercial sectors, as well as their worries over the development prospects, for example, practically improving the operating environment of major corporations, as well as small and medium enterprises, providing a new direction to attract foreign investment proactively, seeking new drivers of economic growth, and so on. The sectors find it very disappointing. Friends in the industrial, commercial and technology sectors and I share the same hope that the SAR Government can act according to circumstances by consistently upholding and implementing the principle of "spending where necessary", so that aggressive economic and financial policies can be adopted to promote Hong Kong's economic growth and development of industries. By making such proactive investment in the future, it can help enhance Hong Kong's overall competitiveness in the long run and promote upward mobility in society.

I basically support the original motion as well as the amendments proposed by Mr Andrew LEUNG and other Honourable colleagues.

President, I so submit.

**MR WONG TING-KWONG** (in Cantonese): The industrial sector was once a pillar of Hong Kong's economy. Starting from its considerable development in the 1950s, Hong Kong's industry came to a peak in the 1970s. At that time, industries which were our pride, including textiles, garment, watch-making, plastic, and so on, had already been well-developed. By the 1980s, given the gradual increasing operating costs in Hong Kong, as well as the gradual fruition of the Mainland's reform and opening-up policy, many Hong Kong manufacturers were attracted to shift their operation northwards in order to save costs and

capitalize on the development opportunities in the Mainland. From 1979 to 1996, 60% of the foreign direct investment in the Mainland came from Hong Kong manufacturers, while the ratio was even as high as 80% in the Guangdong Province. During the peak, some 400 000 Hong Kong manufacturers were engaging in manufacturing undertakings in the Pearl River Delta.

However, times have changed. Given the rapid development of the Mainland's economy over the years, land and labour costs have increased significantly. As a result, the cost gap with Hong Kong has been narrowing. Moreover, as Hong Kong is a tariff-free free port, most raw materials can be imported duty-free. But in the Mainland, a relatively complicated verification and writing-off system for raw materials is applicable to foreign investors and hence, they might fall into these "traps" easily. In case of some negligence, they could be sanctioned by the law-enforcement agencies, which is very troublesome. With more and more benefits brought by CEPA, Hong Kong products exported to the Mainland can enjoy the preferential treatment of zero tariff, which actually results in substantial tax savings. In addition, Hong Kong products enjoy a good reputation internationally. Just by relocating their production process back to Hong Kong, the manufactures can capitalize on the advantage of being a Hong Kong brand and enhance the competitiveness of their products. Given these factors relating to costs, taxation, branding, and so on, many manufacturers who have moved northwards in the early years are now considering a return to Hong Kong.

But as we all know, land available in Hong Kong is in such a short supply that even land for housing is hardly enough, let alone land for industrial use. Many industrial buildings left vacant in the early years have already been revitalized or redeveloped into studios for the creative industry. Some industrial sites have even been converted into business/commercial use or residential use. Given the inadequate supply of land, many manufacturers have been deterred by the unavailability of suitable sites or the high land prices. Besides, Hong Kong is also facing the problem of labour shortage as many small and medium enterprises have difficulties in recruitment, while the wastage rate is also on the high side. Under these factors, Hong Kong manufacturers in the Mainland who intend to return to Hong Kong are facing some difficult choices.

In fact, we should encourage and welcome those manufacturers who intend to return to Hong Kong because their return invariably means an inflow of capital and technology into Hong Kong, which is highly beneficial for the redevelopment

of Hong Kong's industrial sector. The industrial sector has been stagnant for many years as Hong Kong has all along only concentrated on the development of the services and property industries, giving rise to the predominance of the property and financial sectors, as well as the homogeneous development of our industries. If this unhealthy situation is to be reverted, we must revive the industrial sector so that our economic growth is propelled by enterprises, while fluctuations brought by the risks of speculation as well as the changes in the external economy can be reduced. Moreover, our industries will become more diversified. Under the objective of reviving the industrial sector, returning manufacturers are a major driving force, and we should give them due regard.

In order to promote industrial development effectively, the Government should formulate a holistic industrial policy, establish an industrial mode on the basis of creativity and knowledge, set various short, medium and long-term development targets, and support industrial development through various means, including the offer of tax incentives, loans, subsidies, and so on. The Government should also provide dedicated support to returning manufacturers by guiding them through the relevant policies, rules and regulations in Hong Kong, as well as the trend of market development, and acting as a facilitator to give them assistance in identifying suitable operating premises.

Of course, as the Chinese saying goes, "A skilful wife could hardly cook without rice." If Hong Kong no longer has land available, it is certainly very difficult to support industrial development. Therefore, the Government should continue its efforts in land development and take into account the need for industrial land in the course of housing production, so as to ensure proper co-ordination. Consideration may even be given to the re-planning of industrial sites in suitable areas, in order to alleviate the shortage of industrial land.

Apart from land, the shortage of talents is also an urgent issue. The Government should encourage the institutions concerned to offer new courses by taking into account the features of the prevailing new industries, so that industrial talents can be nurtured in a dedicated manner. More importantly, it should strive to eradicate the misconception that there is no future working in the industrial sector, so that members of the general public can see that so long as they are willing to work hard, they can definitely have a promising career in the industrial sector.

Hong Kong's economy cannot just rely on specific industries. We must revive the industrial sector by encouraging and assisting the returning manufacturers, so that they can become the driving force of the sector. This motion today serves to remind us again the need for Hong Kong to revive our industrial sector, and it is worthy of support.

President, I so submit.

**MR POON SIU-PING** (in Cantonese): President, in the 1960s and 1970s, Hong Kong was once a world-famous manufacturing base as garments and electronic goods manufactured in Hong Kong were sold around the world. During this golden era of Hong Kong's manufacturing industry, millions of people in Hong Kong's population were living off Hong Kong's industrial sector which had propelled Hong Kong's rapid economic growth. Afterwards, with the Mainland's opening up and reform, Hong Kong's manufacturing industries were attracted to move northwards, while the focus of Hong Kong's economy shifted to the tertiary industry.

That is a snapshot of Hong Kong's development over the past few decades, and what is our economic condition today? Let me illustrate with a passage quoted from the Budget speech just delivered by the Financial Secretary: "The four pillar industries [that is, trading and logistics, financial services, tourism and professional services] recorded a cumulative growth of 84 per cent over the past 10 years up to 2012, exceeding the overall economic growth for the same period. They currently employ over 1.7 million people, or almost half of the total labour force, and contribute close to 60 per cent of GDP. They are the linchpin of Hong Kong's economy."

In this century, the Guangdong Province also adopts the strategic slogan of "ridding the cage of old birds in favour of new ones" for its economic development, stressing that Guangdong's economy must not be satisfied with a labour-intensive manufacturing industry with a low technical content, and that it must be restructured towards the end of high technology. With the Mainland's enhancing economic standard, the operating costs of many Hong Kong manufacturers in the Mainland have been increasing. They are forced to move their factories to other areas that are less developed economically, and this has become a trend.

The subject of today's motion is "Encouraging the return of the industrial sector for development to make Hong Kong's industries more diversified". Of course, it is the hope of Hong Kong people that Hong Kong's industries can be more diversified as this will not only help moderate the cyclical fluctuations in our economy, but also provide more development opportunities for the young people so that they can give full play to their strengths. Under this premise, the industrial sector intends to return to Hong Kong for development, and I think nobody will oppose to the idea.

However, we cannot go back in time. If the return of the industrial sector means continuing the crude mode of operation in the 1960s and 1970s, it is simply impossible. The reason is not only about the Government's policy, but also because Hong Kong's economic development has already gone beyond that stage.

If the industrial sector wants to start anew in Hong Kong, a new anchoring point must be identified. I also hope that from this new anchoring point, Hong Kong industrialists can invest and set up factories in Hong Kong, while the Government can provide policy support accordingly, so that Hong Kong's industrial products, as well as the brands of Hong Kong can once again gain worldwide acclaim.

President, right now, there is an industry awaiting development urgently in Hong Kong, though it might have little direct relationship with the return of the industrial sector, and I am talking about the environmental industry. Earlier, the proposal to extend the landfills has caused great repercussions in society, and some people have held that the Government should first of all encourage the development of the environmental industry and promote the recycling of waste in order to reduce the pressure on the landfills. However, like other industries, the environmental industry must also face the problem of high rental. I was told by some green groups in the district that even though they managed to apply for funding support from the Environment and Conservation Fund, they would invariably meet many obstacles in respect of identifying suitable shop spaces. It shows clearly why it is difficult for the local industrial sector to survive. Moreover, the Government needs to formulate more policies to support the development of the environmental industry.

President, I so submit.

**DR CHIANG LAI-WAN** (in Cantonese): President, recently the Financial Secretary has urged the Government to be cautious about spending money, as the expenditure is constantly increasing now and the future economic condition is unforeseeable as well, whereas the Government's spending has increased, therefore we are reminded to tighten the expenditure, cut down "giveaway" measures or even consider how to impose more taxes and where to increase revenues. He seems to purely consider in the direction of how to charge taxes on members of the public and how to collect taxes from the public and the community, so that government revenues can be increased. Some propose to increase water charges since no adjustment has been made for years, therefore it would be better to raise the charges a little, and some propose to reconsider the introduction of the sales tax, in the hope of increasing government revenues.

I hereby make an appeal. Today a number of Members have mentioned the continuous enhancement of competitiveness in neighbouring countries and regions, while their industrial sectors still account for a significant proportion of their Gross Domestic Product (GDP). The head of the "Four Asian Dragons" back then — Hong Kong — is, on the contrary, gradually removing from industrial production which accounts for an increasingly low proportion of our GDP, probably only a little more than 3%, right? I am referring to the proportion of industrial production in our GDP, which does not seem that much. It is probably only a little more than 2%, and I do not have the most updated figure in hand. Should we seriously consider developing more industries in the sector?

Premier LI Keqiang delivered his second government work report this year. The media were mostly concerned that the Premier omitted "a high degree of autonomy" this time during his mention of Hong Kong. Have we lost our "high degree of autonomy?" In fact, as explained by all parties, it is unnecessary to mention the phrase every time since "a high degree of autonomy" has been stated in the Basic Law and it will not suddenly disappear. The Premier omitted "a high degree of autonomy" this time, then what did he mention? I clearly noted that the Premier reminded us to keep enhancing Hong Kong's and Macao's competitiveness.

What is Hong Kong's competitiveness? Why did the Premier point out that Hong Kong needs to enhance its competitiveness? It must be that, among surrounding regions, our competitiveness appears to have slowed down and lagged behind, and he is afraid that our competitiveness will fail to face the

increasing competitiveness of the whole society and the whole world in the future. Hong Kong was once the most competitive city, and despite the fact that we are still number one today when compared with the other cities in China, but for how long can it last? We are concerned, and so is the State, therefore it is his wish that Hong Kong must enhance its competitiveness, rather than always relying on tourism. Now, whenever we discuss reducing the number of visitors to Hong Kong, it will give rise to huge repercussions in the whole business sector, why? The reason is that everybody is scared, as currently tourism has nearly become one of the major sources of economic incomes in Hong Kong, supporting the livelihood of many people. For this reason, we are scared. In that case, and since the State is concerned about us, can we seriously consider developing our industrial sector?

The Secretary has indicated that there is no land. Mr Secretary, Singapore is a small place without much land either, yet their industrial sector has been developing quite well recently, and Mr WONG Yuk-man has also given a number of examples. Please give it a thought. The sites previously used for industrial development in Hong Kong still exist instead of disappearing, and they remain unused now, with only a few utilized or converted to industrial and commercial buildings, while several industrial estates are still there. Yesterday I discussed again with Secretary Dr KO Wing-man over the feasibility of industrial development, and he told me that they intended to set up a drug test centre and were identifying a site everywhere but to no avail. Mr Secretary, in fact there is land, and Hong Kong is not without land. Please go and inspect those industrial estates or many other industrial sites, how many of them are truly engaged in the manufacturing industry? Many of them are used for logistics and transportation purposes, yet this is in name only. In fact they are simply used as warehouses. Is it a must for these warehouses to occupy industrial estates? Hong Kong is not without land, and actually we have land.

Why are we still saying that? Do you know what the competitive advantages of Hong Kong are over all these years? Most importantly, Hong Kong has a group of industrial talents. Our industrial sector has moved northwards, and this group of talents has grown old without any young people trained to take over. Yet Hong Kong still has a large number of talents in design, sales and marketing. Therefore, if Hong Kong plans afresh to develop industrial products and increase the proportion of such products in GDP, we can



certainly make it. In this connection, I earnestly request the Secretary to seriously work with the Chief Executive and the Government to revive Hong Kong's industrial sector. Thank you, President.

**MR MARTIN LIAO** (in Cantonese): President, the map of the world factory has gradually been redrawn in recent years. Even the industrial sector of the United States, which has been setting up original equipment manufacturers overseas since the 1980s, is returning home gradually. The bonus giving China the title of the "world factory" has also disappeared. With the surge of production costs in the Mainland, the narrowing wage disparity between the Mainland and neighbouring regions, the fierce competition due to product homogeneity, coupled with the large increase in environmental restrictions on industrial production in the Mainland, the low-wage and low-cost advantages of the brand "Made in China" are diminishing. Hong Kong's enterprises which specially set up factories in the Mainland to share a piece of the pie have long been aware of the need to find another way out, by either moving production lines to other inner cities or opening factories in Southeast Asia, the Middle East and Africa. In recent years, the main concern of many friends in the industrial sector has been the advantages and disadvantages of the return of the industrial sector.

Given the current competitive advantages of Hong Kong and the support provided by the Government, today's motion has put forth a vision, which is, are there really huge advantages for the industrial sector to return to Hong Kong and does such a return tie in with today's actual situation?

Looking back on the economic development of Hong Kong, we see that Hong Kong's industrial sector flourished in the 1980s, and Hong Kong was the head of the Four Asian Dragons back then. Yet, since the mid-1990s, Hong Kong economy gradually switched to the services industry. According to the data of the Federation of Hong Kong Industries, during the period from 1979 to 1996, 60% of the foreign direct investment in the Mainland came from Hong Kong businessmen, and the number of Hong Kong-invested manufacturing enterprises in the Pearl River Delta reached 400 000-odd during the peak. At present, there are only about 70 000 Hong Kong-invested enterprises in the Pearl River Delta.

Nowadays, traditional industries are no longer what they were before, with industrialists of the previous generation reaching old age and becoming retired, the middle management switching to other sectors, and lower-level employees joining the retail and catering sectors one after another. Hong Kong has long been out of the low-end, labour-intensive and export-processing production modes, and the labour-intensive era has long gone.

President, the production modes of traditional industries in Hong Kong have long been changed. At present, in a number of traditional industries such as textiles and garments, clocks and watches, toys, electronic products and so on, Hong Kong continues to occupy a leading position in the international market. Despite the fact that most of the production lines of these industries have been moved out of Hong Kong and their factories are set up in places with lower production costs, the headquarters of most enterprises are still stationing in Hong Kong, engaging in activities such as monitoring product development and design, raising capital, promoting product sales and developing new markets, which constitute a significant part of the Hong Kong economy.

Global economic integration is now irreversible. Business is business. If Hong Kong's industrial sector intends to consolidate and enhance competitiveness, "Made in Hong Kong" products must cater to the challenge of a new era to keep abreast with times. The return to Hong Kong does not apply to the whole industrial sector. The sector must proceed towards the high value-added direction. On the one hand, the sector must continue to develop brands by virtue of sound intellectual property rights protection and product quality and safety verification; on the other, the sector must inject more dynamics into innovation and scientific research, implement automation, as well as strengthen scientific research, design innovation, quality control, safety assurance and product characteristics to attach great importance to brand development. In addition, enterprises should make good use of Hong Kong's existing advantages in international trade networks and in marketing and sales to motivate upgrading and restructuring, and add value to industrial products, so that products are not only appealing to the Chinese communities, but can also become a quality assurance in the Mainland market and expand overseas markets beyond Hong Kong.

Over the years, land and human resources are two major factors hindering the return of the industrial sector. The sector needs to compete for land and human resources with some of the existing industries in Hong Kong. It is by no means easy for the industrial sector to return and find land to set up factories.

Currently many industrial sites or factory buildings have been converted to serve other purposes, and some have even been left unused for years. Many factory buildings are converted into product showrooms, designer offices, business and trade offices, or even invaded by other non-industrial productions, becoming wine cellars, mini warehouses, music band rooms, recording studios, youth training centres, and even illegal "sub-divided units".

President, the Government needs to formulate an explicit and long-term industrial policy and support measures to motivate and support the upgrading and restructuring of traditional industries. In order to relieve the constraints on industrial land and open up more industrial sites, the authorities should conduct studies on constructing the fourth industrial estate in addition to the three existing ones, as well as make good use of the land in the frontier closed area and properly develop land on Lantau Island, so as to link up the manufacturing base in the Pearl River Delta with the transportation and logistics centre in Hong Kong, with a view to promoting the development of a more effective industrial hub.

In addition, the Government should combine high-end enterprises and talents together to cope with the research and development of new high value-added industries and the demand for production sites, and relieve the constraints on land and manpower for industrial development. Problems such as the shortage of labour and talents in Hong Kong do not just prevail in certain sectors. Manpower shortage has also been extremely serious for quite some time in sectors such as construction, healthcare, retail, catering and so on. The Government should adopt a multi-pronged approach to release more labour force, and devise more practical vocational training courses so as to induce more young people to join these sectors.

In addition to offering appropriate assistance in land and human resources, the industrial sector demands the authorities to provide a variety of hardware and software, including tax incentives and infrastructural support. The Government should discuss with the sector how to revitalize the local industrial sector and induce more high value-added and new hi-tech development enterprises to settle in Hong Kong, so as to motivate the development in industrial innovation and technology, thus making Hong Kong's industries more diversified to avoid our economic development going down the same path of homogeneity.

President, I so submit.

**DR LAM TAI-FAI** (in Cantonese): President, Mr Martin LIAO comes from a barrister background, yet his speech earlier has shown his deep understanding of the industrial sector, and his views are very insightful, for which I have great admiration.

Today Mr CHUNG Kwok-pan proposes the motion on encouraging the return of the industrial sector for development. I think he is very courageous, and his courage is commendable, yet I am not sure whether the Government will appreciate, recognize or support this kind of courage, and whether the other Members of the sector will share the same views. I think it is unlikely or even hardly possible.

We can see that Mr Andrew LEUNG, another representative of the industrial sector in this Council, has deleted the entire content of the original motion of Mr CHUNG Kwok-pan. Does it mean that he does not agree with Mr CHUNG's views? This will be left to Mr CHUNG to ruminate.

In fact, the SAR Government can be said to be indifferent to the industrial development all along. If I use "turning a deaf ear" to describe how they regard the views of the industrial sector, it would be very appropriate. "Going in one ear and out the other".

The SAR Government of the last few terms has made no serious effort in motivating industrial development, and over the years the Policy Address has made no mention of the industrial sector. In fact its intention is to let the sector fend for itself, shrink on its own and automatically become a sunset industry, which is why I say that it is indeed very courageous for Mr CHUNG Kwok-pan today to propose the motion on encouraging the return of the industrial sector.

At present there is not any support for Hong Kong's industrial sector, neither is there any policy for motivation. If the sector returns, would it give the Government further headache, making it more unwilling to do it, and even more incapable of doing it? Having been engaging in the industrial sector for more than 20 years, I really need to think twice about Mr CHUNG's motion on the return of the industrial sector today before deciding whether to support it or not.

Without any assistance measures, Mr CHUNG Kwok-pan, do we have any advantages for returning? Why should we return? At present the entire Mainland market is so huge and we are in close proximity to it, why should we return to Hong Kong? Does it mean that we have to abandon the huge Mainland market? It is already difficult to operate in the European and American markets after the financial tsunami, and are we going to abandon the Mainland market? Why should we return? For cheaper land prices?

As we all know, land prices in Hong Kong are so expensive that it is simply not possible to use for factory purposes. Under the recent "double tough measures", if small and medium enterprises (SMEs) intend to buy a factory unit, they have to pay the Double Stamp Duty, and no exemption is granted. Are water and electricity charges cheap? Is labour force cheap? Without any support policies, why should we return? Do we have any prospect after the return? Costs are needed for our return.

There are two costs for us. One of them is the relocation cost, that is, the so-called "cost entailed by relocation, even to a flat one floor below"; the other is the opportunity cost of abandoning the factories in the Mainland and returning to Hong Kong, and what is the prospect actually? I think we must consider this point in a very realistic and practical manner, and should not merely discuss principles. But is there no prospect for the industrial sector? Of course not. The industrial sector is a real economy, how could there be no prospect?

Since the reunification, there has been an economic integration between the two places, and we need to make good use of this integration. It will be promising if the industrial sector can make use of the integration. Regardless of how expensive land prices in the Mainland are and how high the salary levels of the labour force are, they are always cheaper and more abundant than those in Hong Kong, and the stringency of environmental control is always different from Hong Kong's policies, plus there is a huge market in the Mainland, therefore what are the competitive advantages of Hong Kong?

As some Members mentioned earlier, we all know that Hong Kong has competitive advantages in professional services such as design, inspection, quality control, marketing, promotion, exhibition and so on, of which we actually need to make good use, and complement each other by integrating the advantages of both places.

In this connection, I think what the SAR Government should do is introducing certain policies which can combine the competitive advantages of both places into a very strong edge that is missing in other countries, for other countries are unlikely to have backing from their Motherland. In the case of Singapore, even though it undergoes industrial development with backing from Malaysia, it still lags behind us which have backing from our Motherland, so that we can undergo such a flourishing development, and we also need to think about how to make full use of this force.

Therefore, we need to review some outdated tax regulations. Facing such a huge market like China, we fail to upgrade and restructure to engage in domestic sales. This stems from the Government's inflexible thinking, which refuses to review and amend Section 39E of the Inland Revenue Ordinance (IRO), and dampens our upgrading and restructuring. We are unable to engage in processing imported materials, have to pay substantial taxes prior to processing, or are ordered by the Inland Revenue Department to pay back several years' taxes, thus making us feel so scared and anxious that we dare not engage in domestic sales business. Does it mean we have to abandon such a huge market if we cannot engage in domestic sales? In this connection, why does the Government not revise some policies, so that the industrial sector can make use of its existing advantages, with backing from our Motherland, to share a piece of the pie while China is under an economic takeoff? A lot of manufacturers have set up factories in the Mainland, why should we return? The point at issue is there are no such policies in other countries and they cannot amend Section 39E of the IRO, whereas Hong Kong can. Why do we refuse to do it? Why should we consider returning to Hong Kong? It is not a must for us to do that.

Certainly, in addition to amending Section 39E of the IRO, the Government can also play an active role in assisting our scientific research. As regards design and exhibition that I mentioned earlier, apart from selling our finished products in the domestic market, they can also be exported to overseas markets, hence an exhibition venue is necessary. The Government should step up its efforts to support SMEs, so that they have the opportunity to exhibit and promote their own products.

One more issue is the training of talents. If more new force joins this sector, its development will be sustained. As long as there are people joining and promoting this sector, our industrial sector will have prospect, therefore I

dare not say that I oppose the return of industrial sector (*The buzzer sounded*) ... President, I so submit.

**MR WONG KWOK-HING** (in Cantonese): President, Mr CHUNG Kwok-pan has proposed "rebuilding the brand effect of 'Made in Hong Kong'" in his original motion, yet I believe that it is not as simple as only rebuilding the brand effect of "Made in Hong Kong". Should we first build up the brand "Invented in Hong Kong"? President, invention of science and technology is the primary productive force, which is common knowledge and undisputed. However, how much effort has the Government put in protecting inventions and creations of Hong Kong? In fact, the Secretary mentioned earlier about adopting a proactive approach, and I hope the Secretary is really proactive in this regard.

President, when the Secretary of the previous term took office, I already proposed to expeditiously establish an original grant patent system (OGPS). I thank Secretary Gregory SO for his prompt response to conduct studies and give it due consideration. However, at the briefing session for this year's Policy Address, the Secretary only mentioned that they were proactively preparing and studying the introduction of the OGPS in the year of 2016-2017. In my view, this response of the Secretary was neither adequate nor positive at all. Therefore, I presented a pair of Chinese New Year couplets to the Secretary at the debate on the Policy Address, saying "original grant patent, launch at once". I believe you still remember it. Why did I present this pair of couplets to Mr Secretary? I opine that if we need to wait until the year of 2016-2017 before the OGPS will be introduced, as suggested by Mr Secretary, the wording of "proactively preparing and studying" would be inappropriate. President, as Members all know, the year of 2016-2017 happens to be the change of term for the Government as well as the Legislative Council. If the wording of the Secretary is followed, I am worried that the establishment of the OGPS would be delayed.

President, an OGPS protects the patent rights and interests of local inventors and scientists, so that their inventions and creations can be protected by patent rights, and can be converted into industrial production and commodity trade in Hong Kong. This is very important. If there is an OGPS in Hong Kong, it can truly play a significant role in motivating the return of the industrial sector. Currently among neighbouring regions in Asia, inventions, creations and brand effects are facing intense competition. Compared to Singapore, we have been 10 years behind. The OGPS was established in Singapore as early as 10

years ago, and now Singapore has also signed the Patent Prosecution Highway with the Mainland, so that inventions and creations can be directly and rapidly produced and circulated in the market, thus successfully inducing a number of enterprises to apply, and enabling Singapore's industrial enterprises to rapidly develop.

Let us look at the neighbouring Macao. The Hong Kong Special Administrative Region (SAR) was founded in 1997, while the SAR was set up two years thereafter in Macao, yet the Macao SAR Government established the OGPS as early as in 2000. The Macao SAR Government has also set up the Intellectual Property Department of the Economic Services Bureau, with outsourcing arrangements for the OGPS and substantive examinations outsourced to the State Intellectual Property Office (SIPO). Patents extended to Mainland China, patent applications already submitted to the SIPO, or obligees already granted invention patent rights by the SIPO may submit applications to Macao for extending the patent rights to Macao. In other words, if an original grant patent registration has been obtained in Macao, the rights and interests with regard to manufacture, supply, storage, marketing and so on can be protected. If any persons or other corporates plagiarize or copy the original grant patent, the inventor concerned may carry out legal proceedings in Macao.

Since an OGPS is currently not in place in Hong Kong, inventors must apply in the United Kingdom before returning to Hong Kong for registration. If an inventor's patent right is violated, he needs to go to the United Kingdom for legal proceedings, and others may continue to plagiarize in the course of the legal proceedings, thus there is no guarantee for invention rights. Therefore, if the Government insists on saying that it needs to wait until the year of 2016-2017 ... according to the Secretary's wording of "proactively preparing and studying", that means it is not yet introduced. Under such circumstances, how can we protect Hong Kong's inventors and their patent rights? Without such a protection, how can we encourage inventions and creations to take root in Hong Kong? And how can we ensure that "Invented in Hong Kong" will become a brand?

In this connection, I hope that the Secretary can proactively respond in his reply, and expeditiously instigate the legislative procedures on the OGPS. Mr Secretary, I earnestly hope that you can set this historic milestone for Hong Kong during your term of office, and make this contribution to (*The buzzer sounded*) ... Hong Kong.



**PRESIDENT** (in Cantonese): Mr WONG, your speaking time is up.

**MR WONG KWOK-HING** (in Cantonese): Thank you, President.

**MR ALBERT CHAN** (in Cantonese): President, in the past two decades, I have seen the prosperity of Hong Kong's industrial sector; the forced disappearance and demise of many small and medium enterprises (SMEs) due to the misguided policies of the Government, and the gradual disappearance of many bleaching and dyeing plants, electroplating factories, textile mills and cotton mills.

What makes me grieve most is witnessing the disappearance of three industries. The first one is log ponds. At that time the Government resumed those log ponds in Yam O to construct the North Lantau Link, resulting in the disappearance of the industry. Log ponds are actually rather unique, and very beautiful. It is a very unique, valuable and special industry, seeing those logs placed in ponds, and people can go fishing there. A piece of log can actually cost up to hundreds of thousands of dollars, which is a very significant investment venture, yet it has disappeared due to the rejection by the Government. I discussed with Donald TSANG at that time, who seemed to be the Financial Secretary then, to see whether there could be ways to identify other sites for relocating the log ponds. But then he boldly said that he did not care about the disappearance of these sunset industries. I asked him if these industries killed his father; what impact the existence of these industries had on the senior government officials; why they refused to allow one more industry to survive. If I persuaded him at that time to promote the development of wineries or the sale of expensive red wine, he was very likely to accept my views. Yet, due to the indifference of the different Directors of Bureaux or the Secretaries of Departments, these industries have gradually disappeared.

The second one is iron foundries. These factories had existed for decades around 40 Route Twisk of Tsuen Wan until the Government resumed the land for developing luxurious flats, and these decades-old iron foundries had to give way. Actually these iron foundries were simple to run and required just a few workers. Vessels need to be equipped with special parts, probably fan blades, or special parts are needed due to certain vessel malfunctions, thus special moulds are

produced to cast into special items, so that those vessels can continue to operate. Therefore, from the 1960s to the 1970s, these iron foundries were a fundamental part of the whole vessel maintenance industry in Hong Kong. A few years ago, only two or three of such foundries remained in Hong Kong, not many left. Since the Government intended to resume the land, I once invited the foundry owners to hold a meeting with the government officials and the Director of the Trade and Industry Department, and enquired whether land could be provided for them to rebuild their foundries, yet the authorities said there was no such a policy, and consequently the foundry owners had to find sites on their own. However, these iron foundries could not be set up in ordinary factory buildings, and neither industrial zones nor industrial estates had such extensive land resources, thus they could only build furnaces in larger places by the hillside, with several workers operating to earn enough to cover costs. Yet these foundries also disappeared after the land resumption exercise.

Moreover, the reputed Chinese medicine brewery located in Tsuen Wan disappeared as well since the Government had to resume the land for housing development. They found a place after much effort, yet it was not quite satisfactory as they used to collect water from the hills near Route Twisk, which is unique.

Many industries in Hong Kong also disappeared due to the Government's indifference. Another tragic example is the Wah Kai Industrial Centre (Wah Kai). The whole building was demolished since the Government had to construct the West Rail. Now the site has been bid by the Cheung Kong (Holdings) Limited for the purpose of housing development, which will soon be ready for occupation. Yet 14 years on, the compensation procedure remains incomplete. Some of the manufacturers there committed suicide since they could not accept the reality of the removal of their factories, but the Government did not care much about it. There was a total of 600 manufacturers in Wah Kai, which formed into a small community. Sometimes when the manufacturers were in a rush to meet deadlines, with this one producing A and that one producing B, a small community could then be formed when all were added up, so that they could efficiently complete very complex industrial procedures within a short time. Some of them were sole manufacturers in Hong Kong producing certain plugs or dog chains, but now they all disappeared. These manufactures uniquely existing in Wah Kai were all driven away by the Government.

Over the years, the one and only manufacturer demolished and relocated due to development but enjoyed a special status granted by the Government is the Shiu Wing Steel Limited. Shiu Wing enjoyed a special status which enabled them to develop luxurious flats in the original district to make a substantial amount of money, and more than that, they were also given land in Tuen Mun, so that they could continue to operate the factory. Why not for the other manufacturers? The Government often gives special attention to tycoons, special persons and those with whom it has good relations. Under the leadership of the ruthless, shameless and ignorant Hong Kong Government, those industries that I mentioned earlier, in particular SMEs, were all destroyed, and some of the manufacturers had to face a difficult life due to the demolition, and some even committed suicide.

Over the past two to three decades, I have handled plenty of such cases. Yet when I discuss with these senior officials, they are as arrogant as the Secretary present in this Chamber, merely watching without any emotion. Being a Secretary, he should keep up with the pulse beating of Hong Kong people, and he must feel their sufferings instead of being lofty, high and mighty, and indifferent to everything, entirely indifferent to people's lives and livelihood.

President, over the years I myself have proposed many times that the Government should attach importance to the industrial sector, especially high value-added industries. Currently the proportion of industrial production in Hong Kong's Gross Domestic Product has fallen to only 1.5%, while it was more than 20% one to two decades ago, and that of Singapore is 20%. In this respect, under the misguided leadership of the Hong Kong Government — in particular the TUNG Chee-hwa's term — the industrial development has been destroyed. There are many industries that can be developed, such as the high value-added industries of clocks and watches, pharmaceutical production, healthcare equipment, fashion, jewellery design and manufacturing, food processing, and so on. Hong Kong can also be a good manufacture base to develop these industries, so as to increase employment opportunities for Hong Kong people and provide more job types for Hong Kong people to select, not merely engaging in the financial and the property sectors, and being "a lackey". In order to maintain the dignity of Hong Kong people, we must revive our (*The buzzer sounded*) ...

**PRESIDENT** (in Cantonese): Mr CHAN, your speaking time is up.

**MR ALBERT CHAN** (in Cantonese): ... high value-added industries.

**MR ALBERT HO** (in Cantonese): President, since the economic reform and opening up of Mainland China 30 years ago, there have been significant changes in the geographical and economic environment in Hong Kong. A big world factory has emerged in our neighbourhood and there has been an unstoppable northward movement of a large number of industries. Under these circumstances, the Government should judge the hour and size up the situation, and make plans for our future industrial development and the long-term development of our economic structure with a broad vision.

Regrettably, the Government proposed the diversification of industries and the formulation of industrial policies in the early 1990s but nothing has happened after more than 20 years' discussion. For more than 20 years, we have seen the continuous decline of the industrial sector and its unsuccessful restructuring. Some industries in the sector that can survive in Hong Kong are under immense pressure of survival under the land acquisition policies as land acquisition is required for urban and transport development. I have also witnessed the examples just given by Mr Albert CHAN and the examples of the Wah Kai Industrial Centre is really sad. Local industries which should be able to survive have been throttled.

Even if the industrial sector has a chance to return to Hong Kong for development and the secondary sector can be revived, we definitely understand that we can just focus on high value-added, high knowledge and high-tech industries which require investment in education, equipment and personnel training. Hong Kong has its own advantageous conditions. For instance, Hong Kong is a relatively free place where innovation industries focused on design, invention, research and development can be promoted. Hong Kong also attaches great importance to quality assurance and we have always been developing the certification sector. Thus, it is important to improve our brands and guarantee the quality of our products. As we also have the toy, timepiece, jewellery, food processing and medicine industries, there is no reason why we do not have a bigger space for development.

In order to promote industrial development, other than expanding our economic base and working towards the goal of creating more jobs, we must have a resolute government to formulate powerful policies. Today, a number of Honourable colleagues have proposed many policies. First of all, there must be land and proper planning. We need more industrial estates, science parks or eco parks for industrial development and the provision of rent concessions is

essential. Besides, we need taxation policies to encourage research and development, and we should even consider providing tax holidays to industries making substantial investment that can create jobs. We should certainly work according to the rules and we cannot give preferential treatment to a certain enterprise. So long as enterprises can comply with the conditions of these preferential policies, we should welcome their investment. The Government should also extend industrial loans to the industrial sector and provide financial assistance and support to researches and inventions, so as to attract them to make investment.

I would like to say that teaching and research in universities are very important because many of the scientific, industrial and engineering departments of tertiary institutions must jointly research, collaborate and manufacture new products with the producers in our society. We should create a critical mass for capitalists, teaching and research personnel and production technology professionals to work together to attain synergy effects. We need favourable transport infrastructures and the Government should provide better and more adequate exhibition venues for more effective promotion of the overseas and Mainland markets. The Government should carry out all the above measures.

All in all, we should promote the integration of the local, Mainland and overseas markets to form a production line with Hong Kong at the centre in order that a strong industrial structure will appear in Hong Kong in the future. The Government must have the determination and policies, and it must be recognized and trusted by the public. If we do not have a government elected by the people, I do not think there is any hope at all.

**MR CHARLES PETER MOK** (in Cantonese): President, the SAR Government has started discussions on economic restructuring shortly after the reunification, but economic diversification has remained a slogan amidst the financial turmoil and Hong Kong people are still obsessed with speculative activities in the stock and property markets. While cities in the Pearl River Delta are enhancing their competitiveness, South China is also developing modern services industry. If Hong Kong's economic restructuring remains *status quo*, I wonder if we can still rest on our laurels 10 years later. I therefore support Mr CHUNG Kwok-pan's motion because it has not only highlighted the problems encountered by Hong Kong's industrial sector, but also the challenges of development faced by other industries in Hong Kong.

I wonder if Members still remember the original purpose of CEPA? I recall that it is originally intended to create opportunities for the manufacturing industry. On the list are hundreds of products that can be exported to the Mainland tariff free so long as they are made in Hong Kong. But it has turned out that people have neglected the manufacturing industry and merely focused on the services industry. Bosses have switched to invest in the Mainland, bringing with them the jobs of the services sector. Even the professionals have entered the China market, leaving the manufacturing industry ended up with nothing.

CEPA has failed in the manufacturing industry part, so if the Government continues to waste time and resources by entrusting the formulation of policies to other committees or advisory groups and refuses to do real work, Hong Kong will be far surpassed by our neighbouring cities pretty soon. We need to create more jobs other than those provided by the services or retail sectors, so as to ensure that all Hong Kong people get a job. Compared with the measure to "dish out candies", this is more helpful to the middle class and grassroots as well as the diversification of industries in the long term.

Unlike Hong Kong, Singapore has been investing in the manufacturing industry over the past 10 to 20 years, thus enabling it to become another pillar of the economy besides the services industry. In 2013, Singapore's financial and commercial services sector has accounted for about 28% of its Gross Domestic Product (GDP), whereas the manufacturing sector accounted for about one-fifth of its GDP and the percentage has remained stable over the past decade. This is attributable to the Singaporean Government's policies and monetary initiatives to induce enterprises, including renowned foreign enterprises, to set up factories there. Even the Boeing Company manufactures its plane engines in Singapore. What is more, it has invested heavily in research and development (R&D) and higher education. Why is it impossible for Hong Kong to do so?

We often complain about the shortage of land, and prices of land have skyrocketed as a result of the high land price policy and the hoarding of land by property developers. How can we designate land for industrial use when our office rental is among the top of the world? Together with other operating costs such as wages, there is no way Hong Kong's industrial sector can compete with that of the Mainland. In order to make industries more diversified, Hong Kong should focus on developing technologies required for the next generation, especially industries with emphasis on "high technology, high value-adding, low

pollution" and lower requirement for site area, just as Mr Kenneth LEUNG has suggested in his amendment. These industries require the support of technological R&D.

The original motion proposes to "support the development of new industries", and I opine that the Government should, through the implementation of policies and effective deployment of resources, proactively revive the innovation and technology industries, as well as promote the return and upgrading of the local industrial sector. Take the United States as an example. "Return of manufacturing" is one of the major initiatives of OBAMA's administration. The United States Government has since 2010 called on the business sector to produce and procure locally, and many companies have followed suit to reinvigorate the brand "Made in USA". The tie that I am wearing was bought in the United States last week, and it belongs to a United Kingdom brand. I thought it was made in China, but to my surprise, I later found out that it was made in USA.

The United States Government has also invested heavily on the enhancement of technologies that facilitate production, such as 3D printing technologies and artificial intelligence, with a view to reforming the manufacturing industry and lowering costs, thereby achieving an integration of technologies with the traditional manufacturing industries, thus enabling them to move up the value chain.

The initiatives proposed in this year's Budget reflect that the SAR Government intends to promote innovation and technology again by introducing various measures before the establishment of an innovation and technology bureau. But simply relying on such piecemeal measures is not enough. In my opinion, the Government should expeditiously exert greater effort in certain respects, including land, investment and talents. Most importantly, it should formulate systematic strategies for industries, and shorten the cycle of policy shaping.

Mr SIN Chung-kai's amendment proposes to revitalize the industrial estates and reserve more lands for developing data centres, and I support these two proposals. Given that the three industrial estates in Tai Po, Yuen Long and Tseung Kwan O have an occupancy rate of over 90%, thus the upgrading or relocation of tenants of lower productivity and smaller scale may provide some room to cope with the lack of space. The Government should act with no delay. Also, it should consider providing incentives for high value-added industries,

pharmaceutical industry and engineering production industry, with a view to reducing ventures that may cause pollution and other nuisances for the residents nearby.

All in all, the revival of the industrial sector must include the manufacturing industry, which I think must go hand in hand with the development of technologies. The Government should specifically draw up the plan for the development of technology industries in the next five or 10 years, and identify industries that have the greatest potential in the future and then decide on which to import according to our positioning. I have all along proposed that one major task of the future innovation and technology bureau is the formulation of medium- to long-term policies on technology industries. Given that the rest of the world have regarded policies on technology as the core of economic development, Hong Kong should also follow suit.

The Government will soon submit a proposal on the establishment of an innovation and technology bureau. I hope that the Government will not only place similar departments under the same Policy Bureau, but will seriously consider how Hong Kong can make use of technologies to promote the diversified development of industries, and formulate the policy on industries, especially local industries that can create quality job opportunities in Hong Kong, such as the manufacturing industry.

President, I so submit.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MR LEUNG KWOK-HUNG** (in Cantonese): President, Honourable colleagues, I just chanced to meet Secretary Gregory SO in the Ante-Chamber and he asked if I would speak. I said yes and he asked why I would speak. I replied that I was going to chide him. Of course, I was just kidding. Why would I chide him when I have no hatred for him? Unfortunately, being a government official, he represents the Government and though we know each other, I have no choice but to chide him. I notice that Members from the Democratic Alliance for the Betterment and Progress of Hong Kong have also chided him pretty fiercely on some occasions.



Why should I speak? I think the Member proposing this motion is very kind-hearted because Hong Kong people can hardly make ends meet nowadays. And even if they can get a job, the salary is low. Secretary Gregory SO told me that all Hong Kong people were employed, and our unemployment rate was zero in an economic sense. He was right in saying this. Then what is the point of the return of the industrial sector? The reason is certainly to improve the living of the working class in Hong Kong than to bring benefits to the businessmen operating various kinds of shops. After all, the Government is obliged to ensure its policies taking care of the interests of the majority public. In other words, it is good for the return of the industrial sector to bring benefits to the businessmen, but it is even more important for it to create a better employment environment for the wage earners. This motion shows how kind-hearted the Member is.

Nonetheless, Members should also look at the example cited by LEUNG Chun-ying. He said that when he was having a walk in a certain Mainland city earlier on, he met a Hong Kong person working there, who told him that his red wine business was doing good. President, he said this in front of you, do you still remember? I however found the Chief Executive's remark lamentable. Does he intend to encourage Hong Kong people to work in the Mainland or attract high value-added industries to return and support Hong Kong's economy? In a nutshell, what he meant is: If Hong Kong people find it hard to make ends meet here, they should go to the Mainland instead of fretting for nothing.

In the Policy Address delivered by LEUNG Chun-ying ... At present, John TSANG will release the Budget immediately after LEUNG Chun-ying delivers his Policy Address. This means that LEUNG Chun-ying's Policy Address is completely useless because people will focus on discussing John TSANG's Budget, which is concerned with money. LEUNG Chun-ying's Policy Address is just nonsense. How smart he is! No one would bother to chide him even after he delivers the Policy Address. People would certainly target at John TSANG but not LEUNG Chun-ying. While LEUNG Chun-ying has placed much emphasis on "homeland relationship", many government officials have also said that people might as well look for opportunities in the Mainland if they have difficulty making ends meet in Hong Kong. Secretary, may I ask if there is anything in common between such a remark and the return of Hong Kong enterprises engaging in high value-added industries in the Mainland? I do not think there is any and they are completely unrelated. The Government just insists on Hong Kong people keep moving to the Mainland.

President, I asked if the Secretary wished to see Dongguan's vice establishments being relocated to Hong Kong. I just want to tell the Secretary that even Hong Kong's vice establishments or similar activities have moved to the Mainland. If Members do not believe, those engaging in business and trading may see for themselves if sauna houses in Hong Kong have increasingly decreased or even vanished. They have actually been relocated to the Mainland. This is attributable to the failure of the Hong Kong Government to introduce policies similar to that under discussion today, such as to "encourage the return of the industrial sector for development, so as to make Hong Kong's industries more diversified". Secretary, you have already screwed up the industry in which Ricky WONG is engaging and nothing can be done now. The second point is about the environmental industry. I have a question for the Secretary. After Secretary WONG Kam-sing has talked for so long, I finally realize that we are purchasing electricity from outside instead of developing a chain for the environmental industry from recycling, reuse, packaging to sale.

Secretary, this is actually a lie to Hong Kong people. Members may take a look at LEUNG Chun-ying's Policy Address. President, let me tell you, something is there for us to see that those people engaged in making money are able to make money. Firstly, not many employees are required; secondly, profits from high value-added industries will all go to their pockets; thirdly, high value-added and profitable industries will be bundled to make an initial public offering and subsequently evolve into enterprises belonging to the investment or speculative grade using financial tactics, with a view to absorbing other industries at low costs through speculative activities. This explains why the wealth distribution in Hong Kong is so uneven today.

President, I have said it time and again in this Council. Yesterday Mr CHAN Han-pan also said that it was a waste of time to invoke the Legislative Council (Powers and Privileges) Ordinance and make investigations. Are we not wasting our time now? Six o'clock has passed but the Secretary has yet to have dinner, and his soul has gone. Still, he is sitting right here to wait to reply to a motion without legislative effect. After that, we may all go home. Mr CHUNG Kwok-pan should remain in the Chamber because he is the mover of the motion, or else he has left long ago. Am I right? As we can see, what LEUNG Chun-ying has done actually dovetails with CEPA to allow Hong Kong's capital to be transferred to the Mainland, and *vice versa* through the purchase of assets in Hong Kong and speculative activities, which are unproductive at all.

President, today's motion topic reflects that the Member is very kind-hearted and wants to do something for Hong Kong. The seeking of development in the Mainland has destroyed Hong Kong's entire production industry. May I ask the Secretary if he will brief us later the kind of industries that can still be developed in Hong Kong? Does he have any plan to support the development of these industries? Has he considered lowering the land price or granting land to these industries through the land policy? TUNG Chee-hwa intended to develop a science park at that time, but the proposal was shelved due to a lack of land. President, I better not say too much.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, Mr CHUNG kwok-pan, you may now speak on the amendments.

**MR CHUNG KWOK-PAN** (in Cantonese): I thank the four Members who have proposed amendments to my motion. As Mr Andrew LEUNG has said right at the beginning, he has proposed the amendment because I have not mentioned the high value-added industries. But actually, in my original motion, I have pointed out in the first sentence the wish of some enterprises to relocate their core departments and high value-added industries back to Hong Kong. Furthermore, the content of his speech is more or less the same as mine, especially on the development of the fourth industrial estate. Dr LAM Tai-fai just now asked why Mr Andrew LEUNG deleted certain proposals from my original motion but made a speech substantially the same as mine. Is it because he felt jealous of me for proposing ahead of him this motion concerning the return of the industrial sector when he himself is a representative of the industrial sector? His speech contradicts with his deletion of the proposals contained in my original motion, I therefore find him pretty absurd.

Mr SIN Chung-kai's amendment is an improvement to my original motion. He has proposed to develop a number of new industries, for example, the recycling industry and the data centres, which is very helpful to the diversification of industries and thus worthy of support.

Mr Kenneth LEUNG has proposed to plan afresh industrial sites which are indeed an essential element. He has also mentioned the pharmaceutical industry and spent much time talking about the fashion industry. This is precisely my profession and he has made the proposal for me. I am very grateful to him for highlighting the development of this industry.

Regarding Miss CHAN Yuen-han's amendment, while the labour sector often has conflicts with the business sector, especially on minimum wages and standard working hours, we do have many common visions. Take the fashion industry as an example, we share the same view that consideration should be given to help fashion designers develop the fashion industry. Therefore, the labour sector may not necessarily contradict with the business sector, but can even work hand in hand in many cases. As such, I think Miss CHAN Yuen-han's amendment is worthy of support as well. Thank you, President.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, I am very grateful to the 20 Members who have provided precious views on the motion "Encouraging the return of the industrial sector for development to make Hong Kong's industries more diversified" today.

Over the past year or so, the Government has introduced various policies and measures to manifest our determination in and positive attitude towards economic development. We do not agree with the wordings of the motion which accuse the Government of causing the "stagnant" development of Hong Kong's industries and "not introducing any policy on supporting the development of new industries".

The motion proposes to make Hong Kong's industries more diversified, which is actually in line with our policy direction. In the Budget released last month, the Financial Secretary specifically put forward strategies to expand and strengthen the advantages of our four traditional pillar industries, as well as put in place measures and policies to nurture emerging industries, such as the innovation and technology industry. In this year's Policy Address, the Chief Executive has also mentioned the policy initiatives and direction to specifically support a dozen of industries. From this, we can see that the Government is working hard to promote diversified industries.

The Government has put in place a number of concrete measures to support the development of emerging industries. For example, for creative industries, the Government injected an additional \$300 million into the CreateSmart Initiative last year to provide funding support for more initiatives to facilitate the development of the creative industries. Furthermore, the former Police Married Quarters on Hollywood Road has been turned into the "PMQ" with a focus on the design sector, in order to promote the development of creative industries.

Also, the Government has set up the Working Group on Intellectual Property Trading to examine ways to promote Hong Kong as a premier intellectual property trading hub in the region.

On innovation and technology, the Government will raise and improve the funding ceiling and scope of the Innovation and Technology Fund (ITF), increase the cash rebate level under the Research and Development Cash Rebate Scheme, extend the operation period of the four research and development (R&D) centres, and embark on the development of the Hong Kong Science Park Phase 3.

In his motion, Mr CHUNG Kwok-pan has proposed to encourage the return of the industrial sector to Hong Kong. We will adopt an open attitude towards any proposal that would facilitate the effective development of the economy, and will actively listen to the views of various sectors and the general public.

Due to the constraints of land and human resources in Hong Kong, industries or process with emphasis on high requirement for site area, or low value-adding but labour intensive may not be helpful to our long-term economic development. Nor should we expect to achieve diversification of industries by simply encouraging the return of traditional industries. We should review the economic development trend, operating costs and comparative advantages, and make appropriate assessment of the return of the industrial sector.

We will be pleased to see the industrial sector relocating the core departments and high value-added processes of traditional industries back to Hong Kong, which will serve as an effective drive for Hong Kong's economic development. I am of the view that the traditional industries may allocate resources for product development and design, brand publicity and management, as well as the development of high value-added or high technology items. Coupled with the upgrading and restructuring of industries and the reputation of

the "Made in Hong Kong" brand, this would give more impetus to the long-term and positive development of the industrial sector.

Mr CHUNG Kwok-pan's motion, the amendments proposed by Mr SIN Chung-kai, Miss CHAN Yuen-han and Mr Kenneth LEUNG, and the speeches made by a number of Members have all mentioned land planning and industrial sites. In this connection, the Town Planning Board has reviewed and amended the planning from time to time. I am aware that the Planning Department (PlanD) has conducted numerous rounds of Area Assessments of Industrial Land in the Territory in the past. Apart from factors of individual districts and sites, the overall demand for industrial land will also be considered. When conducting the 2009 Area Assessments of Industrial Land in the Territory, the PlanD forecast the demand for manufacturing land and assessed the possible implication of the conversion of industrial land to other uses on the manufacturing sector. The findings proposed to convert about 13 hectares of industrial land to "Other Specified Uses" annotated "Business" zones, so as to retain the relevant sites for economic uses.

It is essential to foster a suitable environment for nurturing talents and business start-up for the long-term development of various trades and sectors. The Government has provided funding support for the incubation programmes of the Hong Kong Design Centre, Cyber Port and the Hong Kong Science Park to assist in the development of start-ups. A number of supporting policies and measures have also been introduced for the small and medium enterprises to promote their healthy development and enhance their competitiveness, thereby giving impetus to Hong Kong's economic growth.

On the promotion of innovation and technology, a number of Members have highlighted its importance today. We have strived to support technological R&D and encourage enterprises to make use of technologies to enhance productivity. While the amendments of Mr Andrew LEUNG and Mr Kenneth LEUNG have mentioned the promotion of innovation and technology as well as R&D activities, Mr SIN Chung-kai's amendment has gone further to propose an expansion of the uses of the ITF and an injection of capital into it. Over the past few years, we have improved individual ITF programmes to step its support for applied R&D and technology transfer. Furthermore, in the Budget released last month, the Financial Secretary announced that the Enterprise Support Scheme set up under the ITF would be used to replace the Small Entrepreneur Research Assistance Programme, so as to make further improvements to the ITF.

In the amendment, Miss CHAN Yuen-han has mentioned the provision of vocational and skills courses for training. At present, the Employees Retraining Board are providing diversified on-the-job training and retraining courses. The Vocational Training Council has also provided a full range of pre-employment and in-service programmes through its member institutes to provide talents for various trades and sectors.

Apart from the existing policies and measures, the Economic Development Commission (EDC) led by the Chief Executive is exploring from a high-level, cross-departmental and cross-sectoral perspective, ways to make good use of our long-standing advantages and the opportunities. The EDC also focuses on efforts to broaden our economic base, works on the overall strategy and policy to enhance our long-term development, and identifies industries which present opportunities for Hong Kong's further economic development. We expect that the EDC will make concrete recommendations on the supporting policies and measures to assist individual industry for appropriate consideration and implementation by the Government.

Just now, Mr WONG Kwok-hing has also mentioned our work in promoting original grant patent, and we are very grateful to Members for their support for our policy on original grant patent. As a matter of fact, colleagues in the Bureau have actively proceeded with the relevant work. In this connection, we have officially signed the relevant co-operative arrangement with the State Intellectual Property Office (SIPO) on 6 December 2013. Under the arrangement, the SIPO has agreed to provide technical assistance to the Intellectual Property Department of Hong Kong in the substantive examination of patent applications and the training of personnel. Nonetheless, we still have to take many critical follow-up actions to establish the basic complementary facilities before the original grant patent system can be implemented. Considering that the follow-up actions may involve numerous specialized legal, procedural, technical and practical problems, and funding applications have to be made, we expect that such actions still take a few years to complete. Subject to the progress of the amendment legislation and other preparation work, the progressive but practicable timetable that we have now is to introduce the original grant patent system in 2016-2017 at the earliest.

All in all, the Government has put in place a number of concrete policies and measures to support the industries, which will strengthen the traditional pillar industries on the one hand, and support the emerging industries with growth

potential on the other. Through these policies and measures, we aim to promote the development of diversified industries, just as Mr Vincent FANG has said. As we can see, they have started to bear fruit, for example, the percentage of creative industries in Hong Kong's Gross Domestic Product has gradually increased.

Given that land resources are precious in Hong Kong, the Government is duty-bound to optimize the use of land to tie in with economic development, and formulate land use planning to meet the needs of different sectors in a flexible manner.

We will readily receive views from Members and various sectors, so that Hong Kong's economy can scale new heights with our joint effort.

Thank you, President.

**PRESIDENT** (in Cantonese): Mr Andrew LEUNG, you may move your amendment to the motion.

**MR ANDREW LEUNG** (in Cantonese): President, I move that Mr CHUNG Kwok-pan's motion be amended.

**Mr Andrew LEUNG moved the following amendment: (Translation)**

"To delete "in recent years, the industrial sector has intended to return to Hong Kong for development, and quite a number of enterprises wish to relocate their core departments and high value-added industries back to Hong Kong, which can in fact help rebuild the brand effect of 'Made in Hong Kong', thereby increasing the export of quality Hong Kong products to the Mainland and overseas places; yet, at present, the development of Hong Kong's industries is homogeneous and stagnant, and not only does the Government not introduce any policy on supporting the development of new industries, it even plans to convert quite a number of industrial sites to residential uses, which dampen the desire of the industrial sector to return for development, and make it difficult to enhance the brand effect of 'Made in Hong Kong'; in this connection" after "That" and substitute with ", in order to maintain Hong Kong's long-term competitive



advantages"; and to delete "for development, so as to make Hong Kong's industries more diversified" immediately before the full stop and substitute with ", promote the development of innovation and technology as well as industries, enhance the design and technological standards of local products, strengthen the relevant manpower training, support high value-added industries, and assist enterprises in promoting Hong Kong brand names."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Andrew LEUNG to Mr CHUNG Kwok-pan's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr CHUNG Kwok-pan rose to claim a division.

**PRESIDENT** (in Cantonese): Mr CHUNG Kwok-pan has claimed a division. The division bell will ring for five minutes.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall stop now and the result will be displayed.

Functional Constituencies:

Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Dr LAM Tai-fai, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Kwok-him, Mr Steven HO, Mr YIU Si-wing, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Mr Martin LIAO, Mr POON Siu-ping and Ir Dr LO Wai-kwok voted for the amendment.

Mr Albert HO, Mr James TO, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Frankie YICK, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK and Mr CHUNG Kwok-pan voted against the amendment.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Miss Alice MAK, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted for the amendment.

Mr LEE Cheuk-yan, Ms Emily LAU, Ms Cyd HO, Mr James TIEN, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted against the amendment.

Mrs Regina IP abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 24 were present, 15 were in favour of the amendment and nine against it; while among the Members returned by geographical constituencies through direct elections, 21 were present, nine were in favour of the amendment, 10 against it and one abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**MR ANDREW LEUNG** (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Encouraging the return of the industrial sector for development to make Hong Kong's industries more diversified" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Andrew LEUNG be passed.

**PRESIDENT** (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion on "Encouraging the return of the industrial sector for development to make Hong Kong's industries more diversified" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): Mr SIN Chung-kai, you may move your amendment.

**MR SIN CHUNG-KAI** (in Cantonese): President, I move that Mr CHUNG Kwok-pan's motion be amended.

**Mr SIN Chung-kai moved the following amendment: (Translation)**

"To add "in 2011, the manufacturing industry only accounted for around 1.6% of the Gross Domestic Product;" after "That"; to add "also" after "a number of enterprises"; to delete "; yet," after "overseas places" and substitute with ", but"; and to add "; the relevant policies and measures should include: (1) to revitalize the various industrial estates, so as to induce the return of the industrial sector for development; (2) to expand the uses of the existing Innovation and Technology Fund and inject capital into the fund, so as to support the development of the innovation and technology industries; (3) to reserve more lands for developing data centres and develop Hong Kong into a technology and data hub of cloud computing in Asia; and (4) by making reference to the practices under the New Producer Responsibility Scheme on Glass Beverage Bottles, to provide market values for recyclable waste with low market values (e.g. plastics), and establish a government-funded body corporate for operating the waste recycling industry on its own, thereby promoting the development of green industries" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr SIN Chung-kai to Mr CHUNG Kwok-pan's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

Mr Abraham SHEK rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Abraham SHEK has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Dr LAM Tai-fai, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Kwok-him, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr Charles Peter MOK, Miss CHAN Yuen-han, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr Christopher CHEUNG, Mr Martin LIAO, Mr POON Siu-ping, Ir Dr LO Wai-kiwok and Mr CHUNG Kwok-pan voted for the amendment.

Mr Abraham SHEK abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Ms Cyd HO, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr LEUNG Kwok-hung, Mr James TIEN, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Miss Alice MAK, Dr Fernando CHEUNG,

Mr SIN Chung-kai, Dr Helena WONG, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted for the amendment.

Mrs Regina IP abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 24 were present, 23 were in favour of the amendment and one abstained; while among the Members returned by geographical constituencies through direct elections, 22 were present, 20 were in favour of the amendment and one abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

**PRESIDENT** (in Cantonese): Mr Kenneth LEUNG, as the amendment of Mr SIN Chung-kai has been passed, will you please move your revised amendment now.

**MR KENNETH LEUNG** (in Cantonese): President, I move that Mr CHUNG Kwok-pan's motion, as amended by Mr SIN Chung-kai, be further amended by my revised amendment.

**Mr Kenneth LEUNG moved the following further amendment to the motion as amended by Mr SIN Chung-kai: (Translation)**

"To add "; in addition, the Government should plan afresh industrial sites in suitable districts and provide relevant infrastructural facilities to support industrial development; at the same time, due to the geographical environment and economic pattern of Hong Kong, the Government should motivate the sector to develop industries with emphasis on research and development, high technology, high value-adding, low pollution and lower requirement for site area, such as pharmaceutical production as well as fashion design and manufacturing" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Mr Kenneth LEUNG's amendment to Mr CHUNG Kwok-pan's motion as amended by Mr SIN Chung-kai be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

**PRESIDENT** (in Cantonese): Miss CHAN Yuen-han, as the amendments of Mr SIN Chung-kai and Mr Kenneth LEUNG have been passed, you may now move your revised amendment.

**MISS CHAN YUEN-HAN** (in Cantonese): President, I move that ... be further amended by my revised amendment ... but I would like to add two points.

**PRESIDENT** (in Cantonese): Miss CHAN, your speaking time has expired.

**MISS CHAN YUEN-HAN** (in Cantonese): Do I not have three minutes to speak on my amendment?

**PRESIDENT** (in Cantonese): Please move your amendment before explaining the revised wordings in the amendment.

**MISS CHAN YUEN-HAN** (in Cantonese): President, thank you for your advice.

President, I move that Mr CHUNG Kwok-pan's motion as amended by Mr Andrew LEUNG, Mr SIN Chung-kai and Mr Kenneth LEUNG be further amended by my revised amendment.

President, although I agree with what a few Honourable colleagues have just said, my amendment focuses on the importance of the support of human resources. It can be said that our industrial sector is dying. It has been such a long time. Even if industrial personnel return to Hong Kong, there will definitely be a gap ...

**PRESIDENT** (in Cantonese): Miss CHAN, a Member may only spend these three minutes explaining the difference between the revised amendment and the original amendment.

**MISS CHAN YUEN-HAN** (in Cantonese): This is the difference.

**PRESIDENT** (in Cantonese): This is not part of your original amendment.

**MISS CHAN YUEN-HAN** (in Cantonese): The point concerning the support of human resources is not mentioned in the other amendments. Only my amendment has brought up this point. As my original amendment has to be revised, I just wish to talk about this point.

**PRESIDENT** (in Cantonese): Miss CHAN, you should explain the difference between the revised amendment and the original amendment. You are repeating the content of the original amendment, which needs no further explanation.



**MISS CHAN YUEN-HAN** (in Cantonese): All right, I have already made my point.

Mr CHUNG Kwok-pan's amended motion. President, is it finished?  
(*Laughter*)

**Miss CHAN Yuen-han moved the following further amendment to the motion as amended by Mr SIN Chung-kai and Mr Kenneth LEUNG:**  
(**Translation**)

"To add ", including offering vocational and skills courses for training relevant talents, planning for adequate and suitable provision of industrial sites, and building additional industrial estates, etc.," after "support polices"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Miss CHAN Yuen-han's amendment to Mr CHUNG Kwok-pan's motion as amended by Mr SIN Chung-kai and Mr Kenneth LEUNG be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

**PRESIDENT** (in Cantonese): Mr CHUNG Kwok-pan, you may now reply and you have four minutes 24 seconds.

**MR CHUNG KWOK-PAN** (in Cantonese): President, even though Members are already very tired after three days' meetings, nearly 20 Members have just spoken. I really wish to thank them for staying here though they are so very tired. Fortunately, the meeting can be concluded before 7 pm and we can take a rest afterwards.

A number of Members have talked about industrial land, and it seems that the Secretary is very worried about how land can be sought. In fact, a lot more land can be released so long as the existing industrial estates are revitalized and the height restrictions are relaxed. I hope the Secretary would explore the issue with Secretary Paul CHAN and I believe this is not a difficult task.

I am very grateful to Dr LAM Tai-fai for praising me for having the courage to propose the return of the industrial sector for development. He is also a representative of the industrial sector but I have the impression that he is very pessimistic. He should not be pessimistic because the 19 Members who have just spoken share the view that industrial development in Hong Kong is possible. In particular, industries such as fashion, environmental protection, science and technology and medicine are emerging industries. Yet, I believe the development of these industries in the industrial sector is possible. Therefore, as a representative of the industrial sector, he should not be so pessimistic.

Finally, apart from saying thank you to Dr LAM for praising my courage, I also hope that the Secretary will have the courage to put industrial policies on the agenda of this Council again. If he dares to take part in a fashion show, I would take part in the fashion show with him. If I have the courage to do so, there is no reason why he does not have the same courage. I hope the Government and the Secretary would put forward industrial policies afresh. Thank you, President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr CHUNG Kwok-pan, as amended by Mr SIN Chung-kai, Mr Kenneth LEUNG and Miss CHAN Yuen-han, be passed.

**PRESIDENT** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion as amended passed.

## **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 11 am on Wednesday, 26 March 2014.

*Adjourned accordingly at eighteen minutes to Seven o'clock.*