

**立法會**  
**Legislative Council**

LC Paper No. CB(1)564/05-06  
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by the Administration)

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**Panel on Economic Services**

**Minutes of special meeting held on  
Tuesday, 29 November 2005, at 2:30 pm  
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Jeffrey LAM Kin-fung, SBS, JP (Deputy Chairman)  
Dr Hon David LI Kwok-po, GBS, JP  
Hon Fred LI Wah-ming, JP  
Dr Hon LUI Ming-wah, SBS, JP  
Hon CHAN Kam-lam, SBS, JP  
Hon Howard YOUNG, SBS, JP  
Hon LAU Chin-shek, JP  
Hon Miriam LAU Kin-yee, GBS, JP  
Hon Vincent FANG Kang, JP  
Hon Andrew LEUNG Kwan-yuen, SBS, JP  
Hon WONG Ting-kwong, BBS  
Hon Albert Jinghan CHENG  
Hon KWONG Chi-kin
- Member attending** : Hon WONG Kwok-hing, MH
- Members absent** : Hon James TIEN Pei-chun, GBS, JP (Chairman)  
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP  
Hon SIN Chung-kai, JP  
Hon Abraham SHEK Lai-him, JP  
Hon Ronny TONG Ka-wah, SC  
Hon CHIM Pui-chung  
Hon TAM Heung-man

**Public Officers  
attending**

**: Agenda item I**

Ms Sandra LEE  
Permanent Secretary for Economic Development  
and Labour (Economic Development)

Mr Wilson FUNG  
Deputy Secretary for Economic Development and Labour  
(Economic Development)

Ms CHAN Wing-man, Manda  
Principal Assistant Secretary for Security (A)

Mr CHONG Min-onn, Michael  
Project Director/2  
Architectural Services Department

Mr CHAN Hon-kit  
Head of Airport Command  
Customs and Excise Department

Dr Richard RUBIRA  
Senior Veterinary Officer (Import & Export)  
Agriculture, Fisheries and Conservation Department

Mr CHIU Chung-wai  
Acting Senior Superintendent  
(Food Surveillance & Certification)  
Food and Environmental Hygiene Department

**Agenda item II**

Ms Sandra LEE  
Permanent Secretary for Economic Development  
and Labour (Economic Development)

Mr Wilson FUNG  
Deputy Secretary for Economic Development and Labour  
(Economic Development)

Mr Darryl CHAN  
Principal Assistant Secretary for Economic Development  
and Labour (Economic Development)

Mr Simon LI  
Acting Assistant Director-General (Airport Standards)  
Civil Aviation Department

Mr Simon CHEAN  
Senior Safety Officer (Safety Regulation) 1  
Civil Aviation Department

**Clerk in attendance** : Mr Andy LAU  
Chief Council Secretary (1)2

**Staff in attendance** : Ms Debbie YAU  
Senior Council Secretary (1)1

Miss Winnie CHENG  
Legislative Assistant (1)5

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- I Fitting-out works for customs and quarantine facilities at the Asia Airfreight Terminal 2**  
(LC Paper No. CB(1)352/05-06(01) - Information paper provided by the Administration)

As the Panel Chairman had informed members earlier on that he had to attend a meeting of the Committee on Governance and Political Development of the Commission on Strategic Development, which was convened at short notice, this meeting would be chaired by the Deputy Chairman.

Briefing by the Administration

2. At the invitation of the Chair, the Permanent Secretary for Economic Development and Labour (Economic Development) (PS/ED) briefed members on the Government's plan to upgrade 173IC "Fitting-out works for customs and quarantine (CQ) facilities at the Asia Airfreight Terminal 2" to Category A. She highlighted that Hong Kong ranked first in the world in terms of international air cargo throughput since Hong Kong International Airport (HKIA) commenced operation at Chek Lap Kok in 1998. In order to cater for the increasing demand, air cargo operators at HKIA had decided to invest and construct new terminal facilities. In this respect, Asia Airfreight Terminal Co Ltd (AAT), which was one of the two general air cargo operators at HKIA, had decided to invest and construct a new Terminal 2. In order to enable the relevant Government departments to maintain effective and efficient CQ control, it was necessary to provide adequate government facilities at the new Terminal. According to the established arrangement under the present proposal, AAT would provide rent-free accommodation for Government use, while the Government would be responsible for the fitting out works.

3. The Deputy Secretary for Economic Development and Labour (Economic Development) (DS/ED) supplemented that with the completion of AAT's new

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Terminal 2 with an annual handling capacity of 910 000 tonnes, AAT would triple its current design capacity from 550 000 tonnes to about 1.5 million tonnes of air cargo a year. AAT had agreed to re-provision, at its own cost, the existing CQ facilities for Customs and Excise Department (C&ED), Agriculture, Fisheries and Conservation Department and Food and Environmental Hygiene Department in Terminal 1 and Terminal 2. The scope of the proposed Government capital works project covered design and fitting-out works for the CQ facilities such as equipment rooms, interview/case processing rooms, examination areas and offices. The estimated cost of the project was \$21.7 million in money-of-the-day (MOD) prices. Subject to Members' views, the Administration planned to submit the project to the Public Works Subcommittee (PWSC) and the Finance Committee (FC) of the Legislative Council on 21 December 2005 and 13 January 2006 respectively for Members' consideration. Members noted that subject to funding approval, the work was scheduled to start in May 2006 for completion in two phases in December 2006 and July 2007.

4. Mr WONG Kwok-hing was concerned whether the new CQ facilities would enable the Administration to improve the existing mechanism for the inspection and quarantine of food with a view to preventing avian flu or influenza pandemic caused by unknown virus. As food safety concerned the livelihood of the community, he urged the Administration to pay extra attention in preparing for unexpected influenza pandemic.

5. In response, DS/ED explained that the new Government facilities aimed at maintaining effective and efficient CQ control to tie in with the timely expansion by AAT for maintaining HKIA's competitiveness as a hub for international air cargo traffic, especially at a time when HKIA was facing fierce competition from neighbouring aviation centres. DS/ED advised that in the event of unusual circumstances such as outbreak of influenza caused by new virus, Government departments concerned would devise effective response measures at the CQ control points to safeguard the health of the community. At the request of the Chair, PS/ED agreed to reflect the member's view to the Government departments concerned.

6. Mr Howard YOUNG indicated his support for the Government's plan. He was pleased to note that unlike Hong Kong port which showed a slower growth in container throughput, the rapid growth in air cargo business helped strengthen HKIA's status as the regional aviation hub. To further enhance the efficient handling of air cargo, Mr YOUNG enquired whether air cargo transhipped from one plane to another of the same airline could be exempted from customs clearance.

7. In reply, the Principal Assistant Secretary for Security (A) (PAS/S(A)) said that pursuant to over 25 ordinances such as the Import and Export Ordinance (Cap 60), Copyright Ordinance (Cap 528), Dangerous Drugs Ordinance (Cap 134) and Firearms and Ammunition Ordinance (Cap 238), C&ED had the statutory duties to prevent and detect smuggling activities, protect and collect revenue on dutiable goods, detect and deter drug trafficking, protect intellectual property rights, and facilitate legitimate trade etc. As such, it was necessary for air cargoes to undergo customs clearance procedures on import or export with a view to ensuring security and collecting revenue

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on dutiable goods.

8. Head of Airport Command, C&ED added that the airlines concerned had their own standing transshipment arrangement and the transshipment cargo would be handled by their respective contracted cargo terminal operators. Customs clearance of transshipment goods was done mainly through scrutiny of cargo data, and where necessary, physical examination was conducted on a selective basis.

9. Expressing his support to upgrade the proposed fitting-out works to Category A, Mr FANG Kang remarked that with the implementation of CEPA III and the new immigration scheme, the demand for air cargo services would be increasing. Mr FANG was concerned whether there were sufficient handling capacities to cope with the rising demand.

10. PS/ED assured members that besides AAT, the Hong Kong Air Cargo Terminals Ltd (HACTL) also provided air cargo handling services to all airlines. To meet the anticipated growth in air cargo business, the air cargo terminal operators had decided to invest and construct new terminals. In response, the Airport Authority had provided additional freighter parking stands and related facilities at the air cargo apron to cater for the growing demand. It had also earmarked sufficient lands for the expansion or construction of new facilities for the air cargo service operators.

11. In reply to Dr LUI Ming-wah's enquiry, Head of Airport Command, C&ED confirmed that to maintain effective and efficient customs clearance for air cargo, CQ facilities and services were available in each of the four terminals, including express cargo terminals.

12. Ms Miriam LAU indicated her support for the Government's plan. She remarked that in order to sustain HKIA's air cargo throughput which was a key component of the logistics industry, adequate facilities should be provided in a timely manner. She enquired about the deployment of staff in providing CQ services at AAT's new Terminal 2.

13. PAS/S(A) informed members that about 80 C&ED staff currently tasked to handle the import of goods at the existing Terminal 1 would be deployed to service Terminal 2 while some 15 C&ED staff currently tasked to handle the export of goods would remain at Terminal 1. In reply to the Chair, PAS/S(A) advised that to cope with the anticipated growth in air cargo volume, additional C&ED staff would be required to handle the work at Terminal 2, and the additional manpower requirements were being scrutinized within the Administration. On the flexibility in deploying customs staff among different terminals, Head of Airport Command, C&ED remarked that for effectiveness and efficiency, the Administration would deploy fixed teams to provide customs service at dedicated terminals but where necessary, flexible cross-terminal redeployment of staff would be made to cater for special circumstances.

14. Ms Miriam LAU cast doubt on the need to spend some \$4.2 million on

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building works such as internal partitioning and sought explanation from the Administration.

15. PS/ED explained that internal partitioning was just one of the examples under the item “Building” which was budgeted to cost \$4.2 million. Referring to the layout plans of the proposed additional CQ facilities (enclosures 2 and 3 of the Administration’s paper (LC Paper No CB(1)352/05-06(01))), she believed that the internal building works also covered other associated works such as building provisions for sophisticated cargo inspection facilities and computer networks.

16. Project Director/2 of the Architectural Services Department assured members that the projected expenditure of each item was worked out in accordance with established guidelines and standards. All items were necessitated in order to enable Government departments concerned to operate smoothly within AAT’s new Terminal 2.

17. Ms Miriam LAU requested the Administration to provide more details for individual expenditure items in its funding proposal to be submitted to PWSC and FC. PS/ED agreed.

18. Summing up, the Chair concluded that the Panel supported the Government’s plan.

**II Proposed legislative amendments to implement relevant standards of the International Civil Aviation Organization regarding the carriage of dangerous goods by air**

(LC Paper No. CB(1)352/05-06(02) - Information paper provided by the Administration)

19. At the invitation of the Chairman, PS/ED and DS/ED briefed members on the Government’s proposal to amend the following two sets of subsidiary legislation to give effect to the latest standards promulgated by the International Civil Aviation Organization (ICAO) governing the transport of dangerous goods (DG) by air.

- (a) the Dangerous Goods (Consignment by Air) (Safety) Regulations (DG(CAS)R); and
- (b) the Air Navigation (Dangerous Goods) Regulations (AN(DG)R), as Schedule 16 to the Air Navigation (Hong Kong) Order 1995.

They highlighted that to ensure aviation safety, ICAO promulgated, under the Convention on International Civil Aviation (the Chicago Convention), requirements regarding the transport of DG by air. The requirements were set out in the “Technical Instructions for the Safe Transport of Dangerous Goods by Air” (TIs) which were normally updated and published by ICAO biennially. The 2005-2006 edition of the TIs had come into effect on 1 January 2005 and it would remain valid until 31 December 2006 or such time as and when it was replaced by another new edition.

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When compared with the 2003-2004 edition, the new TIs introduced over 200 technical and textual changes with aims detailed at paragraph 4 of the Administration's paper (CB(1)352/005-06(02)) .

20. PS/ED and DS/ED further explained that unlike the last update which only involved technical and textual changes, the present TIs imposed a new requirement that all freight forwarders involved in the processing, handling, storage or loading of any cargo should have received proper DG handling or awareness training upon employment. The requirements extended to personnel not dealing directly with DG, so as to tackle the problem of DG hidden inside general cargo consignments. The local freight forwarding industry had indicated that they would have no difficulty in training all their 300 odd staff who handled DG by the time the new TIs were implemented in Hong Kong. However, they would require more time to establish and complete the training programme for around 20 000 staff not directly dealing with DG. As such, the Administration proposed to introduce the statutory training requirements for all personnel in this amendment exercise, but the requirement in respect of those personnel not directly dealing with DG would be brought into effect at a later stage, through a separate commencement notice, when the concerned personnel had received proper training. Members noted that the Technical Sub-Committee of the Aviation Development Advisory Committee and the Hongkong Association of Freight Forwarding and Logistics had been consulted and they were generally supportive of the proposed amendments.

21. Mr WONG Kwok-hing enquired about the timing by which the training programme for around 20 000 staff not directly dealing with DG would be completed, and the length and fees of individual courses. He was worried that the staff concerned might be required to receive training again every two years as the TIs would be updated biennially. In this connection, the Chair also enquired whether more instructors could be deployed to speed up the training process.

22. DS/ED advised that the Administration had discussed with the freight forwarding industry on the training arrangements. Depending on the job nature of their staff in handling air cargo such as processing, storing or loading of consignments, freight forwarders would sponsor individual staff to attend either one-day or two-day classroom training or complete cyber training courses through the Internet on proper DG handling in order to comply with the new requirements. DS/ED understood that there were limited qualified instructors in the six institutions currently offering training courses on DG. In view that the number of personnel requiring training had now risen to some 20 000 staff, DS/ED believed that more qualified instructors would gradually become available in the market. With a progressive increase in the training capacity, it was envisaged that the training requirement for all personnel not directly dealing with DG would be completed in about two years' time. On the possible need to receive further training every two years, DS/ED remarked that since the Chicago Convention was applied to Hong Kong, it had the obligation to comply with the new TI requirements, including the need for air cargo personnel to receive proper DG handling training.

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23. Ms Miriam LAU enquired whether all staff, irrespective of their ranks, in airlines, shipping or freight forwarding companies as well as post offices would be required to receive training on proper DG handling. Noting that there were frequent staff movements in these establishments, Ms LAU was concerned whether new staff joining the industry would have to be trained upon employment. She also requested the Administration to address the problem in requiring the staff concerned to receive further training every two years when ICAO imposed new TI requirements.

24. PS/ED highlighted that the training on proper DG handling consisted of 11 components such as classification, packing, marking, labeling and loading of DG consignments on board aircraft. She recapped that depending on their job nature, air cargo personnel had to attend either basic courses involving 7 components or more advanced courses comprising up to 11 components. PS/ED further advised that the kind of courses to be attended by a staff would be decided by the management of the company, taking into account the actual circumstances and the scope of duties of the concerned personnel.

25. In response to further enquiries of Ms Miriam LAU and Mr Albert CHENG, PS/ED agreed that staff working in post offices should receive similar training as appropriate since they might need to tackle the problem of DG hidden inside general consignments but Post Office would not engage in the business of transporting DG.

26. Mr WONG Ting-kwong was concerned about the co-ordination among different Government departments and public bodies such as the Civil Aviation Department (CAD), the AA, the Security Bureau and the Fire Services Department in the event of accidents caused by DG. He enquired about the preparatory work undertaken by these bodies to tie in with the implementation of the proposed legislative amendments.

27. DS/ED clarified that the present proposal was not related to management of accidents or crisis caused by DG but to the training on proper DG handling. He highlighted that the Director-General of Civil Aviation was statutorily empowered to regulate the checking and preparation of DG by shippers and freight forwarders, and to regulate the carriage of DG by airlines according to the safety standards set by CAD. Nevertheless, a set of the subsidiary legislation would be promulgated to all parties concerned for their reference.

28. On co-ordination in the event of accidents caused by DG, PS/ED assured members that the Government was committed to providing an effective and efficient response to all emergency situations which threatened life, property and public security. She understood that relevant Government departments, the AA and all companies involved in handling air cargo had devised a comprehensive contingency plan stipulating the emergency response procedures, and roles and responsibilities of parties concerned when there was an accident caused by DG.

29. Summing up, the Chair expressed the support of the Panel for the Administration's proposal to amend DG(CAS)R and AN(DG)R to implement the new



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TIs. Members noted that the Administration intended to introduce the proposed amendments into the Council for negative vetting within the current legislative session.

**III Any other business**

30. There being no other business, the meeting ended at 3:25 pm.

Council Business Division 1  
Legislative Council Secretariat  
19 December 2005