立法會 Legislative Council

LC Paper No. CB(2)723/20-21 (These minutes have been seen by the Administration)

Ref:CB2/PL/MP+CB4/PL/EDEV

Panel on Manpower and Panel on Economic Development

Minutes of joint meeting held on Monday, 9 November 2020, at 9:00 am in Conference Room 1 of the Legislative Council Complex

Members	:	Members of the Panel on Manpower		
present				
*	k	Hon LUK Chung-hung, JP (Chairman)		
k	k	Hon James TO Kun-sun		
k	k	Hon WONG Ting-kwong, GBS, JP		
k	k	Hon Starry LEE Wai-king, SBS, JP		
		Hon CHAN Kin-por, GBS, JP		
k	k	Hon Steven HO Chun-yin, BBS		
k	k	Hon Frankie YICK Chi-ming, SBS, JP		
*	k	Hon WU Chi-wai, MH		
k	k	Hon YIU Si-wing, BBS		
k	k	Hon Charles Peter MOK, JP		
		Hon CHAN Han-pan, BBS, JP		
		Hon LEUNG Che-cheung, SBS, MH, JP		
k	k	Hon Alice MAK Mei-kuen, BBS, JP		
		Hon KWOK Wai-keung, JP		
		Dr Hon Fernando CHEUNG Chiu-hung		
k	k	Dr Hon Helena WONG Pik-wan		
k	k	Hon Elizabeth QUAT, BBS, JP		
k	k	Hon POON Siu-ping, BBS, MH		
k	k	Hon CHUNG Kwok-pan		
k	k	Hon Alvin YEUNG		
k	k	Hon Andrew WAN Siu-kin		
k	k	Hon Jimmy NG Wing-ka, BBS, JP		
		Hon LAM Cheuk-ting		
k	k	Hon SHIU Ka-fai, JP		
		Hon SHIU Ka-chun		
		Hon Wilson OR Chong-shing, MH		
X	k	Hon YUNG Hoi-yan, JP		

 Dr Hon Pierre CHAN * Hon CHAN Chun-ying, JP Hon LAU Kwok-fan, MH * Hon KWONG Chun-yu * Hon Jeremy TAM Man-ho * Hon Vincent CHENG Wing-shun, MH, JP
Members of the Panel on Economic Development
Hon Christopher CHEUNG Wah-fung, SBS, JP (Chairman) Hon Abraham SHEK Lai-him, GBS, JP Hon Tommy CHEUNG Yu-yan, GBS, JP Hon CHAN Hak-kan, BBS, JP Hon Mrs Regina IP LAU Suk-yee, GBS, JP Hon Paul TSE Wai-chun, JP Hon MA Fung-kwok, GBS, JP Hon Kenneth LEUNG Hon Martin LIAO Cheung-kong, GBS, JP Ir Dr Hon LO Wai-kwok, SBS, MH, JP Hon Holden CHOW Ho-ding Hon Tony TSE Wai-chuen, BBS, JP
: Dr Hon Junius HO Kwan-yiu, JP
 Members of the Panel on Manpower Hon LEUNG Yiu-chung Prof Hon Joseph LEE Kok-long, SBS, JP Hon WONG Kwok-kin, SBS, JP Hon Claudia MO Hon Michael TIEN Puk-sun, BBS, JP Dr Hon KWOK Ka-ki Hon Dennis KWOK Wing-hang Dr Hon CHIANG Lai-wan, SBS, JP Hon HUI Chi-fung Hon Kenneth LAU Ip-keung, BBS, MH, JP Member of the Panel on Economic Development Hon Jeffrey LAM Kin-fung, GBS, JP

(* Also member of the Panel on Economic Development)

[According to the announcement made by the Hong Kong Special Administrative Region Government on 11 November 2020 pursuant to the Decision of the Standing Committee of the National People's Congress on Issues Relating to the Qualification of the Members of the Legislative Council of the Hong Kong Special Administrative Region, Kenneth LEUNG, KWOK Ka-ki, Dennis KWOK Wing-hang and Alvin YEUNG were disqualified from being a member of Legislative Council on 30 July 2020.]

Public Officers : <u>Item II</u> attending

The Administration

Labour Department

Miss Mabel LI Po-yi, JP Deputy Commissioner for Labour (Labour Administration)

Mr Raymond LIANG Lok-man Assistant Commissioner for Labour (Labour Relations)

Ms Queenie TANG Yuen-shan Senior Labour Officer (Employment Services) (Operation)

Transport and Housing Bureau

Mr Wallace LAU Ka-ki, JP Deputy Secretary for Transport and Housing (Transport) 4

Ms Joyce CHAN Nga-sze Principal Assistant Secretary for Transport and Housing (Transport) 9

Cathay Pacific Group

Mr Patrick HEALY Chairman

Mr Augustus TANG Chief Executive Officer

Mr Greg HUGHES Chief Operations and Service Delivery Officer

Clerk in attendance	:	Miss Betty MA Chief Council Secretary (2) 1
Staff in attendance	:	Ms Rita LAI Senior Council Secretary (2) 1
		Ms Priscilla LAU Council Secretary (2) 1
		Ms Kiwi NG Legislative Assistant (2) 1

Action

I. Election of Chairman

Mr LUK Chung-hung was elected Chairman of the joint meeting.

II. The Government's counter measures in response to the recent lay-offs and subsequent developments in the aviation industry (LC Paper No. CB(2)181/20-21(01))

Meeting arrangement

2. <u>The Chairman</u> said that in response to the public concern over the job cuts at the Cathay Pacific Airways Limited ("Cathay Group"), the joint meeting of the Panel on Manpower and Panel on Economic Development was convened to discuss the Government's counter measures in response to the recent lay-offs and subsequent developments in the aviation industry.

3. <u>Mr LAM Cheuk-ting</u> queried why crew attendants' unions, whose members were affected in the recent lay-offs, were not invited to attend the meeting. <u>Dr Fernando CHEUNG</u> echoed a similar concern. <u>The</u> <u>Chairman</u> advised that as he had pointed out from the outset, the meeting would deliberate on the Government's policy, instead of individual cases, in relation to the recent lay-offs and development in the aviation industry. In addition, deputations were not invited to make oral representations at the meeting. At Mr Jeremy TAM's request, <u>the Chairman</u> instructed that the joint letter from Cathay Pacific Airways Flight Attendants Union ("FAU") and Hong Kong Aircrew Officers Association ("HKAOA") be tabled at the meeting for members' reference. 4. At the invitation of the Chairman, <u>Deputy Commissioner for</u> <u>Labour (Labour Administration)</u> of the Labour Department ("LD") ("DC for L (LA)") and <u>Deputy Secretary for Transport and Housing</u> (<u>Transport) 4</u> ("DSTH(T)4") respectively briefed members on the Government's measures in response to the recent lay-offs and subsequent developments in the aviation industry, as detailed in the Administration's paper.

5. At the invitation of the Chairman, <u>Mr Patrick HEALY, Chairman</u> of the Cathay Pacific Group ("Chairman/Cathay Group") made the introductory remarks. At Mrs Regina IP's request, <u>Chairman/Cathay</u> <u>Group</u> agreed to table the transcript of his introductory remarks for members' reference.

(*Post-meeting note*: The above-mentioned joint letter from FAU and HKAOA and the transcript of introductory remarks of Chairman/Cathay Group were issued to members vide LC Paper Nos. CB(2)197/20-21(01) and (02) on 10 November 2020 respectively.)

6. <u>The Chairman, Mr Andrew WAN</u> and <u>Mr SHIU Ka-chun</u> expressed disappointment and regret at the non-attendance of the Secretary for Labour and Welfare and the Secretary for Transport and Housing at the meeting.

Sustainability of the Cathay Group's operation

Ir Dr LO Wai-kwok declared that he was a member of the Airport 7. Authority Hong Kong ("AAHK"). Ir Dr LO and Mr Vincent CHENG expressed grave concern about the Cathay Group's corporate restructuring announced on 21 October 2020, under which several thousands of staff had been redundant and Cathay Dragon, the Cathay Group's wholly owned subsidiary, ceased operation with immediate effect ("the Restructuring"). Ir Dr LO and Mr CHENG were concerned about the financial position of the Cathay Group. Given the Government's investment with the Cathay Group and the uncertain development of the aviation industry, Mr KWOK Wai-keung, Mr Holden CHOW and Ir Dr LO were concerned whether the operation of the Cathay Group could Mr CHOW asked about the measures to be put in place to sustain. increase the corporate revenue. Ir Dr LO also sought information on the Cathay Group's cargo business. Mr CHENG and Mr POON Siu-ping asked whether there would be further layoff plan.

8.

Chairman/Cathay Group said that the airline industry faced significant challenges as a result of the COVID-19 pandemic. Cathay Group's management team had been agile in responding to the extremely difficult environment. As a result of the recapitalization in June 2020, the Company received liquidity of \$39 billion. It had implemented a number of measures to cut costs, including suspension of non-essential expenses, deferral of aircraft deliveries and introduction of

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special leave schemes and executive pay cuts. Notwithstanding these efforts, the Cathay Group's monthly operating expenses remained in the region of \$1.5 to \$2 billion. The Restructuring was necessary to ensure the Company would continue to survive. It was expected that the Restructuring, including the cessation of operation of Cathay Dragon, the staff redundancies and the transition to new conditions of services, would lead to a reduction of approximately \$500 million in monthly cash outlay by the Cathay Group in 2021.

Chairman/Cathay Group further said that the Cathay Group's 9. financial position was currently sound. According to the plan for 2021, the Cathay Group expected to be operating at well below 25% of the capacity in the first half of 2021 and expected to see a gradual recovery in the capacity in the second half of the year. The Company had been agile in maximizing cargo revenue and implementing measures to facilitate cargo opportunities, including using passenger aircraft for the business. On passenger flights, it was expected that it would slowly resume, in particular with the commencement of the travel bubble flights. Assuming the gradual recovery, the Cathay Group would survive the crisis and there would be no need for recapitalization or further retrenchment.

Referring to the predictions of the International Air Transport 10. ("IATA") that passenger Association travel would return to pre-COVID-19 levels only until 2024, Mr Frankie YICK queried whether the Cathay Group's prediction of its business recovery in 2021 was too optimistic.

Chairman/Cathay Group acknowledged that the future for the 11. aviation industry remained highly uncertain and was in a dynamic situation. He reiterated that it was expected that the Company could operate well under 25% of 2019 passenger capacity in the first half of 2021 and below 50% for the entire year. The Cathay Group's management team had concluded that such scenario was the most optimistic one it could responsibly adopted, which was in line with IATA's prediction.

12. <u>Mr Jimmy NG</u> remarked that it was necessary to make reference to the reduction scale of other international airlines in terms of decrease in percentage of passenger flights and staff redundancies so as to assess whether the retrenchment of the Cathay Group was reasonable. This would also facilitate future regulation of the aviation industry as well as striking a balance between business operation and protection of employees' welfare and benefits.

13. $\underline{\text{DSTH}(T)4}$ pointed out that it might not be appropriate to directly compare the retrenchment of the Cathay Group with other international airlines given that the former ran on a fully commercial basis while some international airlines were state-owned.

Chairman/Cathay Group advised that the numbers of staff 14. redundancies of other international airlines companies were in the range of 20% to 30% of their established headcount. According to the relevant public announcements, the respective numbers of redundancies made by the British Airway, Qantas, Lufthansa and Singapore Airlines were 12 000, 8 000, 26 000 and over 4 000. As regards the redundancies of 5 300 employees of the Cathay Group in Hong Kong, it amounted to approximately 17% of the Cathay Group's total established headcount, which was at the lower end as compared with the level of retrenchment of some other airlines companies. Chairman/Cathay Group stressed that the Company had endeavoured to minimize the scale of redundancies.

The Government's investment in the Cathay Group

15. Referring to the Government's injection of \$27.3 billion in the Cathay Group in June 2020, <u>Mr LAM Cheuk-ting</u> held the view that the Cathay Group should assume the corporate social responsibility in the Restructuring process. <u>Mr Andrew WAN</u> and <u>Mr SHIU Ka-chun</u> were concerned about the role played by the Government's two observers on the Cathay Group's board of directors in respect of its decision on the Restructuring.

16. <u>DSTH(T)4</u> clarified that the Government's investment of \$27.3 billion in the Cathay Group comprised preference shares and a bridging loan. As stated by the Financial Secretary ("FS") on 21 October 2020, the business restructuring plan was a commercial decision of the Cathay Group. Though without the right to vote, the two observers appointed to the Cathay Group's board of directors had expressed opinions on its plan

and reminded the Group's management of the need to keep the impact caused to its employees and the society to the minimum in restructuring its business.

17. <u>Mr YIU Si-wing</u> and <u>Mr SHIU Ka-fai</u> considered the Government's investment in the Cathay Group justifiable and understandable given its status as a flag carrier in Hong Kong and its importance in maintaining Hong Kong's international aviation hub status. <u>Mr YIU</u> was concerned about whether the Government would be prepared to provide further financial support to the Cathay Group in the event that the expected gradual recovery in 2021 was not realized and there would be another liquidity crisis for the Group. <u>Mr KWOK Wai-keung</u>, <u>Mr LAU Kwok-fan</u> and <u>Mr Vincent CHENG</u> echoed similar concerns.

18. $\underline{\text{DSTH}(\text{T})4}$ responded that no one could be certain about the upcoming recovery of the aviation industry and whether financial support by the Government would be warranted. As stated by FS earlier, the purpose of the Government's investment in the Cathay Group was to uphold Hong Kong's status as an international aviation hub in the region and keep any adverse impact to other aspects of Hong Kong's economy at bay.

19. In response to Mr LAU Kwok-fan's enquiry about the Government's investment return, $\underline{\text{DSTH}(T)4}$ said that the Cathay Group was obliged to pay dividends and interests to the Government in accordance with the agreement signed between the Government and the Cathay Group.

20. <u>Mr WU Chi-wai</u> envisaged that the operating environment in the aviation industry would be extremely difficult in the coming years. In respect of the projected return of \$27.3 billion of Government's investment in the Cathay Group i.e. expected internalized rate of return in the range of 4.0% - 7.5%, <u>Mr WU</u> sought clarification as to whether the Government would, under any circumstances, still be able to receive dividends from the preference shares at a step-up rate and interests from the bridge loan in the forthcoming five years.

21. <u>DSTH(T)4</u> replied that the Financial Services and the Treasury Bureau and the Hong Kong Monetary Authority were responsible for the Government's investment in the Cathay Group. Based on his understanding, the Cathay Group would have to pay dividends and interests, where applicable, to the Government in accordance with the agreed terms and conditions irrespective of the operating environment. 22. <u>Chairman/Cathay Group</u> responded that it was an unprecedented global crisis. It was expected that with the implementation of the cost-saving measures implemented so far and the Restructuring, the Company would be able to return to sustainable financial position as soon as possible. The intention was to repay the Government within the framework envisaged in the recapitalization announced on 9 June 2020.

Protection of employees' rights and supporting measures for employees

23. Dr Fernando CHEUNG, Mr Alvin YEUNG, Mr Andrew WAN and Mr LAM Cheuk-ting were gravely concerned that cabin crew and flight crew members of the Cathay Group who were not made redundant had been given a very short period of time to decide on whether to accept the new employment contracts or otherwise their current employment contracts would be terminated. Dr CHEUNG and Mr YEUNG held the view that it had set an undesirable precedent for enterprises in Hong Dr CHEUNG was concerned as to whether such practice was in Kong. breach of the labour legislation. Mr YEUNG was concerned about the role played by LD in the incident. Mr WAN and Mr LAM expressed strong dissatisfaction at the different approaches adopted by the Cathay Group in revising the renumeration packages of top management and other staff members i.e. while the flight attendants/pilots had their salaries drastically and permanently reduced after having signed the new employment contracts, the pay cut of the Group's management was comparatively less and would last till the end of 2021 only.

24. <u>Mr LEUNG Che-cheung</u> said that to his knowledge, there were complaints about LD's non-intervention in the Cathay Group's labour dispute.

25. <u>DC for L (LA)</u> said that it was understood that difficulties in business operation amid the COVID-19 epidemic had driven the concerned employers to cut operating costs, while varying conditions of employment or retrenchment was not the only way to control costs. Varying the conditions of employment unilaterally without the consent of employees might have violated the Employment Ordinance (Cap. 57) ("EO"). As the Government's established stance, employers were advised to first consider other cost-saving or revenue-generating measures. In the case of last resort to consider variation of the terms of employment contracts, employers should consult employees in advance and allow sufficient time for them to consider. <u>DC for L (LA)</u> stressed that as stated in LD's related guidelines for employers and employees, the period for employees to consider the wage reduction proposal should not be taken as the notice period required to terminate the employment contract. In the recent case of the Cathay Group's labour dispute, LD had provided conciliation service and offered assistance to the employer and the affected employees as necessary.

26. Chairman/Cathay Group pointed out that the global crisis arising from the COVID-19 pandemic had a devastating impact on the aviation industry. In face of the unprecedented challenges, it was inevitably to make some tough decision. The Cathay Group was grateful to its some 98% of the Hong Kong-based pilots and over 90% of cabin crew who had accepted the new conditions of service and understood that the salary deduction had caused anxiety and distress to them. Chairman/Cathay Group further pointed out that the average renumeration reduction of cabin crew was about 15%. Once the operation of flights returned to the normal level, the cabin crew would have the opportunity to have their renumeration achieved the average of the 2019 level i.e. a target of 90 flying hours per month. As for the pilots, they had been offered COS18 contract with competitive and attractive terms of service which were benchmarked globally and had been in place for two years already. As regards pay cuts for the executive introduced in April 2020, it was up to 30% and would continue throughout 2021. A review of the pay cuts would be conducted around end of 2021 as appropriate.

27. Pointing out that about 75 000 people worked in the Hong Kong International Airport ("HKIA"), <u>Mr POON Siu-ping</u> was gravely concerned that the Restructuring, in particular the cessation of the operation of Cathay Dragon, brought about adverse impact on employees engaged in the aviation industry and aviation support services. <u>Mr POON</u> enquired how the Administration would respond if there was further layoff of other airlines companies and attrition of professionals and talents.

28. <u>DC for L (LA)</u> responded that LD was keeping in view the labour relations scene of enterprises concerned in the aviation industry. LD had all along been proactive and pragmatic in giving advice to employers and employees, providing conciliation service and offering assistance to them whenever necessary, including employment services for affected employees as appropriate. Notably, various kinds of job fairs for job-seekers (including those from the aviation industry) had been/would be conducted in LD's job centres and through its online platform.

29. <u>Mr LEUNG Che-cheung</u> expressed worries that in face of difficult operating environment in the aviation industry, some employers would ask employees to take no-pay leave. <u>Mr LEUNG</u> asked about provision of assistance to these employees under such circumstances. <u>Mr CHAN</u> <u>Chun-ying</u> enquired about measures taken by LD to encourage these employees to pursue further studies so as to enhance their employability.

30. DC for L (LA) reiterated that LD would be proactive in giving advice to employers and employees on matters relating to the provisions under EO and conditions of employment, providing conciliation service and offering assistance to them whenever necessary. As for employees who were asked to take no-pay leave, LD staff would explain clearly to them the employees' rights and benefits under EO. DC for L (LA) further said that LD's job centres would provide job-seekers with information on, among others, retraining courses in accordance with their Notably, the Employees Retraining Board launched the needs. enhanced second tranche of the Love Upgrading Special Scheme ("the Special Scheme") in July 2020 providing more than 300 retraining courses to support those unemployed, underemployed or who were required to take no-pay leave since 1 June 2019 to upgrade their skills for self-enhancement and employment. The Special Scheme imposed no restriction on the trade or education attainment of the trainees.

31. Noting that more than 90% of Hong Kong-based employees of the Cathay Group who were not made redundant had signed their new employment contracts, <u>Mr WONG Ting-kwong</u> asked whether the Cathay Group had any plan to improve their renumeration packages when the business in the aviation industry recovered. <u>Mr SHIU Ka-fai</u> shared a similar concern. <u>Chairman/Cathay Group</u> responded that while the framework for the conditions of service of new employment contracts, comprising fixed and variable elements, would remain in place, the total renumeration would change and improve over the time depending on a number of performance matrix. The employees would earn more with the increase in passenger flights.

32. Given that some of the Cathay Group's employees had not accepted the new employment contracts and therefore some posts would become vacant, <u>Mr Jeremy TAM</u> enquired whether priority would be given to recruiting former Hong Kong resident staff members who had been made redundant in the Restructuring.

Action

33. <u>Chief Executive Officer/Cathay Group</u> said that the Company had commenced recruiting pilots from former employees of the Group who were made redundant in the Restructuring to fill up the planned number of pilots and that the recruitment of cabin crew members would be conducted in the second half of 2021. While priority might be given to filling up the vacancies of pilots who were Hong Kong residents, it was imperative that the recruitment should be compliant with relevant race discrimination legislation in Hong Kong. <u>Mr Jeremy TAM</u> called on LD to liaise with the Immigration Department to take into account the principle of according employees in connection with the Cathay Group's recruitment exercises. <u>The Chairman</u> echoed a similar view.

34. <u>Mr SHIU Ka-fai</u> call on the Administration to consider providing short-term unemployment comprehensive social security assistance for those employees of the Cathay Group who had been made redundant in the Restructuring. <u>The Chairman</u> requested LD to relay Mr SHIU's suggestion to the Labour and Welfare Bureau for consideration.

Future development in the aviation industry

35. <u>Mr CHAN Chun-ying</u> sought clarification as to whether the air traffic rights of Cathay Dragon would be handed over to the Cathay Group.

DSTH(T)4 advised that the traffic rights previously allocated to 36. Cathay Dragon should be returned to the Government for re-allocation and could not be automatically transferred to other airlines. Other local airlines might submit applications to the Transport and Housing Bureau ("THB") for utilizing the returned traffic rights. THB would re-allocate the traffic rights in accordance with the established mechanism. During the process, other local airlines concerned would have full opportunities to offer comments on the applications. After considering all comments received, THB would handle the applications and make a decision on the re-allocation of the traffic rights based on a set of established guidelines, which set out a list of factors of consideration, including the enhancement of healthy competition, the enhancement of the HKSAR's position as an aviation hub and the development of the HKSAR's civil aviation industry, All in all, the primary principle of traffic right allocation was to etc. ensure such public resources could be fully utilized with a view to upholding and strengthening the competitiveness of the aviation industry in Hong Kong. Hence, there was no guarantee that the Cathay Group would be re-allocated all traffic rights previously held by Cathay Dragon prior to the latter's cessation of operations.

37. <u>Mr WONG Ting-kwong</u> and <u>Mr LAU Kwok-fan</u> expressed concern about measures taken by the Government to uphold Hong Kong's aviation hub status.

38. <u>DSTH(T)4</u> responded that Hong Kong, as an international aviation hub, had her own competitive edges. Before the pandemic, there were about 120 airlines providing over 1 100 flights daily connecting HKIA with about 220 destinations worldwide. To uphold Hong Kong's status as an international aviation hub, the Government would continue to make good use of the strengths of Hong Kong, and leverage the flexibility and uniqueness of Hong Kong in civil aviation development, with a view to optimizing Hong Kong's air and intermodal connectivity. In addition, the Government had been exploring the introduction of rapid testing of COVID-19 for passengers at HKIA, in a bid to get prepared for the resumption of air traffic as the pandemic eased.

39. <u>DSTH(T)4</u> further advised that THB and AAHK had been implementing various measures to help the aviation industry mitigate the impact of the COVID-19. The Government and AAHK had since March 2020 launched various rounds of relief measures of over \$7 billion, including two subsidy schemes for the aviation industry under the second and third rounds of the Anti-epidemic Fund, targeting local airlines as well as aviation support services and cargo facilities operators. In addition, the Government was striving to gradually and orderly resume cross-border travel and exploring the establishment of bilateral Air Travel Bubble ("ATB") with other countries as appropriate and striving for the resumption of transfer services at HKIA for Mainland passengers' travel to foreign countries.

[The Chairman directed that the meeting would be extended by 15 minutes.]

40. <u>Mrs Regina IP</u> sought information on the development of ATB, including timing, destinations and airfare. Echoing a similar concern, <u>Mr Vincent CHENG</u> called on the Administration to implement appropriate measures to address the adverse impact of COVID-19 on the aviation industry as well as the travel industry. <u>Mr Frankie YICK</u> asked whether measures conducive to the travel industry would be put in place.

41. <u>DSTH(T)4</u> said that the Government had been actively discussing with countries that had a relatively stable epidemic situation and had close economic and commercial ties with Hong Kong, according to what the Secretary for Commerce and Economic Development said earlier. Specifically, Hong Kong and Singapore had reached an in-principle agreement to establish the bilateral ATB, with a view to launching it within November 2020. <u>Chief Executive Officer/Cathay Group</u> added

42. Pointing out that the Hong Kong Airlines Limited was another Hong Kong-based airline, <u>Mr YIU Si-wing</u> sought information on measures taken by the Government to prevent the company from large-scale redundancies and business closure.

that the airfare for ATB with Singapore would be determined by market

force and assured members that it would be set at a reasonable price.

43. $\underline{\text{DSTH}(\text{T})4}$ responded that the Hong Kong Airlines Limited had benefited from the relevant subsidies in two rounds of the Anti-epidemic Fund. THB and the Air Transport Licensing Authority would closely keep in view its financial position.

44. <u>Mr Frankie YICK</u> noted with concern the salary deduction for employees engaged by the Hong Kong Aircraft Engineering Company. Pointing out that training for aircraft maintenance required an extended period of time, <u>Mr YICK</u> called on the Administration to ensure adequate manpower supply for aircraft maintenance which would be essential for recovery of the aviation industry.

45. $\underline{\text{DSTH}(\text{T})4}$ responded that the Government attached great importance to manpower supply for the aviation industry. The Government would continue to closely monitor the manpower situation and would explore different measures, including schemes under the Maritime and Aviation Training Fund, to provide support to employees in the aviation industry and retain talents as far as possible.

Motion proposed by member

Action

46. <u>The Chairman</u> said that Mr Jeremy TAM had indicated his intention to propose a motion under this agenda item. He ruled that the motion was directly related to the agenda item. <u>Members</u> agreed that the motion should be proceeded with.

Motion moved by Mr Jeremy TAM

47. <u>Mr Jeremy TAM</u> moved the following motion:

"運輸及房屋局在分配航權時必須考慮航空公司在聘請員工時 有否以香港人優先作為政策一部份。"

(Translation)

"In allocating air traffic rights, the Transport and Housing Bureau shall take into account whether the airlines have accorded priority to Hong Kong people as part of the policy in recruiting their employees."

48. <u>The Chairman</u> put Mr Jeremy TAM's motion to vote. <u>The Chairman</u> said that among 25 members present at the meeting, 13 members voted for the motion and 11 members votes against it. <u>The Chairman</u> declared that the motion was carried.

(*Post-meeting note*: The Administration's response to the motion was circulated to members of the Panel on Manpower and Panel on Economic Development vide LC Paper No. CB(2)355/20-21 on 19 November 2020.)

49. There being no other business, the meeting ended at 10:47 am.

Council Business Division 2 Legislative Council Secretariat 27 January 2021