For information
on 1 November 1999

Legislative Council
Trade and Industry Panel

Y2K compliance work in Government departments and non-government organizations under the purview of the Trade and Industry Bureau

Purpose

   This paper reports on the progress on Y2K compliance and contingency plans in the Trade and Industry Bureau (TIB), the Hong Kong Economic and Trade Offices (HKETOs) overseas, departments and non-government organizations (NGOs) under the purview of TIB.

Progress on Y2K compliance and contingency plans in TIB, HKETOs and Departments under TIB's purview

2.   There are 116 mission-critical systems in TIB, HKETOs overseas, and the four Departments under the purview of TIB, viz Trade Department (Trade D), Industry Department (Ind D), Customs & Excise Department (C&ED) and Intellectual Property Department (IPD) as set out in Annex A. All these systems have been confirmed to be Y2K compliant.

3.   Although all the mission-critical systems are fully Y2K compliant and the risk of Y2K-induced disruption to these systems is therefore small, contingency plans have been put in place to minimize possible adverse impact on business continuity in the event of any unforeseen Y2K-induced incidents. The contingency arrangements in TIB and HKETOs as well as those developed by the Trade D, Ind D, C&ED and IPD are at Annexes B to F respectively.

Progress of Y2K compliance and contingency plans in NGOs under TIB's purview

4.	There are seven NGOs under TIB's purview : the Hong Kong Trade Development Council (HKTDC), Hong Kong Export Credit Insurance Corporation (HKECIC), Hong Kong Productivity Council (HKPC), Hong Kong Industrial Estates Corporation (HKIEC), Hong Kong Industrial Technology Centre Corporation (HKITCC), Consumer Council (CC) and Tradelink Electronic Commerce Limited (Tradelink).　HKIEC has no mission-critical system.　There are 30 mission-critical systems in the other six NGOs as set out in Annex G.　All these systems have been confirmed to be Y2K compliant.

5.	The six NGOs that have mission-critical systems have developed contingency plans.　The contingency arrangements are set out at Annex H.

6.	TIB and HKETOs and departments and NGOs under the purview of TIB are committed to ensuring business continuity and getting ourselves fully geared up to cope with possible Y2K-induced incidents.

Trade and Industry Bureau
October 1999

**Y2K Compliance of Mission-critical Systems
in TIB, HKETOs Overseas and Departments under the Purview of TIB**

Office	No. of compliant systems
Trade and Industry Bureau	1
Economic and Trade Offices	18
Trade Department	32
Industry Department	1
Customs & Excise Department	56
Intellectual Property Department	8
Total :	**116**

There are no mission-critical non-compliant systems.

Trade and Industry Bureau and
Hong Kong Trade and Economic Offices Overseas

Y2K Contingency Arrangements

To ensure business continuity, the Trade and Industry Bureau (TIB) has drawn up contingency plans to cope with possible disruption to its normal operation arising from Y2K-induced incidents. The Hong Kong Trade and Economic Offices (HKETOs) also have their contingency arrangements.

2.   The mission-critical systems in TIB and HKETOs are essentially line communications systems which are fully Y2K compliant. In the event of any Y2K-induced disruption, arrangements are in place for direct telephone lines, fax transmissions, E-mail communications and mobile phone services to be used.

3.   For general administrative computer systems, the contingency arrangements include making data and system backup, downloading essential data from the systems and printing out essential information prior to the roll-over to the millennium. Manual procedures to deal with urgent and important tasks have also been drawn up and will be activated should there be any Y2K-induced failures.

4.   A task force has also been established in TIB to oversee the completion of the pre-roll-over contingency arrangements, monitor the situation during and after the roll-over and co-ordinate the implementation of the contingency plans in the event of any Y2K-induced disruption. The task force is also responsible for liaising with the Government's Y2K Central Co-ordinating Centre during the roll-over.

Trade Department
Y2K Contingency Arrangements

Computer and Related Systems

In preparation for possible disruption to its normal operations and public services arising from Y2K-induced failures, the Trade Department has drawn up contingency plans for individual systems. In general, the plan covers the precautionary measures applicable to the system concerned including data backup, invocation procedures, and restoration plan. These plans have been put to test prior to the Y2K critical dates. In the event of a Y2K failure in any of these systems, the Department will be able to provide basic licensing/registration services and to resume normal operations within the shortest possible time.

2. The Department has also drawn up a departmental Y2K contingency plan which sets out the actions and measures that will be taken by the Department during major Y2K-induced incidents. In particular, a central support unit will be set up during the roll-over to Y2K critical dates. The functions of the central support unit are -

(a) to ensure that the emergency fallback measures mentioned in the contingency plans of individual systems are invoked immediately if necessary and function effectively;

(b) to provide to the branch/section where the failure occurs all necessary departmental administrative support, e.g. standalone computers, telecommunications facilities, air-conditioning, messengerial support, printing services; and

(c) to coordinate the release of information to the government Y2K Central Co-ordinating Centre and to the public through press releases, other media, trade circulars and the internet.

3.   To raise awareness of the Y2K strategy and contingency actions, the Department held a departmental briefing in August 1999 to walk staff through the entire departmental contingency plan. Representatives of its major business partners including the Tradelink Electronic Commerce Ltd. had also been invited to explain their own contingency plans. The Department has also geared up publicity on all fronts to draw the attention of traders and business partners to the potential Y2K problems and the need to take early actions on rectification and contingency planning.

4.   As part of the contingency plan, the Department will advance the preliminary quota allocation for year 2000 so that traders can apply early for restrained textiles licenses to cover shipments in January 2000. Traders have been informed of the arrangement through trade circulars. The arrangement will reduce pressure on the Department's licensing/registration services in the event of an unexpected Y2K attack.

Food Supply

5.   Apart from exercising licensing control on textiles and selected non-textiles items, the Department is also responsible for the licensing and registration of rice and frozen meat/poultry supply. The Department has carefully assessed the risk of possible disruption that may cause to the supply chain, and has worked closely with stockholders, wholesalers and retailers to ensure the stock will be sufficient to meet the consumption by the population for a reasonable period of time during the rollover. The stock available is 71 days for rice (as at 5 October 1999) and 18 days for frozen meat/poultry (as at 30 September 1999). The stock level should be sufficient to meet the demand having regard to the fact that the time required for replenishing the two items from major suppliers is normally 10 days and one week respectively. The Department will monitor the supply position closely with the Agriculture and Fisheries Department to ensure that the stock level will be maintained until the roll-over. In this regard, many traders have indicated that as a precautionary measure they plan to import more before the end of December 1999.

Industry Department

Y2K Contingency Arrangements

The Industry Department has conducted a comprehensive review on possible Y2K impacts on its services to the public. Apart from other external factors beyond the Department's control, for example, breakdown of communications lines or failure of power supply, it is not envisaged that the Y2K issue will be a problem for the Department. Nevertheless, the Department has drawn up comprehensive contingency plans to ensure the continuation of office operation.

2. There is only one mission-critical system in the Industry Department. This concerns business licence information and is 100% Y2K compliant. The risk of Y2K-induced failure is small. However, contingency arrangements have been drawn up for the system. The arrangements include backing up of data, printing of hard copy of data for distribution to clients and directing clients to relevant licensing authorities for collection of licensing information or application forms.

3. In relation to calibration services, all non-mission critical systems have been audited and most are Y2K compliant. For the non-compliant systems, the date functions do not affect the operation of calibration services. The staff concerned have been instructed to manually over-write possible wrong date printouts.

4. For general administrative computer systems or standalone personal computers, arrangements are in place to minimize the effects of any Y2K-induced disruption. Manual typing, backing up of important data and printing of hard copy of data where practical, will be conducted before the roll-over to Year 2000 to ensure continuation of office operation.

Customs and Excise Department

Y2K Contingency Arrangements

A. Contingency Planning

To ensure continuity of business, the Customs and Excise Department has drawn up a set of Y2K contingency plans setting out the operational directives and distribution of responsibilities within the Department in coping with the possible disruption of critical functions and services of the Department arising from Y2K-induced incidents.

2.   The plans are intended to address both system-related and operation-related problems. The system-related business contingency plans cover all mission-critical computers, microprocessor-embedded systems and line communication systems that are essential to the performance of the critical functions and services of the Department. The operation-related business contingency plans cover activities mainly related to the collection of fees and duties, the control of goods and people crossing the land boundary, and the clearance of goods and passengers for international trade and travel purposes. The Department has tested all its contingency plans with satisfactory results.

B. Y2K Co-ordination Committee

3.   The Department has formed a Y2K Co-ordination Committee chaired by the Deputy Commissioner of Customs and Excise.   The Committee is responsible for –

(a) monitoring the testing and updating of the Departmental Y2K Contingency Plans;

(b) overseeing the setting up of the Departmental Y2K Co-ordination Centre and Formation Co-ordination Centres;

(c) setting out the communication arrangements among the Departmental Y2K Co-ordination Centre, the Formation Co-ordination Centres and the senior management; and

(d) planning for handling press/public enquiries on Y2K-induced disruption of services.

C.

D. Y2K Co-ordination Centres

4.	The Department has also set up co-ordination centres at departmental and formation levels. The centres are for co-ordinating information concerning any contingency actions taken by individual formations to deal with Y2K-induced incidents.

E.

F. Special arrangements

Resilience for communications

5.	To cater for any possible failure of the public telephone network, the Department has arranged alternative communications means, including mobile phones, radio transceivers, point-to-point telephones and e-mail through the government intranet, to prepare for the roll-over to the millennium. The Department has also arranged for "runners" to relay messages as the last resort.

Deployment

6.	To secure continuity of key Customs services at the Chek Lap Kok Airport and the Control Points, the respective Commands have formed backup squads to underpin essential services in the lead up to and following the roll-over to the millennium. Moreover, leave will not be granted for the said period to ensure that adequate manpower will be available to carry out the contingency plans.

Drills and Training

7.	All personnel involved in handling Y2K issues have been briefed, trained and drilled to ensure that they are fully conversant with their roles and duties.

Intellectual Property Department

Y2K Contingency Arrangements

In order to ensure business continuity, the Intellectual Property Department has drawn up contingency plans to deal with possible Y2K-induced incidents. In relation to those mission-critical systems in support of services delivery to the public, the Department has devised contingency procedures which are intended to maintain critical functions of such systems in the event of Y2K-induced disruption. These systems are the Trade Marks Registration System, Trade Marks Imaging System, Patent Computer System and Mini-Design Registration Administrative System.

2. As part of the Y2K contingency planning, the Department will transfer data to work processing media independent of the mission-critical systems and arrange full system back-up including data, program, application development tools and operating system prior to the roll-over to the millennium. In addition, staff of the Department and Information Technology Services Department dealing with the mission-critical systems will test for and monitor any Y2K-induced failures after the roll-over.

3. In the event of disruption arising from Y2K-induced incidents to its mission-critical systems, the Department will activate the contingency measures which are mainly manual procedures assisted by standalone personal computers.

Y2K compliance of Mission-critical Systems
in the NGOs under the Purview of TIB

NGO	No. of compliant systems
Hong Kong Trade Development Council	9
Hong Kong Export Credit Insurance Corporation	11
Hong Kong Productivity Council	2
Hong Kong Industrial Estates Corporation	0
Hong Kong Industrial Technology Centre Corporation	2
Consumer Council	4
Tradelink Electronic Commerce Limited	2
Total :	**30**

There are no mission-critical non-compliant systems.

NGOs' Contingency Plans for Mission-Critical Systems

NGO	Mission-Critical Systems	Contingency Plans
HKTDC	1. Advertising Management System 2. Enterprise Internet 3. Trade Enquiries 4. Exhibition Management System 5. Visitor Management System 6. Research Statistics System 7. Business InfoCenter 8. Communication Network 9. PABX Telephone System	Contingency plans for mission-critical and core business functions have been completed. Rehearsals of the contingency plans are in progress. Details of the plans are as follows : I. Advertising Management, Enterprise Internet and Trade Enquiries Systems • Back-up database servers will be set up on 30 December 1999 with system date back-dated to one week before. • Production databases will be copied to back-up server on 30 December 1999. • If systems fail, operation will be switched to back-up database server. II. Exhibition Management System • Back-up system will be set up as in (I). • If system fails, new applications will be processed manually. III. Visitor Management System • Back-up system will be set up as in (I). • Badges for fair buyers will be printed manually.

NGO	Mission-Critical Systems	Contingency Plans
HKTDC (cont)		**IV. Research Statistics System and Business InfoCenter** • If system fails, operation will be switched to a manual system. • Materials will still be available to public through hardcopies. **V. Communication Network** • If only a portion of the network fails, the operation will be switched to the remaining portion of the network that still works. • If the whole network fails, individual computers will be switched to operate under stand-alone mode. **VI. PABX Telephone System** • The system will be reset to 1 January 1972 if it fails.
HKECIC	1. New Business 2. Credit Limit Application 3. Declaration 4. Claims and Recoveries 5. General Ledger 6. Account Receivable 7. Risk Management 8. Country Underwriting 9. Credit Information Administration 10. Reinsurance 11. Personnel and Payroll	A Crisis Management Team has been set up to co-ordinate and provide consistent and timely services to tackle Y2K-related problems for HKECIC's customers. The Team is made up of the unit heads of the 11 mission-critical systems. There is also a full back-up for the data storage in case of system failure.

NGO	Mission-Critical Systems	Contingency Plans
HKPC	1. Training Enrollment System 2. Email System	The contingency plans for mission-critical systems are as follows- • In case of email system failure, fax machines, courier service and special dial-up accounts for Internet connection will be used for external communication. • On 31 December 1999, data of the Training Enrolment System will be stored to spare server. If the System fails, manual procedures will be adopted. • The contingency plan for the Training Enrolment System was tested on 28 July 1999 and that for the email system was tested on 30 August 1999. • An Emergency Response Team, led by senior management, will be in office on 1 January 2000 to check business operation.
HKIEC	Nil.	N.A.

NGO	Mission-Critical Systems	Contingency Plans
HKITCC	1. Building Escalators 2. Fire Alarm Systems	The contingency plans for mission-critical systems are as follows- 1) Building Escalators : • Tests had been performed for critical cross-over dates. • All escalators services will be suspended for 5 minutes before a cross-over date and resume services after 5 minutes thereafter so as to ensure the Y2K-related problem will not lead to escalator accidents. • Functional testing will be done after a cross-over date. • Staff from Facilities Planning Division and Building Management Office will stand-by during a cross-over date. • Emergency contact list, including management and vendors contacts, has been issued to relevant staff. • Mobile phones and direct lines are available for use during a cross-over date.

NGO	Mission-Critical Systems	Contingency Plans
HKITCC (cont)		2) Fire Alarm Systems : • Fire Alarm Systems have been tested for critical cross-over dates. • Functional testing will be done after a cross-over date. • Staff from Facilities Planning Division and Building Management Office will stand-by during a cross-over date. • An emergency contact list, including management and vendors contacts, has been issued to relevant staff. • Mobile phones and direct lines are available for use during a cross-over date.
Consumer Council	1. Complaint Registration 2. "CHOICE" Subscription System 3. Internet Email and Computerized Fax System 4. Interactive Voice Response System	The Council has implemented a contingency plan whereby there is a back-up system for data storage, i.e. a duplicate set of data is available on back-up tapes. To overcome the difficulties in locating data indexed by date due to problems arising from Y2K-related issues, the back-up data will be retrieved and handled manually; and at the same time, new data will be handled by paper-based operations.
Tradelink	1. Restrained Textiles Export Licensing (RTEL) 2. Trade Declaration (TDEC)	The contingency plan was finalised in late September 1999. From 31 December 1999 through 1 January 2000, Tradelink's operation and development team will be on duty 24-hour on-site. Additional back-up on all computer systems will be performed by 31 December 1999.