**SCMP Article**

**Can HK laws keep up with new technology?**

Technology is now changing so rapidly that Hong Kong’s laws are unable to keep up. This threatens to hinder the development of new business models and services and the vision of a smart city. The best known example in Hong Kong is ride-hailing apps like Uber, which connect people who want a ride with car drivers willing to offer one.

Behind the technology, we are basically talking about car owners moonlighting as unlicensed taxi drivers. This has always been illegal, as some operators do not have hire-car permits and proper insurance. Needless to say, the licensed taxi industry opposes competition and wants the authorities to clamp down.

Yet the public wants more choice and better quality hire-car services. The technology makes such services easy to offer – and it is difficult to ban in practice. At some stage, the government needs to accommodate ride hailing within a legal framework.

Another example of disruptive use of technology is Airbnb, which enables people to rent out rooms to travellers. Like ride hailing, it is in theory about sharing but, in practice, it is mainly used by commercial landlords to compete with hotels and guest houses without complying with permits or paying taxes. While popular with tourists, it can harm residential neighbourhoods. In some cities, it is reducing the supply of long-term rental housing. And, in Hong Kong, more residents are complaining about strangers in their buildings and privacy concerns. The government is looking into this. How does it balance different interests while having laws that are enforceable?

Many commentators claim Hong Kong is lagging behind in e-payment systems, especially compared with the mainland where cash transactions are becoming old-fashioned. People are also complaining that Hong Kong officials appear to be uncertain about policy on electric vehicles and have been unprepared for bicycle-sharing services. The government is also being very cautious about self-driving vehicles, which are already being tested on the streets in some cities.

Further ahead, policymakers face big long-term changes. Urban transport will be revolutionised by shared self-driving electric vehicles (taking e-payments, of course). The distinction between cars, taxis and even minibuses might disappear, offering the possibility of far cleaner and more space-efficient transport.

The government also needs to keep up with new transport technology in the air. Within a few years, drones have gone from small remote-controlled toys to professional-quality flying cameras. Online videos show hobbyists in Hong Kong using drones to deliver chocolate bars and cans of beer, and the news media have found drones useful in news gathering. The technology raises concerns to do with privacy and safety. But it offers significant possible commercial and other applications like filmmaking, surveying and security, and transport. Manufacturers are already developing unmanned aircraft that could move large quantities of goods around urban environments.

Hong Kong does not currently have specific regulations for this sort of unmanned aircraft. However, the Civil Aviation Department is carrying out a consultancy study. The number-one issue is safety. The other priorities are to avoid inconvenience for people who fly small drones for fun, but to ensure sensible regulation of commercial drone operations.

A public engagement exercise is due to take place in the coming months. One issue is basic regulation of how drones can be used – for example, how high and how close to buildings they can fly. Then there is registration of drones. Many stakeholders favour a system where small recreational drones do not need to be registered. Bigger models and commercial users would be subject to more regulation – possibly including insurance and training requirements. While many people will see this from the hobbyists’ point of view, the real challenge is whether we can establish a framework that enables and encourages commercial applications for this new technology.

Drones are perhaps a test case. With our unique urban environment, we could be at the cutting edge of some new technological applications. The question is – can our laws make Hong Kong friendly to innovation and tech start-ups?