Loan repayment by self-financing post-secondary institutions under Start-up Loan Scheme, non-profit-making international schools and student loan repayers to be deferred for two years

A spokesman for the Education Bureau (EDB) said today (April 20) that the Legislative Council Finance Committee has passed the funding application for the second round of the Anti-epidemic Fund and other relief measures, including a one-off interest-free deferral of loan repayment for two years to the self-financing post-secondary institutions under the Start-up Loan Scheme, non-profit-making international schools and student loan repayers.

He said, "The measure will benefit the non-profit-making institutions offering full-time locally-accredited self-financing post-secondary programmes with outstanding loan repayments, three non-profit making international schools with loans due to the Government and student loan repayers of the means-tested and non-means-tested student financial assistance (SFA) schemes for tertiary students, with a view to easing their cash flow concerns amidst the epidemic of COVID-19."

Currently, there are five SFA schemes for tertiary students, namely the Tertiary Student Finance Scheme – Publicly-funded Programmes, Financial Assistance Scheme for Post-secondary Students, Non-means-tested Loan Scheme for Full-time Tertiary Students, Non-means-tested Loan Scheme for Post-secondary Students and Extended Non-means-tested Loan Scheme. All borrowers, except those defaulters on whom legal recovery actions have been taken, will be offered an interest-free deferral of loan repayment from April 1, 2020 to March 31, 2022, including their loan installments and interests. No interest will be accrued during this period and their repayment period will be extended accordingly. In addition, the annual administrative fee of $180 charged on the non-means-tested loan repayers during the suspension period will be waived. The risk-adjusted-factor rate for setting the interest rate will also be maintained at zero.

The Working Family and Student Financial Assistance Agency (WFSFAA) will start issuing notification letters to around 200 000 loan repayers concerned next week to inform them of the deferral arrangement. If loan repayers choose to opt out from the deferral arrangement, they can reply to the WFSFAA within eight weeks, while repayers who accept the arrangement do not need to reply. The financial implications are estimated to be about $241 million.

Currently, a total of 13 self-financing post-secondary institutions (including five self-financing arms of the University Grants Committee-funded universities, the self-financing arm of the Vocational Training Council, and seven other independent self-financing institutions) still have outstanding loan repayments under the Start-up Loan Scheme, amounting to a total of about $3.3 billion.

The EDB will invite all borrowing institutions to indicate whether they wish to accept the deferral arrangement within this week. Assuming that all borrowing institutions accept the deferral arrangement, the financial implications are estimated to be about $204 million.

At present, three loans for international schools, namely Kellett School, Hong Kong Academy and Harrow International School (Hong Kong), have yet to be fully repaid. The EDB has invited the three schools to indicate whether they wish to accept the deferral of loan repayment. The financial implication for the proposed repayment holiday is estimated to be about $18 million.

The spokesman said that there are a number of education-related measures under the Anti-epidemic Fund, incurring an expenditure of about $540 million. The EDB will make an announcement as soon as the implementation details have been finalised.

CEDB responds to CA’s decision on complaints against “Pentaprism”

In response to media enquiries on the Communications Authority (CA)'s decision regarding complaints against an episode of the Radio Television Hong Kong (RTHK) TV programme "Pentaprism" broadcast on November 20, 2019, a spokesman for the Commerce and Economic Development Bureau (CEDB) said the following today (April 20):

"The Government noted that the CA has issued a press release today, covering its decision regarding complaints against an episode of the RTHK programme 'Pentaprism'. The Government respects the CA's decision regarding the complaints against RTHK.

In its decision, the CA took the view that the programme was in breach of various provisions in the Generic Code of Practice on Television Programme Standards (the Code), including contents containing inaccurate and distorted information, without conducting any fact checking on its own, and involving hate speech. The CA has decided that RTHK should be seriously warned and be urged to observe more closely the relevant provisions.

The Secretary for Commerce and Economic Development (SCED) took the view that RTHK, as a public service broadcaster, being ruled to have breached the Code is a matter of serious nature. RTHK must promptly respond to the CA's decision in a positive and responsible manner, including a full review of its editorial oversight of the programme production so as to avoid the recurrence of similar mistakes.

The SCED stressed that RTHK must fully abide by the Charter of RTHK, duly meet their obligations as a public service broadcaster, strictly comply with the relevant codes of practice issued by the CA and ensure attaining professional standards as required of it."

Government enhances support to construction sector and non-profit-making organisations under revitalisation schemes

The Government has rolled out the second round of the Anti-epidemic Fund (AEF) which includes, among others, enhancing support to the construction sector as well as offering subsidies to the non-profit-making organisations (NPOs) under several revitalisation schemes.

â€‹"The second round of the AEF will further set aside over $4.3 billion, to help construction workers and the construction-related enterprises, which cannot benefit from the first round of the AEF, tide over the economic hard time brought by the COVID-2019 pandemic. Under the first round measures, over $900 million has already been allocated to support the construction sector," a spokesman for the Development Bureau said today (April 20).

â€‹Under the second round measures of the AEF, a one-off subsidy of $7,500 will be offered to each eligible construction worker. More than 530 000 workers will benefit from the subsidy, who include workers of construction sites as well as workers registered under the Electrical and Mechanical Services Department, the Buildings Department, the Water Supplies Department and the Fire Services Department.

â€‹At the same time, the Government will provide a one-off subsidy to about 30 000 construction-related enterprises, generally small-scaled, which cannot benefit from the first round of the AEF. Eligible contractors, specialist contractors, works contractors and suppliers can receive a one-off subsidy of $20,000 each, while eligible minor works contractors, registered contractors of electrical / gas / lift / escalator / fire service installation and suppliers of construction-related machineries and equipment rental can receive $10,000 each.

â€‹The second round of the AEF will also provide training subsidies to the construction sector. About 600 consultant firms offering engineering / architectural and related professional services (including consultant firms in the Government's approved lists and small and medium enterprises consultants which are company members of professional institutions / associations) will receive a subsidy of $50,000 each to support professionals in the sector to pursue continuous development so as to maintain their professional expertise and qualification.

â€‹"With a view to simplifying the application process and to disbursing subsidies to construction workers swiftly, workers who have received subsidies under the first round of the AEF will receive the second-round subsidies without the need to make separate applications," the spokesman said.

â€‹The Construction Industry Council (CIC) will continue to handle applications and disburse subsidies for the Government. The CIC will announce other details shortly.

â€‹Separately, under the second round of the AEF, the Government will provide a direct subsidy of $3 million to each of the NPOs running the 10 projects under the Revitalising Historic Buildings Through Partnership Scheme, PMQ (revitalised from the Former Police Married Quarters on Hollywood Road), and the Energizing Kowloon East – Fly the Flyover Operation. The total subsidy involved is $36 million.

"The relevant subsidy can provide the NPOs with cash flow to meet their ongoing overhead operating costs including staff cost, utilities cost, maintenance cost, cleansing fees, security fees, etc., for their continued operation and safeguard the employment of their staff and workers during this difficult time as well as enabling the Government to continue promote its heritage conservation and Energizing Kowloon East initiatives," the spokesman said.

Anti-epidemic Fund Steering Committee convenes fourth meeting

The Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, chaired the fourth meeting of the Anti-epidemic Fund Steering Committee this afternoon (April 20).

The Legislative Council Finance Committee approved last Saturday (April 18) a funding application of $137.5 billion, including an injection of $120.5 billion to the Anti-epidemic Fund (the Fund) to roll out the second round of measures to provide further assistance or relief to members of the public and enterprises hard hit by the current epidemic or affected by anti-epidemic measures.

Mr Cheung said, "The pandemic has caused an unprecedented impact on Hong

Kong's economy and various sectors have been hard hit. The Government will take resolute and unprecedented measures to expeditiously relieve the imminent needs of the businesses and members of the public. To provide assistance and relief to relevant enterprises and members of the public as soon as possible, I have asked the bureaux and departments to implement the measures at full steam to address the pressing needs of the community promptly and achieve the effect of safeguarding jobs and supporting enterprises."

The Steering Committee deliberated and approved the funding commitment for 33 measures under the second-round Fund at the meeting today. Some of the second-round measures can be immediately implemented, while other measures will be launched as soon as possible, with a view to providing timely relief to the affected sectors and individuals.

The 33 approved measures and their funding commitments are as follows:

	Measures	Financial commitments ($ million)
Job retention, job creation, job advancement		
1.	Employment Support Scheme	81,000
2.	Job creation	6,000
3.	LAWTECH Fund	40
4.	COVID-19 Online Dispute Resolution Scheme	70
5.	Subsidy for encouraging early deployment of 5G	60
6.	Distance Business Programme	500
7.	Training subsidies for consultants in the construction sector	30
8.	Matching Grant Scheme for Skills Upgrading	100
Provision of one-off relief for specific sectors		
9.	Relief Grant for Tutorial Schools	120
10.	Relief Grants for Providers of Catering Services for Schools and Post-secondary Education Institutions and Providers of Interest Group and School Bus Services for Schools	419
11.	One-off Grant to Registered Sports Coaches	116
12.	Relief Grants for Freelance Workers Hired by Subvented Non-governmental Welfare Organisations to Provide Training and Coaching for Service Users	61.5
13.	Subsidy for the Refuse Transfer Station Account Holders for Transporting Municipal Solid Waste	7
14.	Subsidies for Local Primary Producers	76
15.	Special Subsidy to Exchange Participants and Securities and Futures Commission Licensees	140

16.	Cash Subsidy for Individual Licensees in the Estate Agency Sector	135
17.	Subsidy for the Passenger Transport Sector	3,409.15
18.	Providing Relief to Creative Industries	89
19.	Tourism Industry Support Schemes	1,070
20.	Relief Measures for Construction Sector	4,335
21.	Subsidy to Operators of Revitalising Historic Buildings Through Partnership Scheme, PMQ and Fly the Flyover Operation	36
22.	Subsidy for the Aviation Sector	367
23.	Catering Business (Social Distancing) Subsidy Scheme	9,520
Subsidy schemes for premises affected by COVID-19		
24.	Amusement Game Centres Subsidy Scheme	24
25.	Commercial Bathhouses Subsidy Scheme	5
26.	Fitness Centre Subsidy Scheme	171
27.	Support Places of Amusement in Anti-epidemic Efforts	6
28.	Place of Public Entertainment Licence Holder Subsidy Scheme	24
29.	Mahjong/Tin Kau Licence Holder Subsidy Scheme	6.6
30.	Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms	860
31.	Club-house Subsidy Scheme	58
32.	Sports and Recreational Sites Subsidy Scheme	8
Easing the cash flow and burden of businesses and individuals		
33.	A 20 per cent fare concession of MTR and temporary relaxation of the monthly threshold of the Public Transport Fare Subsidy Scheme	800

The Steering Committee is chaired by the Chief Secretary for Administration to monitor the implementation of the measures and the use of Fund, and to examine the progress reports from relevant bureaux and departments on a regular basis.

HKSAR Government’s response to Fitch’s announcement of change to Hong Kong’s

credit rating and outlook

In response to the announcement by Fitch today (April 20) on downgrading the credit rating of Hong Kong to "AA-" from "AA", and changing its outlook to "stable" from "negative", a Government spokesman made the following comments:

"We are disappointed by Fitch's decision to downgrade Hong Kong's credit rating. The decision reflects a disproportionate emphasis on prevailing socio-political issues without giving due recognition to the strong fundamentals underpinning the local economy and financial market. The view that Hong Kong's rising economic and financial ties with the Mainland is credit negative is also ungrounded.

"The COVID-19 pandemic has dealt an unprecedented and severe blow to the global economy, and the impact on Hong Kong is no more significant than on other places. In fact, we have made quick and effective response to tackle the epidemic and its impact to our economy.

"With our strong fiscal reserves standing at around 40 per cent of GDP, we have rolled out massive relief measures of $287.5 billion (around 10 per cent of GDP) with a view to preserving the vitality of our economy and helping our businesses and people to endure the current hardship. Our strong financial system with large buffers also underpin our resilience to severe and unexpected shocks.

"Hong Kong's financial markets and banking system have been functioning normally. The Linked Exchange Rate System continues to command confidence. Banks are well capitalised and have a robust liquidity position. The release of countercyclical capital buffers by the Hong Kong Monetary Authority, together with a series of measures with the banks, ensure the orderly functioning of the credit market and provide a much needed response to corporates and households.

"The view that Hong Kong's rising economic and financial ties with the Mainland is credit negative is highly questionable. In fact, Hong Kong will be in a better position to benefit from the Mainland's strong economic growth and the opportunities arisen. In particular, Hong Kong is poised to be both a 'facilitator' and a 'beneficiary' of important national development strategies such as the Guangdong-Hong Kong-Macao Greater Bay Area Development and the Belt and Road Initiative under the 'one country, two systems' principle. The success of the Stock Connect and Bond Connect in the past few years (average daily turnover up 90 per cent and 82 per cent respectively in Q1 2020 compared to 2019) is a strong testament to this unique value proposition of Hong Kong.

"Since the return to the Motherland, the Hong Kong Special Administrative Region (HKSAR) has been exercising 'Hong Kong people administering Hong Kong' and a high degree of autonomy in strict accordance with the Basic Law of the HKSAR of the People's Republic of China. The 'one country, two systems' principle has been fully and successfully implemented. The HKSAR Government will continue to implement the 'one country, two systems' principle resolutely in accordance with the Basic Law.

"We must stress that, despite the unprecedented challenges, Hong Kong’s institutional strengths and core competitiveness are unscathed. They include free flows of capital, goods and information and talent; a simple and low tax regime; a robust supervisory regime; the rule of law and an independent judiciary and quality professional services. The Government will remain vigilant in assessing the economic impacts of the internal and external environment, and introduce timely measures to support Hong Kong's economic development."