

CE welcomes LegCo's passage of Government's funding application on 2022 Employment Support Scheme

The Chief Executive, Mrs Carrie Lam, welcomed the passage of the Government's funding application by the Finance Committee of the Legislative Council (LegCo) today (April 12) for an injection of \$43 billion into the Anti-epidemic Fund (AEF) to implement the 2022 Employment Support Scheme (ESS). The ESS aims to be open for application later this month to provide timely financial support for the businesses affected by the fifth wave of the epidemic.

Mrs Lam said, "I would like to express my sincere gratitude to the LegCo Finance Committee for once again living up to the spirit of co-operating with the executive for the benefit of the public and swiftly approving the funding application of \$43 billion for the 2022 ESS this afternoon, following its approval of an injection of \$27 billion into the AEF in February this year for the sixth round of support measures. The new-term LegCo fully manifests the unity between the executive and the legislature to address the hardship faced by individuals and businesses amid the COVID-19 epidemic.

"The onslaught of the highly transmissible Omicron variant strain triggered the fifth wave of the epidemic in Hong Kong in the beginning of this year, leading to a surge in confirmed cases ever since then. To curb the spread of the virus, the Government has resolutely implemented stringent border control and social distancing measures, which have unavoidably left many businesses hard hit. With the staunch support of the Central Government and the concerted efforts of different sectors of society, the Government has continuously enhanced its anti-epidemic capabilities. The daily number of local cases has gradually declined from the peak of over 70 000 in early March to some 1 000 these days, creating favourable conditions for the Government to relax the social distancing measures in a gradual and orderly manner starting April 21. The new round of the ESS aims to support the businesses affected, directly or indirectly, by this wave of the epidemic, particularly those small and medium-sized ones, through providing time-limited (i.e. May to July 2022) wage subsidies to help them retain their existing staff or even hire more staff to boost their business."

Since the Government's announcement of the preliminary framework of the 2022 ESS on March 18, many of the LegCo Members and relevant sectors have expressed support and also resided additional requests. After listening to the views of various parties, the Government announced on April 7 the refined version of the 2022 ESS. The enhancement measures include: removing the monthly salary cap for employees eligible for the wage subsidy; allowing employers to choose either the 2020 ESS data or the fourth quarter of 2021 for setting the number of headcounts eligible for the wage subsidy; allowing the industries that are less affected by the fifth wave of the epidemic (see

the "Restricted List" under the scheme) to apply for the wage subsidy, with 100 employees as the cap; covering part-timers, temporary staff, as well as self-employed persons, and employees aged 65 or above, with Mandatory Provident Fund accounts. The Government estimates that the 2022 ESS as so refined will benefit around 160 000 employers, 1.6 million employees and 140 000 self-employed persons.

Mrs Lam stressed that, in implementing the 2022 ESS, the Government will steadfastly uphold the principles of simplicity and user-friendliness throughout the application process. The scheme aims to be open for application later this month with a view to disbursement of payments to the first batch of successful applicants in early May. She believed that the 2022 ESS, together with the measures rolled out earlier in the fifth and sixth rounds of the AEF worth a total of \$30.6 billion, as well as the wide range of relief measures in the 2022-23 Budget, will accelerate the rebound of the local economy upon the subsiding of the fifth wave of the epidemic.