

## Government's response to media enquiries on the Employment Support Scheme

In response to media enquiries on the approved give-back proposals for the second tranche of the Employment Support Scheme (ESS) from the two supermarket chains, Wellcome and ParknShop, a Government spokesman today (September 27) reiterated that the give-back proposals from the two supermarket chains should meet the following three principles:

(a) the rebate should not be less than 50 per cent of the ESS subsidies approved under the second tranche;

(b) the initiatives in the give-back proposals should be quantifiable and transparent. The initiatives should also be on top of what the two supermarket chains have been doing without the ESS subsidies; and

(c) the types of beneficiaries of the rebate may include, in order of priority, the underprivileged groups, customers and their frontline staff. The amount attributable to the underprivileged groups should be no less than 50 per cent of the minimum rebate amount (i.e. the rebate referred in (a)) while that for staff should not be more than 10 per cent of the minimum rebate amount.

The spokesman said, "According to the second principle as mentioned above, we have, after considering views of the larger society, explicitly indicated to the two supermarkets that we do not support the inclusion of discount offers for customers (including price reductions, price freeze and any price-sensitive initiatives) in their give-back proposals. It is not only impossible for the Government and the general public to constantly monitor price changes; it is also difficult for us to differentiate the discount offers from the two supermarket chains' daily promotions. The give-back proposals approved by the Government therefore do not include any discount related initiatives which are not quantifiable and may reduce the transparency of the give-back proposal."

Wellcome and ParknShop received wage subsidies of \$184.5 million and \$161.96 million respectively. According to the first principle, Wellcome and ParknShop should rebate not less than \$92.25 million and \$80.98 million, and they will return about \$100 million and \$81 million to the community, respectively, through their give-back proposals. The rebate amounts represent 54 per cent and 50 per cent of the respective wage subsidies of the two supermarket chains.

The spokesman said, "In the give-back proposal of Wellcome, 90% of the minimum rebate amount is attributable to the cash coupons, meal coupons and one-on-one matching donation for the underprivileged; 10% is attributable to the rewards to be given to frontline staff (on top of the share of the

minimum rebate, Wellcome has proposed to give additional monetary reward to frontline staff). As regards the initiative for freezing product prices for six months offered by Wellcome, since it cannot meet the second principle as mentioned above (i.e. rebate measure should be quantifiable and transparent), we have informed Wellcome that, such initiative cannot be included in the give-back proposal and hence, the \$100 million rebate proposal of Wellcome does not include such initiative. Nonetheless, we appreciate Wellcome to include additional discount arrangements to benefit customers on top of its give-back proposal."

"As regards the give-back proposal of ParknShop, 50.5% of the minimum rebate amount (\$80.98 million) is attributable to the food coupons for the underprivileged, 39.5% is attributable to the cash coupons for customers and 10% is attributable to the rewards to frontline staff. Since the cash coupons to be given out to customers fulfill the second principle as mentioned above (i.e. rebate measure should be quantifiable and transparent), we agreed to include such initiative in the give-back proposal. We have reminded ParknShop to comply with all relevant ordinances and regulations when distributing the cash coupons in the form of lucky draw."

The Government has requested the two supermarket chains to publish at an appropriate time the list of partner NGOs, the number of beneficiaries and the amount involved for monitoring by the public.

The two supermarket chains will have to execute the give-back proposals before the end of December 2020.