

LCQ9: Anti-epidemic Fund relief measures

Following is a question by the Hon Wu Chi-wai and a written reply by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, in the Legislative Council today (April 29):

Question:

In February and April this year, the Government injected \$30 billion and \$137.5 billion respectively into the Anti-epidemic Fund (the Fund) for launching two rounds of relief measures. However, not all the trades and practitioners (e.g. most of the self-employed persons who have not made any Mandatory Provident Fund contributions and the unemployed) hit by the Coronavirus Disease 2019 epidemic and the Government's anti-epidemic measures can benefit from these two rounds of relief measures. In this connection, will the Government inform this Council:

(1) of the respective numbers of companies that (i) closed down and (ii) entered into the winding-up process, in each month since January this year and, among such companies, the respective numbers of those which had previously applied for subsidies under the Fund (with a tabulated breakdown by trade);

(2) of the latest progress of the implementation of the first-round relief measures, including the (a) respective numbers of applications received and approved, and (b) total amount of subsidy so granted, in respect of each of the subsidy schemes targeting at (i) the retail sector, (ii) food licence holders, (iii) licensed guesthouses and (iv) travel agents; the latest progress of the implementation of the second-round relief measures;

(3) whether it will consider relaxing the eligibility criteria for the various subsidies and allowances under the two rounds of relief measures, so that more trades and their practitioners may benefit; if so, of the details; if not, the reasons for that;

(4) whether it knows (i) the trades in which companies are unable to benefit from the relief measures of either round (apart from the wage subsidies under the Employment Support Scheme (ESS)) and the number of such companies, as well as (ii) the trades in which the self-employed persons are unable to benefit from the one-off lump-sum subsidy under ESS and the number of such persons; whether it has plans to directly provide such companies and self-employed persons with a cash subsidy;

(5) given that quite a number of the recently unemployed persons cannot benefit from the measure of relaxing the eligibility criteria of the Comprehensive Social Security Assistance Scheme under the second-round relief measures, whether the Government will consider (i) setting up an unemployment

financial assistance scheme, or (ii) providing, by drawing reference from ESS, such persons with a monthly subsidy of \$9,000 per person for a six-month period; and

(6) as quite a number of comments have pointed out that, after the implementation of the two rounds of relief measures, quite a number of trades and members of the public hit by the epidemic still have not obtained any targeted assistance from the Government, whether the Government will launch a new round of relief measures; if not, of the reasons for that?

Reply:

President,

In light of the development of the coronavirus disease-2019 (COVID-19), the Government has been taking vigilant anti-epidemic measures to contain the public health risk. Having regard to the impact of these measures on the livelihood of individuals and business operation, the Government secured the approval of the Legislative Council Finance Committee (FC) on February 21, 2020 for a commitment of \$30 billion to set up the Anti-epidemic Fund (AEF). The purposes of AEF are to enhance Hong Kong's overall capability in combating the pandemic, and to provide assistance or relief to enterprises and members of the public hard hit by the present pandemic or affected by anti-epidemic measures. Taking into account the development of the pandemic and the overall situation, the Chief Executive announced on April 8, 2020 a comprehensive package of measures involving over \$130 billion in funding to support eligible individuals and businesses. The Government secured FC's approval on April 18, 2020 for the relevant funding application, including a \$120.5 billion injection to the AEF to implement second-round relief measures.

The Government's reply to different parts of the Member's questions is as follows:

(1) According to the Official Receiver's Office, the monthly figures of winding-up petition since January 2020 are as follows:

Period	No. of winding-up petitions
January	42
February*	0
March	35

*Due to the special work arrangement of the Court, no petition was presented in February 2020.

The Official Receiver's Office does not maintain statistics on the number of winding-up petitions by sector. In addition, the Government does not have the number of companies that closed down from January to March this

year, nor does the Government collect information on businesses' operation situation after they applied for subsidy/ grant under the first-round AEF.

(2) As of April 26, 2020, the AEF has paid (Note) over \$13 billion. Many businesses and members of the public are receiving subsidies. The number of applications, approved applications and approved subsidy amount up to April 26, 2020 for the Retail Sector Subsidy Scheme, Food Licence Holders Subsidy Scheme, Licensed Guesthouses Subsidy Scheme and Travel Agents Subsidy Scheme are as follows:

Measure	No. of application/ registration	Approved applications	Amount of subsidy approved (\$ million)
Retail Sector Subsidy Scheme#	92 971	21 160	1,693
Food Licence Holders Subsidy Scheme	28 762	27 057	3,561
Licensed Guesthouses Subsidy Scheme#	1 805	1 781	123
Travel Agents Subsidy Scheme#	1 720	1 719	138

Application/ registration period has ended for these schemes.

As for the implementation of the second-round AEF, since obtaining the approval from FC on April 18, 2020, the details of some of the measures have already been announced. Some measures are open for application. They include the Travel Agents and Practitioners Support Scheme, Hotel Sector Support Scheme, Subsidy Scheme for the Refuse Transfer Station Account Holders, Club-house Subsidy Scheme, Cinemas Subsidy Scheme, support to the construction sector, subsidies to the non-profit-making organisations under several revitalisation schemes as well as various relief grants to the education sector, etc. In addition, the low-interest loan with 100 per cent Government guarantee under the SME Financing Guarantee Scheme was rolled out on April 20, 2020. The HKMC Insurance Limited has received 287 applications in just one week's time, involving over \$700 million in loan amount. 248 applications (about \$600 million in loan amount) have been approved. Other measures will be launched as soon as possible with a view to providing timely relief to the affected sectors and individuals.

(3) The Government has set up the Anti-epidemic Fund Steering Committee (Steering Committee) chaired by the Chief Secretary for Administration. The Steering Committee monitors the implementation of the measures and the use of funding, as well as to consider proposals to suitably expand the scope of measures under the AEF as proposed by bureaux/ departments from time to time, with a view to benefitting more businesses and employees. For example, the

scope of the "Anti-epidemic Support Scheme for Property Management Sector" will be expanded to cover industrial and commercial buildings. Coverage of the "Support construction sector in anti-epidemic efforts" measure will also be extended to eligible construction workers who are engaged in small-scale works outside construction sites as well as small and medium enterprise consultants which are company members of professional institutions and associations.

(4) With a wide coverage, the second-round measures of the AEF aims to preserve employment and assist the self-employed irrespective of the sectors to which they belong, provide extra relief to those sectors hard hit by the pandemic and pave the way for post-pandemic economic recovery. The measures include the \$81 billion Employment Support Scheme (ESS) as well as sector-specific initiatives totalling \$21 billion. The ESS provides wage subsidy to eligible employers through the Mandatory Provident Fund system such that job retention can be achieved and redundancy can be avoided within the shortest timeframe. Under the ESS, around 215 000 self-employed persons who have made contributions to the Mandatory Provident Fund from January 1, 2019 to March 31, 2020 will also be granted a one-off lump sum subsidy of \$7,500.

Apart from second-round relief measures under the AEF, the Government will also roll out a host of other measures, which include providing further rental concessions for government properties and fee waivers, enhancing the SME Financing Guarantee Scheme, supporting the MTR Corporation to provide a fare discount, relaxing the threshold under the Public Transport Fare Subsidy Scheme, granting interest-free deferral of loan repayments for students, and allowing deferrals of tax payments. These measures, together with those introduced by the Airport Authority Hong Kong, the Hong Kong Monetary Authority and the Insurance Authority, will support businesses and members of the public at large. Together with the first round of relief measures under the AEF costing \$30 billion and the relief measures in the 2020-21 Budget costing \$120 billion, the Government have committed a total of \$287.5 billion to tackle an unprecedented challenge caused by the pandemic and to support enterprises and safeguard jobs. The amount committed represents about 10 per cent of Hong Kong's GDP.

(5) There are currently no mechanisms/ systems in place to disburse unemployment assistance fund promptly in Hong Kong. These mechanisms/ systems include: (1) a pay-as-you-go income tax system; (2) a contributory social insurance system; or (3) a central provident fund system. As it takes time to establish such a mechanism/ system, the imminent needs cannot be relieved expeditiously. As an expedient measure, the Government will launch a time-limited unemployment support scheme (for a period of six months) through the Comprehensive Social Security Assistance system. The asset limits for able-bodied applicants will be temporarily increased by 100 per cent and the value of an owner-occupied residential property of able-bodied households will be disregarded according to the established arrangement with a view to providing immediate financial assistance for those unemployed who are most in need. In addition, employees are qualified for severance payment or long service payment if they satisfy the conditions stipulated in the Employment Ordinance. Meanwhile, under the "Love Upgrading Special Scheme"

of the Employees Retraining Board, the existing maximum amount of monthly allowance per eligible trainee (who are unemployed or underemployed) is \$4,000 during the training period. The amount will be increased to \$5,800 with effect from May 25 subject to the completion of the legislative amendment exercise.

(6) In formulating specific plans under the two rounds of AEF and the Budget initiatives, the Government has strived to balance the interests of various sectors and the general public as far as possible. We hope that these measures can help address the imminent needs of enterprises and people in need. The Government will continue to closely monitor the pandemic and social situation, and consider further support measures as necessary.

Note: Refers to payment made to implementing bureaux/ departments or agencies entrusted to implement the schemes under the AEF.