

## LCQ10: Support for small and medium enterprises

Following is a question by the Hon Shiu Ka-fai and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (January 15):

Question:

It is learnt that the disturbances arising from the opposition to the proposed legislative amendments, which erupted more than half a year ago, have brought great impacts on trade fair activities, including a substantial decrease in the number of exhibitors, a slump in the attendances of overseas and local buyers, and shortened exhibition hours due to unexpected incidents or traffic conditions, causing heavy losses to the exhibitors. On the other hand, the Government has announced earlier that there will be enhancements to the SME Export Marketing Fund (EMF): starting from the 20th of this month, the cumulative funding ceiling for each small and medium enterprise (SME) will be raised from \$400,000 to \$800,000, and an option will be added whereby SMEs may apply for an initial payment of up to as much as 75 per cent of the approved government funding. In this connection, will the Government inform this Council:

(1) whether it has conducted studies on granting ex-gratia payments to exhibitors who have suffered losses due to the social movements; if so, of the details; if not, the reasons for that;

(2) why it has not (i) set the effective date of EMF enhancement measures retrospectively at the date on which the disturbances arising from the opposition to the proposed legislative amendments erupted, (ii) set the ceiling of the initial payment at the full amount of the approved government funding, and (iii) raised, from 50 per cent to 75 per cent or 100 per cent, the percentage of the maximum amount of grant in the total approved expenditure for each export promotion activity, so as to alleviate SMEs' imminent financial hardship; and

(3) whether it conducted in the past six months studies in collaboration with organisations such as the Hong Kong Trade Development Council and the Airport Authority Hong Kong on providing exhibitors of exhibitions held in venues such as the Hong Kong Convention and Exhibition Centre and the AsiaWorld-Expo with subsidies on venue hire charges and other charges; if so, of the details; if not, the reasons for that?

Reply:

President,

Our reply to the three parts of the question is as follows:

(1) and (3) The Government has been closely monitoring the impact of social

events on the business environment, especially on small and medium enterprises (SMEs). To assist enterprises in coping with the pressure brought about by the economic downturn and alleviate their burden, the Government has since August 2019 announced four rounds of measures to support enterprises, safeguard jobs and relieve people's burden. These measures, involving a total expenditure of over \$25 billion, include spearheading in reducing rents for government properties and various license fees, imposing moratorium on fee review, water charge waiver, electricity charge subsidy, tax and rates concessions, enhancing funding schemes for SMEs, as well as introducing a new loan guarantee product, etc.

Regarding exhibition events, with careful planning by exhibition venue management companies and organisers, most of the indoor events were held smoothly and most exhibitors and buyers visited Hong Kong as planned for procurement. Major exhibition venues provided assistance as far as possible and made special arrangements in light of individual circumstances. For example, the Hong Kong Convention and Exhibition Centre allowed organisers to postpone events subject to space availability, provided flexible setting-up and moving-out arrangements, and relaxed setup restrictions of the exhibition venue, etc. The AsiaWorld-Expo (AWE) worked closely with organisers to enhance security, conducted continuous risk assessment with the Airport Authority Hong Kong and relevant government departments especially during event periods, as well as co-ordinated closely with public transport operators to adjust and enhance transport facilitation where necessary. AWE also provided check-in and bag-drop services in the AWE venue to facilitate exhibitors and buyers travelling between AWE, the city and the airport.

Furthermore, the Hong Kong Trade Development Council (TDC) strengthened measures to support buyers and exhibitors participating in its exhibitions, including enhancing transport facilitation and business matching services to ensure that events would be conducted safely and smoothly. The TDC also filmed video clips of events and interviews with participants to show to local and overseas stakeholders that Hong Kong is still an ideal exhibition hub.

(2) The SME Export Marketing Fund (EMF) referred to by the Hon Shiu aims at providing financial support to encourage SMEs to expand their markets outside Hong Kong through participation in promotion activities. The Government has expanded its funding scope to include missions organised by the Government, Government-related as well as trade and industrial organisations since November 2019. The Government recently obtained funding approval of the Finance Committee of the Legislative Council on December 6, 2019 to implement a series of enhancements to the EMF, including doubling the cumulative funding ceiling per SME from the current level of \$400,000 to \$800,000, and introducing a new option to allow enterprises to apply for an initial payment of up to 75 per cent of the total approved government funding. The enhancements will be implemented starting from January 20, 2020.

On the question of whether the enhancement measures could be applied retroactively, the funding scope of the EMF covers various expenditures related to participation in trade fairs and exhibitions including rental fees for exhibition booths charged by the organiser or co-organiser, the

construction, set-up and design fees of booths, fees for placing advertisements in the catalogues of trade fairs or exhibitions, and fees for printing brochures or leaflets, etc. SMEs may submit an application for funding support within 60 days after the completion date of a promotion activity. In other words, since the new enhancement of doubling the funding ceiling will be implemented starting from January 20, 2020, the provision of accepting an application within 60 days after completion of an activity means that the new enhancement measure will be applicable to eligible promotion activities completed on or after November 21, 2019.

On the ceiling of initial payment, the newly introduced initial payment option aims at rendering financial support to SMEs before commencement of the activities, thereby facilitating them in making preparations to kick-start the project, and alleviating their cash flow pressure at the initial stage of the project. The Government considers that setting the ceiling of initial payment at 75 per cent of the approved government funding has struck a right balance between achieving the above objective and ensuring prudent use of public money.

As for the maximum proportion of government funding support, the EMF provides funding support on a matching basis where the Government will fund up to 50 per cent of the total approved expenditure of an activity and the enterprise should contribute no less than 50 per cent of the total approved expenditure in cash. Funding support on a matching basis is meant to ensure that beneficiaries have a concrete plan and are willing to devote resources to implement the suitable promotion activities, thereby ensuring proper use of public money. The Government considers the current arrangement has struck a right balance between the two objectives.

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## **Lunar New Year Fireworks Display cancelled**

Having regard to public safety considerations, the Lunar New Year Fireworks Display originally scheduled to be held at Victoria Harbour on January 26 (Sunday) has been cancelled.

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## **LCQ9: Special child care centres**

Following is a question by the Hon Leung Che-cheung and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative

Council today (January 15):

Question:

Special child care centres (SCCCs) subvented by the Social Welfare Department (SWD) provide special training and care services for children with moderate to severe disabilities who are aged two to under six and have not yet started primary school education. In the financial year of 2017-2018, the average waiting time for SCCC service was as long as 19.6 months and, as at November 30 last year, there were 1 856 children waiting for this service. Such children, while waiting for SCCC service, may be arranged to receive other pre-school rehabilitation services. It is learnt that quite a number of parents of such children have enrolled their children in ordinary kindergartens in order that their children may have certain physical and mental development while waiting for SCCC service. In this connection, will the Government inform this Council:

(1) Of the number of children who were removed from the waiting list for SCCC service in each of the past three years on grounds that they had reached six years old, as well as the respective numbers of such children who (i) had been and (ii) had not yet been arranged by SWD to receive other services at the time when they were removed from the waiting list;

(2) In respect of those children who were required to leave SCCCs in each of the past three years upon reaching the age of six, of the longest, shortest, average and median numbers of months for which they had received SCCC service;

(3) Whether SWD will, in the coming three years, provide more suitable transitional services for children waiting for SCCC service (in particular those children with severe disabilities); if so, of the details;

(4) As some ordinary kindergartens have admitted children waiting for SCCC service, of the support provided by SWD to those kindergartens and children; and

(5) Whether SWD has drawn up a long-term plan for SCCC service with the target of zero waiting time; if so, of the details (including the timeframe for meeting this target); if not, the reasons for that?

Reply:

President,

My consolidated reply to the Member's question is as follows:

Special child care centres (SCCCs) aim to provide special training and care for children with moderate to severe disabilities to facilitate their development and growth, and help them prepare for primary education. To enable children on the SCCC waiting list to receive training and support as early as possible, they may simultaneously wait for and receive early education and training centre (EETC) services and/or on-site pre-school

rehabilitation services (OPRS) as transitional services (transitional services) until they are allocated SCCC places. EETC and OPRS services are provided by different allied health professionals, covering individual and group training/therapy/programmes for children with special needs as well as support services for their parents. In addition, OPRS support teachers/child care workers in enhancing their knowledge and capabilities of taking care of and handling children with special needs.

Children on the SCCC waiting list not having received any transitional services may apply for training subsidy under the Training Subsidy Programme for Children on the Waiting List of Subvented Pre-school Rehabilitation Services for obtaining self-financed pre-school rehabilitation services provided by recognised service providers as early as possible. The maximum subsidy amount is \$6,075 per month. Besides, if children on the waiting list of subvented pre-school rehabilitation services (including SCCC) have yet to receive such services when they reach the age of five, they may apply for priority placement through a referring social worker for receiving the needed services and support as soon as possible.

As children will normally proceed to primary education at the age of six and receive the needed learning support at primary schools, the target recipients of pre-school rehabilitation services (including SCCC) subvented by the Social Welfare Department (SWD) are children aged below six with special needs. For children with special needs who have reached the age of six as at September 1 of a new school year but are still attending kindergartens, upon assessment that they have the need to continue to receive pre-school rehabilitation services, they may apply for service extension so that they can continue to receive the services during the new school year. In the past three financial years, the number of children who were removed from the SCCC waiting list on grounds that they had reached the age of six (including those proceeding to primary education), and the number of these children who had received transitional services or training subsidy are tabulated below:

|  | Financial year |         |         |
|--|----------------|---------|---------|
|  | 2016-17        | 2017-18 | 2018-19 |
| Number of children who were removed from the SCCC waiting list on grounds that they had reached the age of six (including those proceeding to primary education) | 20             | 37      | 50      |
| Number of the above children who had received transitional services/training subsidy   | 7              | 16      | 29      |

The average waiting time for SCCC places in 2018-19 was 18.4 months. Generally, children concerned will be discharged from SCCC before primary schooling. As different applicants have started waiting for and receiving SCCC services at different ages, the duration during which they have received

the services varies. SWD has not maintained statistics on the duration during which pre-school children have received SCCC services.

To enable pre-school children with special needs to receive support as soon as possible, the Government will keep in view the demand and supply of pre-school rehabilitation services and the manpower supply of allied health professionals concerned, and provide additional places under various pre-school rehabilitation services in a timely manner. The Chief Executive has announced in the 2019 Policy Address and Policy Address Supplement that the Government has planned to provide over 1 200 additional service places in SCCC and EETCs from 2019-20 to 2021-22, and a total of 3 000 additional OPRS places in the 2020/21 to 2022/23 school years.

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## Transcript of remarks by SLW on new initiatives on improving people's livelihoods and Employment (Amendment) Bill 2019

Following is the transcript of remarks by the Secretary for Labour and Welfare, Dr Law Chi-kwong, on new initiatives on improving people's livelihoods and the Employment (Amendment) Bill 2019 after attending a radio programme this morning (January 15):

Reporter: Dr Law, you have said in the proposal the Government will combine the two Old Age Living Allowances together. How is that financially sustainable?

Secretary for Labour and Welfare: The major consideration of the Old Age Living Allowance is that it has an income limit. Also, it has an asset limit, although this time we proposed to raise the asset limit to \$500,000. We do consider in the long run with people's growing savings, including the Mandatory Provident Fund Schemes, the percentage of senior people who are eligible for the Old Age Living Allowance will drop slightly and slowly. So, in terms of the long-term sustainability, it is a challenge but it should be surmountable.

Reporter: Can you clarify one more thing? Earlier, you were talking about whether you will withdraw the motion on moving the maternity bill to the Legislative Council Panel on Manpower. Can you clarify so you won't be withdrawing that motion?

Secretary for Labour and Welfare: I will not withdraw the motion (under Rule 54(4) of the Rules of Procedure that the second reading debate on the Employment (Amendment) Bill 2019 be adjourned, but the Bill, instead of being

referred to the House Committee, be referred to the Panel on Manpower).

Reporter: Why is that? Also, what is your reaction to other people's reactions to your move over the past few days? Most of them have said it will set a bad precedent for other controversial bills or laws in future.

Secretary for Labour and Welfare: I guess if you look back to the history of the Legislative Council, rules are made and changed over time. If you see who breaks the rules or practices of the Legislative Council, I don't think it is the Government. What we are trying to do today is to see what can be allowed within the rules, regulations and procedures. If that can be done and actually permitted by the Legislative Council, why not? So, the reason I did apologise for moving the motion is not for the nature of the motion or the content of the motion, but just for the fact I have not consulted my colleagues before my decision. I have apologised for that, but I still consider my decision at that critical moment is the right move. Thank you.

(Please also refer to the Chinese portion of the transcript.)

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## Special traffic arrangements for race meeting in Happy Valley

Special traffic arrangements will be implemented in Happy Valley today (January 15). The arrangements will come into effect one and a half hours before the start of the first race and will last until the crowds have dispersed after the race meeting.

### A. Traffic arrangements before the commencement of the first race

#### 1. Road closure

Southbound Wong Nai Chung Road between Queen's Road East and the up-ramp outside Hong Kong Jockey Club (HKJC) will be closed except for vehicles heading for Aberdeen Tunnel.

#### 2. Traffic diversions

- Southbound Wong Nai Chung Road between Village Road and the up-ramp outside HKJC will be re-routed one way northbound;
- Traffic along eastbound Queen's Road East heading for Wan Chai and Happy Valley will be diverted to turn left to Morrison Hill Road;
- Traffic along southbound Morrison Hill Road heading for Happy Valley will be diverted via Sports Road and Wong Nai Chung Road;
- Traffic along Queen's Road East cannot turn right to Wong Nai Chung Road except for vehicles heading to Aberdeen Tunnel;
- Traffic from Cross Harbour Tunnel heading for Queen's Road East will be

diverted via the down-ramp leading from southbound Canal Road flyover to Morrison Hill Road to turn right at the junction of Wong Nai Chung Road and Queen's Road East; and

– Traffic from Cross Harbour Tunnel heading for Happy Valley or Racecourse will be diverted via the down-ramp leading from southbound Canal Road flyover to Canal Road East, southbound Morrison Hill Road, Sports Road and Wong Nai Chung Road.

## B. Traffic arrangements before the conclusion of race meeting

### 1. Road closure

The following roads will be closed from about 35 minutes before the start of the last race:

- The up-ramp on Wong Nai Chung Road outside HKJC leading to Aberdeen Tunnel;
- Southbound Wong Nai Chung Road between Queen's Road East and the up-ramp leading to Aberdeen Tunnel;
- Southbound Wong Nai Chung Road between Village Road and the Public Stands of HKJC;
- Westbound Leighton Road between Wong Nai Chung Road and Canal Road East; and
- Southbound Morrison Hill Road between Leighton Road and Queen's Road East.

In addition, southbound Wong Nai Chung Road between the up-ramp leading to Aberdeen Tunnel and the Public Stands of HKJC will be closed from about 10 minutes before the start of the last race.

### 2. Traffic diversions

The following traffic diversions will be implemented from about 35 minutes before the start of the last race:

- Eastbound Queen's Road East at its junction with Morrison Hill Road will be reduced to one-lane traffic heading for northbound Canal Road flyover;
- Traffic from Cross Harbour Tunnel heading for Wan Chai will be diverted via the down-ramp leading from southbound Canal Road flyover to Canal Road East, U-turn slip road beneath Canal Road flyover, Canal Road West and Hennessy Road;
- Traffic from Cross Harbour Tunnel heading for Happy Valley will be diverted via the down-ramp leading from southbound Canal Road flyover to Canal Road East, eastbound Leighton Road and Wong Nai Chung Road;
- Traffic along southbound Morrison Hill Road will be diverted to turn left to eastbound Leighton Road;
- Traffic along southbound Morrison Hill Road heading for Happy Valley will be diverted via eastbound Leighton Road and Wong Nai Chung Road; and
- Traffic along westbound Leighton Road will be diverted to Wong Nai Chung Road.

## C. Learner drivers prohibition

Learner drivers will be prohibited to turn left from Caroline Hill Road



to Leighton Road between one and a half hours before the start of the first race and one hour after the last race. In addition, learner drivers will be prohibited from accessing the following roads within the above period of time:

- Shan Kwong Road between Yik Yam Street and Wong Nai Chung Road;
- Village Road between its upper and lower junctions with Shan Kwong Road;
- Percival Street between Hennessy Road and Leighton Road;
- Canal Road East; and
- The service road leading from Gloucester Road to Canal Road flyover.

#### D. Suspension of parking spaces

Parking spaces on southbound Wong Nai Chung Road between Sports Road and Blue Pool Road will be suspended from 11am to 7pm during day racing, from 4.30pm to 11.59pm during evening racing, and from 5pm to 11.59pm during night racing.

Any vehicles found illegally parked within the precincts of the above affected areas will be towed away without prior notice.

Actual implementation of road closure and traffic diversion will be made by the Police at the time depending on traffic conditions in the areas. Motorists should exercise tolerance and patience, and follow the instructions of Police on site.