

Budget Speech by the Financial Secretary (4)

Reviving the Economy after the Epidemic

38. While having a profound impact on the global economic development and structure, as well as people's lifestyles, the epidemic has also created new business opportunities. To enable our economy to revive after the epidemic, we should adopt a targeted approach. Apart from helping enterprises adapt to the economic "new normal" after the epidemic and stimulating consumption, we should also promote our advantages outside Hong Kong. I will elaborate on the relevant measures in the ensuing parts of my speech.

Digital Economy

39. Many traditional industries have accelerated the application of technology in their operations due to the epidemic. Examples include digital payment; smart self-service systems; and various online businesses, customer services and workflow management. For many people who stay at home during the epidemic, the use of online shopping services, video streaming platforms and online conference software has become their new mode of working, studying and entertainment. For various trades, it has now become a trend to speed up digital transformation in order to adapt to the new consumption modes and habits of the people. Only by making good use of information technology can enterprises seize the opportunities of development when the epidemic is over.

40. In view of the above, we have launched the Distance Business Programme under the AEF to provide funding support for enterprises to adopt information technology solutions and cover the expenses for providing relevant training to their employees. The programme has received an overwhelming response since its launch in mid-2020, and a total funding of nearly \$800 million has been granted. We have subsequently allocated an additional funding of \$1 billion for the continuation of the programme and further enhancement.

41. The challenges posed by the epidemic have also catalysed local I&T development. They not only incentivise businesses to conduct research and development (R&D) for products or innovative services but also provide enterprises with suitable contexts for application. The electronic wristbands used for home confinement and the touchless lift button system are some good examples. The Government will continue to support enterprises or manufacturers through, among others, the Public Sector Trial Scheme, the Technology Voucher Programme and the Re-industrialisation Funding Scheme in realising and commercialising their R&D outcomes, using technological services to improve their productivity or business processes, and setting up smart production lines in Hong Kong. This will enable them to better grasp the opportunities brought by the new economy.

42. I will allocate a total of \$375 million to the Hong Kong Trade Development Council (TDC) in three years starting from 2021-22 for developing

virtual platforms to enhance its capability to organise online activities and to proceed with digitalisation. Moreover, the TDC will promote Hong Kong's strength in the development of the GBA and in healthcare products and services. It will also explore the use of its physical and online Business-to-Consumer platforms to assist young business starters in promoting their original products and gauging the preference of consumers.

43. In light of the epidemic, we have expedited our work in taking forward e-Government by providing more electronic services to make it easier for enterprises and individuals to submit applications, make payments, obtain licences and use government services. By mid-2022, unless there are legal or operational constraints, all government forms and licence applications can be submitted electronically. Besides, e-payment options (including the Faster Payment System) will be available for making payments in respect of most government bills and licences starting from mid-2022.

44. The "iAM Smart", a one-stop personalised digital service platform, was launched at the end of last year. The HKMA is currently working with the Office of the Government Chief Information Officer (OGCIO) to develop the business version of the "iAM Smart" digital authentication platform. It can be used to authenticate the identity of enterprises through an electronic channel. With the wide adoption of "iAM Smart" in various electronic government services, members of the public can choose to obtain their data kept by individual government departments via electronic means, and submit such data electronically when applying for services from financial institutions. In addition, the HKMA has earlier announced the development of "Commercial Data Interchange", which will allow commercial services operators to submit customers' data to financial institutions under the instruction and consent of their corporate customers so as to assist them in the application for services.

45. To promote the LawTech development, I set aside funding in the 2019-20 Budget to support the development of an online dispute resolution and deal making platform by a non-governmental organisation (NGO). With an allocation of \$100 million to the project, starting from this year, the platform will roll out negotiation, arbitration, mediation and online training services progressively and develop other services such as e-translation and smart contract in phases. This year, the Government will actively explore the development of the Hong Kong Legal Cloud, in order to sharpen Hong Kong's edge and raise our status in the provision of professional legal services.

Issue Consumption Vouchers

46. In view of the current special situation, the Government should make good use of the fiscal reserves to energise the market, stimulate the economy, and facilitate the speedy recovery of the consumption market and other economic segments in a timely manner. After careful consideration, I will issue electronic consumption vouchers in instalments with a total value of \$5,000 to each eligible Hong Kong permanent resident and new arrival aged 18 or above, so as to encourage and boost local consumption. This measure, which involves a financial commitment of about \$36 billion, is expected to benefit around 7.2 million people. The Government will identify suitable

stored value facilities operators to help roll out the scheme, and will announce the details of the scheme as soon as possible.

Explore Markets

47. I will inject \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales, and substantially extend in phases its geographical coverage from 20 to 37 economies to include all those with which Hong Kong has entered into Investment Promotion and Protection Agreements (IPPAs). The funding ceiling for each enterprise will be increased from \$4 million to \$6 million, so as to support enterprises in exploring more diversified markets by fully utilising the better protection offered by the IPPAs.

Support Tourism

48. The epidemic has dealt a heavy blow to the local tourism industry, bringing it to a standstill. Apart from the financial support of nearly \$2.6 billion that has already been provided for the tourism industry, I will further earmark a total of \$934 million to enhance tourism resources, of which \$169 million will be used to continue to take forward local cultural, heritage and creative tourism projects, such as the Yim Tin Tsai Arts Festival and the City in Time. We will continue to improve the facilities along hiking trails to develop more green tourism resources. The purpose is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors.

49. I will also earmark \$765 million to support the Hong Kong Tourism Board (HKTB) in reviving our tourism industry. The HKTB has launched promotional programmes such as "Holiday at Home" and "360 Hong Kong Moments" with a view to enhancing local ambience and consumption as well as maintaining the promotion and exposure of Hong Kong in visitor source markets. Upon gradual resumption of cross-boundary travel, the HKTB will roll out promotional offers to attract visitors through the "Open House Hong Kong" platform. The HKTB is also conducting a comprehensive review of the positioning of Hong Kong's tourism in the long run in response to the "new normal" after the epidemic with a view to formulating appropriate strategies to spur the recovery of the tourism industry.

50. Provided that public health can be safeguarded, the Government will consider relaxing restrictions on group gatherings in relation to local group tours again to allow room for business operation for the tourism industry. The Government will discuss and work out arrangements regarding Air Travel Bubble with places that have close economic and trade relations with Hong Kong and where the epidemic situation is relatively stable.

51. Apart from the above initiatives, additional resources will also be allocated to enhance country parks, recreational facilities, harbourfront, etc. These enhancements will improve people's quality of life when the epidemic is over and may also appeal to our visitors. I will provide more details in the ensuing parts of my speech.

Promote Hong Kong

52. Once the pandemic further subsides, the Government will launch a large-scale publicity and promotional campaign at home and abroad, showcasing to the world the image of Hong Kong as a highly open international city in the GBA from various perspectives such as finance, I&T, culture and creativity and tourism, as well as our unique advantages under “One Country, Two Systems”. We hope to attract enterprises, investors and talent to Hong Kong. InvestHK and our overseas offices will step up their efforts in this area.

(To be continued.)

Budget Speech by the Financial Secretary (3)

Riding out the Storm

Fighting the Virus Together

21. It is the Government’s top priority to contain the epidemic so that businesses and the public can be back to their daily routines. A high-level Steering Committee cum Command Centre led by the Chief Executive was set up in January 2020 to formulate strategies and measures swiftly in response to the development of the epidemic with a view to achieving the target of zero infection. I would like to extend my heartfelt thanks to those joining the fight against the epidemic, including healthcare staff as well as businesses and individuals who have been supporting the Government’s anti-epidemic measures. I will continue to provide adequate resources to fully support the anti-epidemic work.

22. The Government strives to step up surveillance and testing efforts. In order to identify cases in the community as early as possible to help cut the transmission chains, various means are provided to collect specimens up to about 100 000 for testing each day. At present, the actual testing capacity of public and private laboratories in Hong Kong has reached the level of over 100 000 tests per day.

23. The Government has allocated \$4.7 billion from the Anti-epidemic Fund (AEF) to support the anti-epidemic work of the Hospital Authority (HA), ensuring sufficient support and protection for frontline healthcare staff. The Government also provides an additional allocation of \$3,044 million mainly for the HA to establish and operate the Community Treatment Facility at the AsiaWorld-Expo and the Hong Kong Infection Control Centre at the North Lantau Hospital. The former has commenced services in phases since last August, and the latter will commence services from the end of this month.

24. The Government has earmarked over \$8.4 billion for the procurement and administration of COVID-19 vaccines. Our target is to have the majority of the population vaccinated for free within 2021. The COVID-19 Vaccination Programme which started yesterday will provide vaccination for five priority groups of citizens. The Government will seek funding support from the Finance Committee (FC) of the Legislative Council (LegCo) in the end of this month to establish a vaccination indemnity fund with \$1 billion.

Overcoming the Epidemic

25. The AEF is set up to enhance Hong Kong's capability in combating the epidemic and provide relief for industries and members of the public hit hard by the epidemic. The measures launched under the AEF and the relief measures that I put forward in my last Budget involve a total of over \$300 billion, providing an expected support effect of more than five per cent of Gross Domestic Product (GDP).

26. Having regard to the financial affordability of the Government, I will implement the following measures to continue to support enterprises, safeguard jobs and relieve people's burden.

Support Enterprises

27. To support enterprises, I will implement the following measures involving a total of about \$9.5 billion:

(a) reducing profits tax for the year of assessment 2020/21 by 100 per cent, subject to a ceiling of \$10,000. The reduction will be reflected in the final tax payable for the year of assessment 2020/21. This will benefit 128 000 businesses and reduce government revenue by \$1,050 million;

(b) providing rates concession for non-domestic properties for four quarters of 2021-22, subject to a ceiling of \$5,000 per quarter in the first two quarters and a ceiling of \$2,000 per quarter in the remaining two quarters for each rateable property. This proposal is estimated to involve 420 000 non-domestic properties and reduce government revenue by \$3.4 billion;

(c) waiving the business registration fees for 2021-22. This will benefit 1.5 million business operators and reduce government revenue by \$3 billion;

(d) continuing to waive 75 per cent of water and sewage charges payable by non-domestic households for eight months starting from April 2021, subject to a monthly ceiling of \$20,000 and \$12,500 respectively per household. This will benefit 250 000 non-domestic households and reduce government revenue by \$680 million; and

(e) continuing to grant the 75 per cent rental or fee concession currently applicable to eligible tenants of government properties and eligible short-term tenancies and waivers under the Lands Department for six months starting from April 2021. During the period, tenants who have to close their properties at the request of the Government will continue to receive full rental waiver for the duration of the closure. This will reduce government revenue by \$1.4 billion.

28. The Government has introduced a number of enhancements to the SME Financing Guarantee Scheme, including the rollout of the 90% Guarantee Product and the one-year Special 100% Guarantee Product to provide enterprises with low-interest loans or interest subsidies, as well as principal moratorium during which only interest payments have to be made, thus giving them some breathing space for recovery. As at the end of January, a total of \$42.7 billion in loans was approved under the 100% Guarantee Product, benefiting over 20 000 enterprises, involving 260 000 employees. As the epidemic has been lingering on for over one year, in order to continue to relieve the cash flow pressure of small and medium enterprises (SMEs), I will extend the application period of the Special 100% Guarantee Product to the end of this year; further increase the maximum loan amount per enterprise from the total amount of employee wages and rents for 12 months to that for 18 months and raise the loan ceiling from \$5 million to \$6 million; extend the maximum repayment period from five years to eight years; and extend the maximum duration of principal moratorium from 12 months to 18 months. The Hong Kong Mortgage Corporation Insurance Limited (HKMCIL) will announce the details later.

29. Further to the launching of the Pre-approved Principal Payment Holiday Scheme together with the banking sector in response to the epidemic in May last year, the HKMA announced in November that the scheme would be extended for six months to April 2021 having regard to the ongoing impact of the epidemic on economic activities. Some 120 000 eligible corporate customers are covered by the scheme. Under this scheme and other relief initiatives offered by banks, about 59 000 cases have been approved by banks to support enterprises as at end-January 2021, involving an amount of about \$750 billion.

Support Employment

30. Following the allocation of funding to enhance the Love Upgrading Special Scheme run by the Employees Retraining Board (ERB) in last year's Budget, the ERB launched the third tranche of the scheme in January this year to provide training and allowance for 20 000 trainees affected by the economic situation. The Government will ask the ERB to launch the fourth tranche of the scheme in July, which will last for six months until the end of this year, benefiting 20 000 trainees. The ERB will continue to provide more training options under the scheme and more online courses for trainees to engage in distance learning during the epidemic.

31. Having regard to the advancement in technology and changes in learning mode, the Government plans to expand the scope of the Continuing Education Fund to include online courses to provide learners with more diversified ways of continuing learning. At the same time, we will ensure effective supervision over the quality of courses and teaching. The Government will consult the sector with a view to implementing the measure upon commencement of the new school term in September.

32. In 2020-21, the Government created about 31 000 time-limited jobs in the public and private sectors through the AEF. As at end-January, some 16 000 appointments were made. I propose to further allocate \$6.6 billion to create

around 30 000 time-limited jobs for a period up to 12 months.

Relieve People's Hardship

33. I will also introduce the following one-off measures to alleviate the impact of the economic downturn on the public:

(a) reducing salaries tax and tax under personal assessment for the year of assessment 2020/21 by 100 per cent, subject to a ceiling of \$10,000. The reduction will be reflected in the final tax payable for the year of assessment 2020/21. This will benefit 1.87 million taxpayers and reduce government revenue by \$11.4 billion;

(b) providing rates concession for domestic properties for four quarters of 2021-22, subject to a ceiling of \$1,500 per quarter in the first two quarters and a ceiling of \$1,000 per quarter in the remaining two quarters for each rateable property. This proposal is estimated to involve 2.95 million domestic properties and reduce government revenue by \$11.6 billion;

(c) granting each residential electricity account a subsidy of \$1,000. This measure will involve an expenditure of about \$2.8 billion and benefit over 2.7 million eligible residential households;

(d) providing an allowance to eligible social security recipients, equal to one half of a month of the standard rate Comprehensive Social Security Assistance (CSSA) payments, Old Age Allowance, Old Age Living Allowance or Disability Allowance. This will involve additional expenditure of \$2,382 million. Similar arrangements will apply to recipients of the Working Family Allowance and Individual-based Work Incentive Transport Subsidy, involving additional expenditure of \$121 million; and

(e) paying the examination fees for school candidates sitting for the 2022 Hong Kong Diploma of Secondary Education Examination, incurring \$150 million.

34. This prolonged economic downturn has plunged some people into financial difficulties. In view of this, many people have demanded temporary unemployment assistance. The Government has reiterated the policy considerations it has taken into account for not accepting the proposal, and instead provided a time-limited special scheme under the CSSA Scheme to help the unemployed.

35. Considering that many grassroots have been suffering from underemployment amid the epidemic, the Government proposes to relax the working hour requirements under the Working Family Allowance Scheme. Among them, the current basic working hour requirement of not fewer than 144 hours per month for non-single parent households will be substantially lowered by half for one year. The measure will be implemented in June at the earliest subject to FC approval.

36. In order to provide an extra financing option for the unemployed, I suggest setting up a Special 100% Loan Guarantee for Individuals Scheme as a supplementary measure. The Government will offer a guarantee for loans provided under the scheme. The maximum loan amount per applicant is set at

six times of his/her average monthly income during employment, subject to a ceiling of \$80,000. There will be a principal moratorium for the first 12 months. Afterwards, the principal and interest can be repaid over a period of up to five years with an interest rate fixed at one per cent per annum. Applicants who have repaid loans in full as scheduled will be offered full reimbursement for the interest paid. Freelancers who provide proof of loss of income may also apply for the loan. The Government will provide a total guarantee commitment of \$15 billion. The application period will last for six months. The Financial Services and the Treasury Bureau (FSTB) will, in collaboration with the HKMCIL, announce the details in due course.

37. Amid the epidemic, the public are increasingly concerned about environmental hygiene issues such as misconnection and dilapidation of the drainage pipes of buildings. I will earmark \$1 billion to provide subsidies for owners of more than 3 000 old buildings with relatively low rateable values to carry out drainage repair or enhancement works. For buildings with owners having difficulties in organising the works by themselves, such as “three-nil” buildings, the Buildings Department will exercise its power under the Buildings Ordinance to carry out the works in default of their owners in an orderly manner based on the risk profile. The owners concerned may also benefit from the subsidy scheme.

(To be continued.)

Budget Speech by the Financial Secretary (2)

Economic Outlook for 2021 and Medium-term Outlook

14. With the launch of vaccination schemes in various places around the world, the global economy may see relatively significant improvements starting from the latter half of 2021. Last month, the IMF forecast that the global economy will rebound by 5.5 per cent this year.

15. The Mainland economy was hard hit by the epidemic in early 2020. Nevertheless, with the epidemic swiftly put under control and vigorous macro policies implemented in a timely manner, the Mainland economy experienced a strong rebound since the second quarter with an annual growth of 2.3 per cent, making our country the only major economy in the world that achieved a positive growth. Looking ahead, though there are still uncertainties arising from the global epidemic situation and the China-US relations, the Mainland economy is fundamentally sound. The Central Economic Work Conference held at the end of last year emphasised that the continuity, stability and sustainability of the macro policies would be maintained to provide the necessary support for economic recovery on an ongoing basis. All these would be conducive to robust economic growth in the Mainland.

16. The US economy has begun to pick up since the third quarter of last year. With the rollout of a vaccination programme and the support of fiscal stimulus measures, as well as the easy monetary environment, market forecasts generally point to faster economic growth in the US this year. The economy in Europe has slowed down again recently due to the resurgence of the pandemic. Nevertheless, with stronger policy support provided by the European Central Bank since late last year, the eurozone economy is expected to rebound later this year, provided that vaccines are widely applied. Once the epidemic is contained, Japan and other economies in Asia will also see a visible recovery this year.

17. The foreign and economic policy directions of the US administration is the attention of the whole world. Their implications on the China-US relations and their economies are of particular significance. The global community hopes that China-US economic and trade relations can gradually be back to normal, thereby supporting further revival of global trade and business activities. However, as seen from the developments in the past few years, there remain many deep-seated conflicts between the two nations. Looking ahead, relations between the two nations will remain in a state of continued tensions, and on-going competition but without a total break-down. Changes in China-US relations will affect the global trade, finance and political landscape. External factors such as geopolitical situations and possible financial risks associated with the surging global public debt also warrant attention.

18. Hong Kong's economy is expected to resume positive growth this year, but the progress of economic recovery will hinge on the development of the epidemic. As cross-boundary movement of people and tourism activities take time to resume normal, the economy will still face significant challenges in the first half of the year. Nevertheless, as long as the community gathers together to control the epidemic and social stability is maintained, economic recovery will likely gain a stronger momentum in the second half of the year in tandem with an expected rebound in the global economy. Having regard to the latest internal and external situations as well as the stimulus effect of the fiscal measures, I forecast that our economy will grow by 3.5 per cent to 5.5 per cent in real terms this year.

19. On inflation, external price pressures are expected to remain modest. After two consecutive years of contraction, overall economic activities will remain below the pre-recession level this year and should not pose notable pressure on local costs. I forecast that the headline inflation rate and the underlying inflation rate will be 1.6 per cent and one per cent respectively this year.

20. In the medium term, Hong Kong will continue to benefit from the ongoing development of the Mainland and the shift in global economic gravity from West to East. The economic outlook is positive. Our country's economy will continue to advance during the 14th Five-Year Plan period. The signing of the Regional Comprehensive Economic Partnership (RCEP) Agreement will further promote economic integration in the region. Hong Kong can open up greater room for development by leveraging the advantages under "One Country, Two Systems", playing its unique role as a gateway and an intermediary,

integrating into the new overall development of our country, actively participating in the national dual circulation development strategy and seizing the opportunities brought by the development of Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the Belt and Road (B&R) Initiative. On the other hand, the Government will strive to overcome land and talent constraints, promote innovation and technology (I&T) development, invest in education and nurture talent, and strengthen connection with the world. Considering the above factors and taking into account the catch up growth that would follow the initial economic recovery this year, I forecast that Hong Kong's economy will grow by an average of 3.3 per cent per annum in real terms from 2022 to 2025, while the underlying inflation rate will average two per cent.

(To be continued.)

Budget Speech by the Financial Secretary (1)

Following is the full text of the Speech on the 2021-22 Budget delivered by the Financial Secretary, Mr Paul Chan, in the Legislative Council today (February 24):

Mr President, Honourable Members and fellow citizens,

I move that the Appropriation Bill 2021 be read a second time.

Introduction

2. Over the past year, we all have experienced a very different life. The epidemic has aggravated the economic recession. Face masks have become a daily necessity. We might have spent more time at home, but we have fewer opportunities to gather with our relatives and friends. The year 2020 has become our common memory.

3. The epidemic has made us realise that globalisation is not only a driving force for economic development, but also the key to victory in the fight against viruses and epidemics. No place on earth can stay aloof and remain unaffected. Only with concerted efforts can we successfully beat this pandemic of the century that has plagued the entire world.

4. Hong Kong went through tribulations in the past two years. International political tensions have dampened local exports and market sentiments; violent clashes have endangered the stability and safety of our society; and the epidemic has exerted additional pressure on the whole community and economy. In the past year, Hong Kong's economy recorded a negative growth of 6.1 per cent with the latest unemployment rate rising to

seven per cent. The Government of the Hong Kong Special Administrative Region has committed a total of nearly \$300 billion for supporting measures, with a view to stabilising the economy and relieving people's burden. However, this has also brought the fiscal deficit to a record high.

5. With the epidemic still lingering, our economy is yet to come out of recession. Our most urgent task is to contain the epidemic and press ahead with the vaccination programme, so that people and businesses can be back on track, and safe travelling between Hong Kong and the Mainland as well as the rest of the world can be resumed as soon as possible. I will, as always, provide the resources required to fully support the anti-epidemic work.

6. This year's Budget focuses on stabilising the economy and relieving people's burden. It aims to alleviate the hardship and pressure caused by the economic downturn and the epidemic through the introduction of counter-cyclical measures costing over \$120 billion; and seeks to create a leverage effect to benefit our people, workers as well as enterprises. It is equally important that we should grasp the major directions and new trends of future development to strategically enhance our policy steering, support measures and resources allocation in key areas. This will not only bring new impetus to our industries, but also enable them to have a more dynamic, diverse and interactive development. I will go into more details in the ensuing paragraphs.

Economic Situation in 2020

7. Last year, the COVID-19 pandemic ravaged the world, causing unprecedented repercussions on the global economy. The International Monetary Fund (IMF) estimated that the global economy contracted significantly by 3.5 per cent for the year as a whole. At the onset of the outbreak, governments around the world implemented stringent social distancing requirements and widespread lockdowns, plunging many major economies into a deep recession in the first half of last year. Amid a sharp fall in external demand caused by the epidemic, Hong Kong's total exports of goods tumbled by 9.7 per cent year-on-year in real terms in the first quarter of last year. Later, with a strong rebound in the Mainland economy after its epidemic situation was kept under control and the gradual recovery of other major economies in the second half of the year, Hong Kong's total exports of goods resumed growth in the second half of the year. Yet, there was still a mild decrease of 0.3 per cent for the year as a whole.

8. Under the threat of the epidemic, inbound tourism was brought to a frozen state for most of the time last year amid extensive travel restrictions worldwide. Exports of travel services fell drastically by 90.5 per cent for the year as a whole. Exports of financial services saw a moderate growth in the period, but total exports of services still registered a record decline of 36.8 per cent for the year as a whole.

9. Given the volatile local epidemic situation, social distancing measures were tightened from time to time. This, coupled with the weak job and income conditions, has dampened local consumer sentiments. Private consumption expenditure dropped significantly by 10.1 per cent for the year as a whole

despite some narrowing of the decline in the second half of the year. Amid the highly uncertain business outlook, investment expenditure fell by 11.5 per cent.

10. Hong Kong's overall economy contracted substantially by nine per cent in the first half of last year. While a slight improvement was seen in the third quarter, it has been hit again by the epidemic since the latter part of the fourth quarter. For 2020 as a whole, the economy contracted by 6.1 per cent, the largest annual decline on record. It is also the first time for Hong Kong to register two consecutive years of negative growth.

11. The labour market deteriorated sharply. The seasonally adjusted unemployment rate went up from 3.3 per cent in the fourth quarter of 2019 to seven per cent in the latest period, the highest in close to 17 years. Amid the epidemic, the consumption-and tourism-related sectors were hit hard. The unemployment rate of the retail, accommodation and food services sectors combined rose to 11.3 per cent. In particular, the unemployment rate of the food and beverage services sector reached a high level of 14.7 per cent. The unemployment rate of the construction sector also reached a double-digit level. Household incomes fell markedly in the year.

12. Amid a lacklustre economy, pressures on consumer price inflation were modest. Netting out the effects of the Government's one-off measures, the underlying inflation rate was 1.3 per cent for last year as a whole, down 1.7 percentage points from the year before.

13. As for the property market, the residential property market was generally stable last year. Prices of commercial and industrial properties fell visibly from their peak in 2019, and transaction volume dropped to a record low. Following the relaxation of macro-prudential measures for mortgage loans on non-residential properties by the Hong Kong Monetary Authority (HKMA), as well as the abolition of the Doubled Ad Valorem Stamp Duty on non-residential property transactions by the Government, there was a slight rebound in transactions in the latter part of last year.

(To be continued.)

Firing practice for March 2021

Firing practice will take place at two military sites, namely the San Wai/Tai Ling Firing Range and the Tsing Shan Firing Range, next month (March 2021).

Red flags or red lamps will be hoisted at the firing areas before and during firing practice. For their safety, people are advised not to enter the firing area.

Following are the dates and times for the firing practice sessions in March 2021:

San Wai/Tai Ling Firing Range

Date	Time
March 1 (Monday)	8am-9pm
March 2 (Tuesday)	8am-9pm
March 3 (Wednesday)	8am-9pm
March 4 (Thursday)	8am-9pm
March 5 (Friday)	8am-9pm
March 8 (Monday)	8am-9pm
March 9 (Tuesday)	8am-9pm
March 10 (Wednesday)	8am-9pm
March 11 (Thursday)	8am-9pm
March 12 (Friday)	8am-9pm
March 15 (Monday)	8am-9pm
March 16 (Tuesday)	8am-9pm
March 17 (Wednesday)	8am-9pm
March 18 (Thursday)	8am-9pm
March 19 (Friday)	8am-9pm
March 22 (Monday)	8am-9pm
March 23 (Tuesday)	8am-9pm
March 24 (Wednesday)	8am-9pm
March 25 (Thursday)	8am-9pm
March 26 (Friday)	8am-9pm
March 29 (Monday)	8am-9pm
March 30 (Tuesday)	8am-9pm
March 31 (Wednesday)	8am-9pm

Tsing Shan Firing Range

Date	Time
------	------

March 1 (Monday)	8am-9pm
March 2 (Tuesday)	8am-9pm
March 3 (Wednesday)	8am-9pm
March 4 (Thursday)	8am-9pm
March 5 (Friday)	8am-9pm
March 8 (Monday)	8am-9pm
March 9 (Tuesday)	8am-9pm
March 10 (Wednesday)	8am-9pm
March 11 (Thursday)	8am-9pm
March 12 (Friday)	8am-9pm
March 15 (Monday)	8am-9pm
March 16 (Tuesday)	8am-9pm
March 17 (Wednesday)	8am-9pm
March 18 (Thursday)	8am-9pm
March 19 (Friday)	8am-9pm
March 22 (Monday)	8am-9pm
March 23 (Tuesday)	8am-9pm
March 24 (Wednesday)	8am-9pm
March 25 (Thursday)	8am-9pm
March 26 (Friday)	8am-9pm
March 29 (Monday)	8am-9pm
March 30 (Tuesday)	8am-9pm
March 31 (Wednesday)	8am-9pm