

FS announces further measures to support enterprises and employment

With the social and economic environment of Hong Kong facing unprecedented challenges, the Financial Secretary, Mr Paul Chan, announced today (December 4) a new package of measures to support enterprises and employment. Details are as follows:

(1) Waive 75 per cent of water and sewage charges for non-domestic households from December 1, 2019, to March 31, 2020, subject to a monthly cap of \$20,000 and \$12,500 respectively per household per month (Note 1). Government revenue will be reduced by about \$340 million and around 250 000 households will benefit;

(2) Provide an electricity subsidy to each eligible non-residential electricity account holder to cover 75 per cent of their monthly billed electricity charges, subject to a cap of \$5,000 per account per month for four months, i.e. \$20,000 in total per account. This involves about \$2.3 billion and the number of beneficiaries will be about 430 000;

(3) Provide an enhanced rates concession in the fourth quarter of 2019-20 (i.e. January 1 to March 31, 2020) to all non-domestic properties. The exemption ceiling for each non-domestic property chargeable to rates will be increased from \$1,500 to \$5,000 for that quarter. Government revenue will be further reduced by about \$600 million and around 260 000 non-domestic properties will benefit;

(4) Waive the surcharge on tax outstanding for up to one year for taxpayers in need who applied and obtained approval for payment of tax by instalments. The waiver is applicable for the 2018/19 year of assessment, and covers profits tax, salaries tax, and personal assessment;

(5) Use the turnover rent received from the terminal operator of the Kai Tak Cruise Terminal to offer, through the operator, fees and rent reduction for cruise lines and existing tenants to support cruise lines' continuous deployment and berthing in Hong Kong and promote the business of relevant sectors. The arrangement will last for six months with effect from December 1, 2019. A total of 105 ship calls and six existing tenants are expected to benefit;

(6) For the local recycling industry, after discussing with the Government, the Advisory Committee on Recycling Fund will launch a one-time rental subsidy scheme to recycling enterprises through the Recycling Fund. About \$100 million will be involved, and about 500 recycling street-corner stores and 400 open recycling sites will benefit. Details will be announced by the Committee separately;

(7) The Securities and Futures Commission (SFC) has responded to the

Government's appeal and announced earlier today that it will waive the annual licence fees for all licensed individuals and intermediaries for the financial year 2020-21. The SFC's revenue will be reduced by about \$117.5 million and over 47 000 licensed individuals and intermediaries will benefit;

(8) The Employees Retraining Board (ERB) was entrusted by the Government earlier to launch the Love Upgrading Special Scheme (the Scheme). After discussing with the Government, the ERB will enhance and extend the Scheme, including to consider increasing the maximum amount of monthly allowance per trainee from \$4,000 to \$5,800 through legislative amendment, expanding the choices of trades and courses, in particular the provision of part-time arrangement for the popular "Vocational Skills" courses, and offering more training places based on demand. The measures will involve about \$350 million; and

(9) Enhance the Youth Employment and Training Programme to assist young people to enter the labour market. This will involve about \$14.3 million and benefit about 600 young people each year.

The above measures by the Government and SFC involve over \$4 billion in total.

Moreover, the Lands Department will introduce the following additional support measures for most of the short-term tenancies (STTs) of government land and short term and temporary waivers for varying the terms of the land grants under the Department issued for community and business use:

(i) freeze the rent and waiver fee payable under the STTs/waivers from October 1, 2019, until December 31, 2020; and

(ii) suspend re-tendering of the STTs from October 1, 2019, until 31 December 31, 2020, to allow the existing tenants to stay on under existing terms, unless termination is required for other policy considerations or initiated by the tenants themselves;

For stalls/facilities/carparks in the Cheung Sha Wan Wholesale Food Market and Western Wholesale Food Market managed by the Agriculture, Fisheries and Conservation Department, as well as Public Cargo Working Areas managed by the Marine Department, any monthly rental/fee increase as a result of the rental review conducted between October 1, 2019, and December 31, 2020, or according to the Berth Licence Agreements, will be waived until the next review or adjustment cycle.

Relevant bureaux and departments will follow up on the implementation of the above measures at full speed so that enterprises and the public can benefit early.

For the helping measures announced between August and October 2019 requiring additional resources (Note 2) in the current financial year, the Government has consulted the relevant Panels of the Legislative Council (LegCo), and put up the funding proposals to the Finance Committee on

November 29. As regards the enhanced tax concession, the bill for effecting the tax concession was passed by LegCo on November 6, 2019, and gazetted on November 15, 2019. The Inland Revenue Department will reflect the tax reductions in the tax demand notes.

Note 1: For four-monthly billed households, the respective caps for water and sewage charges are \$80,000 and \$50,000.

Note 2: Helping measures requiring approval for additional resources –

(i) making further enhancements and additional injections to the Dedicated Fund on Branding, Upgrading and Domestic Sales and the SME Export Marketing Fund, and introducing a new loan scheme with a 90 per cent guarantee under the SME Financing Guarantee Scheme;

(ii) providing an extra allowance to social security recipients, equal to one month of the standard rate Comprehensive Social Security Assistance payments, Old Age Allowance, Old Age Living Allowance or Disability Allowance and applying similar arrangements to recipients of the Working Family Allowance and the individual based Work Incentive Transport Subsidy;

(iii) providing a subsidy to kindergarten and primary and secondary day-school students in Hong Kong at \$2,500 per head in the 2019/20 school year to alleviate parents' financial burden by defraying education expenses;

(iv) paying one month's rent for lower income tenants living in the public rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society; and

(v) providing a one-off electricity charges subsidy of \$2,000 to each residential electricity account.