

Government announces measures involving over \$130 billion to support enterprises, employees and the public

In response to the challenges arising from the COVID-19 virus, the Chief Executive, Mrs Carrie Lam, today (April 8) announced a series of measures involving over \$130 billion to help businesses stay afloat, keep workers in employment, relieve financial burdens of individuals and businesses and assist the economy to recover once the epidemic is contained.

She said the measures announced today are a response further to the relief package in the 2020-21 Budget and the first round of the Anti-epidemic Fund. She said the Government needs to adopt bold and prompt measures given that a wide range of economic activities have been severely disrupted, many businesses are facing pressure to close down and massive staff layoffs are anticipated.

The measures, which Mrs Lam described as unprecedented, include introducing an \$80 billion Employment Support Scheme under which wage subsidies will be provided to eligible employers, and providing 16 types of support for specific sectors totalling \$21 billion. In addition, the Government will enhance the SME Financing Guarantee Scheme, help the MTR Corporation to provide a 20 per cent fare discount, temporarily relax the monthly threshold of the Public Transport Fare Subsidy Scheme, grant interest-free deferral of loan repayments to all student loan repayees, allow deferrals of tax payments, and more, benefiting many businesses and people. More information about the measures is set out in the Annex.

The total cost of the package is \$137.5 billion. Together with the \$30 billion under the first round of the Anti-epidemic Fund and the \$120 billion in Budget measures, the total fiscal implication is \$287.5 billion, representing 10 per cent of Gross Domestic Product.

"Given the epidemic's catastrophic impact on Hong Kong's economy, the Government has to dig deep into its fiscal reserves accumulated over the years to help our businesses and people. With Hong Kong's fundamental strengths and our people's resilience, we are confident that our city can ride out this storm and Hong Kong can be relaunched," Mrs Lam said.

Mrs Lam also announced that, to show solidarity with the people, the Chief Executive, the Principal Officials (the Chief Secretary for Administration, the Financial Secretary, the Secretary for Justice and the 13 Bureau Secretaries) and the Director of the Chief Executive's Office will take a 10 per cent pay cut for the coming 12 months.