

Government seeks Legislative Council's approval to inject \$27 billion into Anti-epidemic Fund

The Government today (February 14) issued a paper to the Legislative Council Finance Committee (FC) to seek injection of \$27 billion into the Anti-epidemic Fund (AEF). A total of 48 measures will be introduced under the sixth-round AEF to support businesses and individuals affected by the pandemic and tightening of the social distancing measures. The FC will deliberate the funding proposal at the online meeting to be held on February 15.

The fifth wave of the COVID-19 epidemic started in January and remains very severe. The Government has tightened the social distancing measures since January 7 and swiftly announced the launch of the fifth round of AEF measures on January 14. As the pandemic continues, the Government has further tightened the social distancing measures, which has more seriously affected many sectors. The Government announced the introduction of the sixth round of AEF measures on January 27 to provide the needed support to businesses and individuals hard hit by the pandemic and the prolonged tightening of social distancing measures.

In formulating the sixth-round AEF measures, the Government have on various fronts considered the views from members of the Legislative Council, various sectors and the public. The Government has also adopted a more compassionate approach in offering support and expanded the coverage of the relief measures to include as many hard hit businesses and individuals as possible, as well as providing allowance to dutiful frontline staff in recognition of their anti-epidemic work.

Relief measures under the sixth-round AEF will include the following four categories:

(i) Relief for premises that are required to be closed or their business significantly restricted by the tightening of social distancing measures, including premises ordered to close or with operation restricted under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), such as catering premises, beauty parlours, massage establishments, fitness centres and cinemas, etc. The subsidy rates for these premises will double those under the fifth-round AEF introduced on January 14. For example, eligible catering premises licensees will receive a one-off subsidy ranging from \$100,000 to \$500,000 based on the premises' licensed area. In addition, the sixth-round AEF will include hair salons and barber shops, which have been required to close since February 10;

(ii) Relief for businesses that are hard hit by the pandemic and indirectly affected by the tightening of social distancing measures, including the tourism sector, hotels and guesthouses, passenger transport trade, laundry

trade, dishware washing trade, employment agencies and local primary producers, etc. The beneficiaries of this type of subsidy involved three categories. The first category is providing subsidy to businesses based on their business premises, including hotels, guesthouses, laundry shops and dishware washing premises, etc. The second category is local and cross-boundary passenger transport operators and practitioners. Measures under this category include a one-off non-accountable subsidy of \$30,000 per vehicle/vessels to franchised buses, local ferries, tramways, taxis, red minibuses, green minibuses, non-franchised buses, school private light buses, hire cars, cross-boundary coaches and cross-boundary hire cars; and subsidy of \$20,000 to each kaito vessel. Furthermore, this round of AEF will also support cross-boundary ferries (CBFs) and shipyards providing repair services to CBFs, as well as offering a \$2 discount per litre of liquefied petroleum gas (LPG) for five months for LPG taxi and minibus, and reimburse 40 per cent of the actual fuel cost for five months for petrol taxis and diesel minibus. The third category is providing 75 per cent rental concession for a period of six months to tenants of specific places, such as PMQ, Jockey Club Creative Arts Centre, Arts Spaces, Hong Kong Science Park, Innoparks and Cyberport.

(iii) Support for employees and individuals working in the hard-hit business and frontline staff who have been making contributions to anti-epidemic efforts. Eligible self-employed persons and freelancers of the arts and culture sector and the creative industry are eligible for a one-off subsidy of \$10,000 under this round of AEF. Tourist guides and tour escorts, sports/recreation/culture trainers and cross-boundary goods vehicle drivers will also be supported under this round of AEF. Furthermore, we will provide a monthly allowance of \$2,000 for a period of five months to each frontline cleansing and security staff engaged by governments service contractors or working in private buildings and industrial/commercial properties, frontline airport staff in targeted groups, and staff of residential care homes for the elderly and residential care homes for persons with disabilities;

(iv) Support for short-term/temporary unemployed, including two measures. Firstly, a Temporary Unemployment Relief will be introduced for the first time to provide a one-off, flat-rate relief of \$10,000 to lower-to-middle income full-time or part-time workers (receiving a monthly salary not exceeding \$30,000 before they were laid off), who have lost their employment since the fifth wave of the pandemic started and remained unemployed for at least one month at the time of application. Eligible self-employed persons will also be considered. The application arrangement will be designed based on the principles of simplicity and expeditious deliverance of relief. Safeguard measures will be put in place to guard against abuse. The implementation agent will use the information from the Mandatory Provident Fund (MPF) accounts to verify the eligibility of the majority of applicants. Applicants without MPF account will be handled through an independent procedure. Recipients of Comprehensive Social Security Assistance and/or other measures under the sixth-round AEF are ineligible. Secondly, to introduce a further round of the Job Creation Scheme to create an additional 30 000 time-limited jobs in the public and private sectors to assist the unemployed to re-enter the job market. This is the third time the Job Creation Scheme was implemented, and around 60 000 jobs have already been

created under the previous two rounds of the Job Creation Scheme under the AEF.

Details of the measures under the sixth-round AEF and their estimated expenditure are at Annex.

This round of AEF is estimated to provide support to 67 000 businesses and 750 000 individuals. Upon securing the approval of the FC to inject funding into the AEF, bureaux/departments responsible for implementation will formulate the details and launch the measures as soon as possible. The majority of the measures will be open for application within one-month after securing FC's approval to inject funding into AEF.

The Chief Secretary for Administration, Mr John Lee, said, "The Government fully understands the impact the pandemic and tightening of social distancing measures have brought to the community, particularly to the grass-roots. As such, we have swiftly rolled out a new round of AEF. The various support measures will help safeguard jobs and preserve the economic strength of Hong Kong, such that our economy will be able to recover as soon as possible when this wave of the pandemic subsides. Greater emphasis is put on providing relief to individuals in this round of AEF, with over 60 per cent of the total financial commitment dedicated to providing relief to individuals. This is also the first time we introduce a Temporary Unemployment Relief."

"I thank the Chairman of the FC, Mr Chan Kin-por, for his support. When I raised the funding request with him, he immediately agreed to arrange a FC meeting to deliberate the funding application amidst the pandemic. I hope the funding application could be supported and approved by the FC as soon as possible. I will urge the relevant bureaux/departments to implement the measures as soon as possible to bring timely relief to individuals and relevant businesses so as to cater for their imminent needs."