

LCQ21: Supporting vehicle maintenance industry

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (June 24):

Question:

Some owners of vehicle repair workshops (workshops) have relayed that the vehicle maintenance industry has been hard hit by the coronavirus disease 2019 epidemic in recent months, with business turnover having dropped significantly. It is estimated that so far, over 100 workshops have closed down, with nearly 800 vehicle mechanics becoming unemployed or underemployed, and that some workshops are on the brink of closing down. However, workshops are unable to benefit from the two rounds of relief measures previously launched by the Government. Such owners have also pointed out that with the redevelopment of buildings in old districts one after the other, the number of street-level shops suitable for accommodating workshops has been dwindling, and the rental of existing workshops has been increasing incessantly. As a result, the vehicle maintenance industry has been shrinking continuously, making it difficult for the industry to meet the repair and maintenance needs of the nearly 800 000 vehicles across the territory. This situation may ultimately affect road safety and roadside air quality. Regarding the support provided by the Government for the vehicle maintenance industry, will the Government inform this Council:

(1) as the Chief Executive announced on the 6th of this month that the Government would launch relief measures for workshops, of the details of such measures, and whether the measures will include the provision of wage subsidies for workshop owners in respect of each employee who is aged 65 or above and has not participated in any Mandatory Provident Fund scheme; if so, of the details; if not, the reasons for that; and

(2) given that the industry has all along proposed for years that the Government construct an automobile maintenance complex equipped with central disposal facilities for waste oil, exhaust gas and waste water, so that workshops may move in for clustered operation and that the owners be charged rents of a level affordable to them, of the progress and preliminary conclusion of the Government's study on this suggestion?

Reply:

President,

My reply to the various parts of the Hon Frankie Yick's question is as follows:

(1) To assist the vehicle maintenance industry in coping with the operating

pressure brought by the coronavirus disease 2019 (COVID-19), the Government announced on June 22, 2020, that each eligible vehicle maintenance workshop (VMW) would be granted a one-off non-accountable subsidy of \$50,000.

Eligible VMWs can submit applications regardless of their registration status under the Voluntary Registration Scheme for Vehicle Maintenance Workshops of the Electrical and Mechanical Services Department (EMSD). VMWs applying for the subsidy must fulfill the following major criteria including having operated a vehicle maintenance business in a fixed place (with vehicle working bay(s)) on or before February 1, 2020, and maintaining a business operation on the day of application. Applicants will have to provide records of operation during the period from February 1 to May 31, 2020, e.g. information about the employed vehicle mechanics, vehicle maintenance service records, electricity bills or water bills of VMWs. VMWs that have received subsidy from the Retail Sector Subsidy Scheme under the Anti-epidemic Fund will not be subsidised under the current subsidy scheme.

Application for the subsidy is expected to open from mid-July 2020. EMSD is undertaking the relevant preparatory work and will announce the detailed arrangements in due course, including the application period, supporting documents required from the applicants in relation to the eligible VMWs and application procedures.

Separately, in order to maintain employment during the pandemic, the Government has launched the Employment Support Scheme (ESS) to provide time-limited financial support to employers to retain their employees who will otherwise be made redundant. All employers, including those in the vehicle maintenance trade, who have been making Mandatory Provident Fund (MPF) contributions for their employees or have set up Occupational Retirement Schemes Ordinance Schemes are eligible to apply for ESS. ESS has covered some 60 000 employees aged 65 or above with MPF accounts. Coupled with the aforesaid subsidy specifically provided for the vehicle maintenance trade, we believe that it would further help the trade tide over and benefit relevant VMWs and their employees.

(2) EMSD is conducting, in collaboration with the Hong Kong Productivity Council, the first stage benchmarking consultancy study on the designs of multi-storey buildings for VMWs, as well as related experiences in the provision of such workshops in different jurisdictions outside Hong Kong. The study is expected to be completed within the third quarter of 2020. The second stage of the consultancy study will commence after the first to examine whether the designs and options identified in the first stage could be applied to Hong Kong. The Transport and Housing Bureau and EMSD will consult the relevant stakeholders on the findings of the consultancy study when appropriate, with a view to collecting their views on the specific design requirements, technical details, mode of operation, etc. of multi-storey buildings for VMWs.