

## LCQ3: Measures to support employment

Following is a question by the Hon Vincent Cheng and a reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (July 15):

Question:

Amid a rapid downturn of Hong Kong's economy which has been caused by the epidemic, the seasonally adjusted unemployment rate from March to May this year was 5.9 per cent, with the numbers of unemployed and underemployed persons surging to 230 000 and 130 000 respectively. To support employment, the Government has earmarked \$6 billion under the Anti-epidemic Fund to create approximate 30 000 time-limited posts in both the public and private sectors in the coming two years, and is disbursing a subsidy of \$7,500 to each eligible self-employed person (SEP) under the Employment Support Scheme. Regarding the measures to support employment, will the Government inform this Council:

(1) whether it has assessed the numbers and percentages of professional, skilled and non-skilled posts in the approximate 30 000 time-limited posts;

(2) given that among the almost 260 000 subsidy applications submitted by SEPs, about 140 000 applications were rejected, whether the Government will expeditiously review the effectiveness of the Scheme, and when it will introduce new measures to support SEPs; and

(3) whether it has assessed the industries that will recover at a slower pace, and of the plans in place to provide more timely support for such industries?

Reply:

President,

Having consulted the relevant policy bureaux and departments, my consolidated response to the Member's question is set out below:

(1) To relieve the worsening unemployment situation due to the pandemic and the anti-epidemic measures, \$6 billion has been earmarked under the second round of the Anti-epidemic Fund (AEF) to implement the Job Creation Scheme. Under the Scheme, around 30 000 time-limited jobs would be created in the public and private sectors in the coming two years for people of different skill sets and academic qualifications, including technical or non-skilled staff, clerical staff and professionals, etc. As at end June 2020, the planning of around 20 000 jobs (including around 13 500 jobs in the Government and around 6 500 jobs in the non-governmental sector) has reached an advanced stage. Among these 20 000 time-limited positions, the number and percentage of professional, technical and non-skilled positions are as

follows:

Type of positions	Number	Percentage
Professional	About 3 800	19%
Technical	About 1 900	10%
Non-skilled	About 4 600	23%
Others	About 9 700	48%
Total	About 20 000	100%

Save for professional, technical and non-skilled positions, other positions include those created specifically for fresh graduates, positions for providing executive and clerical support services, and those for carrying out anti-epidemic work relating to COVID-19, etc.

(2) Apart from providing wage subsidies for employers, the Employment Support Scheme (ESS) also provides one-off lump-sum subsidy of \$7,500 to self-employed persons (SEPs). An applicant must have enrolled himself or herself in a Mandatory Provident Fund (MPF) Scheme as an SEP and the relevant SEP MPF account should have been set up on or before March 31, 2020 (i.e. it cannot be backdated to that date or any earlier dates) and had not been terminated as of March 31, 2020. The ESS Secretariat (the Secretariat) received a total of 259 860 applications from SEPs during the application period. Thus far, about 156 000 applications have not been approved.

The main reason for rejecting the applications is that the relevant applicants fail to meet the eligibility criteria, including applications were submitted based on an employee MPF account or a personal account created after termination of previous self-employment, rather than a dedicated SEP MPF account, or the relevant SEP MPF accounts had already been terminated on or before March 31, 2020. There are also cases where some applicants have provided in the application forms information regarding their SEP MPF accounts, which is not consistent with the records kept by the MPF trustees. The Secretariat has already informed these applicants that, if they have any questions, they should enquire through sending email to [subsidy@employmentsupport.hk](mailto:subsidy@employmentsupport.hk) within 14 days from the date of receipt of the notification from the Secretariat. The Secretariat will follow up as soon as practicable.

We are reviewing the experiences and arrangements of the first tranche of ESS and expect to announce application details of the second tranche in mid-August, including considering allowing about 100 000 SEPs who fulfill the eligibility criteria but did not apply for the one-off lump-sum subsidy under the first tranche of ESS to apply.

(3) In light of the development of the coronavirus disease 2019 (COVID-19), the Government has been taking vigilant anti-epidemic measures to contain the public health risk. Having regard to the impact of these measures on the livelihood of individuals and business operation, the Government secured the

approval of the LegCo Finance Committee (FC) on February 21, 2020 for a commitment of \$30 billion to set up the AEF. The purposes of the AEF are to enhance Hong Kong's capability in combating the pandemic, and to provide assistance or relief to enterprises and members of the public hard hit by the pandemic or affected by anti-epidemic measures. Taking into account the development of the pandemic and the overall situation, the Chief Executive announced on April 8, 2020 a comprehensive package of measures involving over \$130 billion in funding to support eligible individuals and businesses. The Government secured FC's approval on April 18, 2020 for the relevant funding application, including a \$120.5 billion injection to the AEF to implement second-round relief measures. The measures under the second-round AEF aims to preserve employment and assist the self-employed irrespective of the sectors to which they belong, provide extra relief to those sectors hard hit by the pandemic and pave the way for post-pandemic economic recovery.

A total financial commitment of \$150.5 billion was approved by FC for the two rounds of AEF. As of June 26, 2020, the AEF has launched 66 measures with the financial commitment amounted to over \$142 billion and nearly \$48 billion of subsidies disbursed/paid, benefitting over 5.93 million (Note) persons and about one million applications from enterprises/licence holders. There was an uncommitted contingency of around \$8 billion. The AEF Steering Committee will continue to monitor the implementation of various measures and roll out further measures to plug the gap in existing measures based on the recommendations from bureaux/departments, so as to benefit more enterprises and individuals affected by the pandemic.

Note: Including 3.93 million persons registered through the online platform to collect the CuMask+™.