

LCQ5: Electronic consumption vouchers

Following is a question by the Hon Paul Tse and a reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (August 25):

Question:

It has been reported that since the 1st of this month, members of the public have received one after another the first batch of electronic consumption vouchers disbursed by the Government. They have gone out to spend money everywhere and are highly delighted. Various shopping malls have been flooded with people, and both the number of customers and their spending have been driven up. Some members of the public have pointed out that the disbursement of consumption vouchers is a benevolent policy rarely implemented by the Government in recent years, which has not only boosted the economy but also relieved people's burden slightly. In this connection, will the Government inform this Council:

(1) of the substantive economic benefits brought to Hong Kong by the consumption vouchers since the 1st of this month; as the Financial Secretary (FS) visited shops in various districts, of the views expressed to him by members of the public on the Government's disbursement of the consumption vouchers; whether members of the public have requested FS to disburse additional consumption vouchers; if so, of the rate of increase in consumption vouchers requested;

(2) as the economy of Hong Kong has yet to recover from the haze of the epidemic, whether the Government will, in the light of the positive result brought about by the consumption vouchers, make good use of the e-payment platforms set up by the relevant enterprises with huge amount of money to disburse additional consumption vouchers, with a view to further boosting the economy; and

(3) of the number of complaints about consumption vouchers received by the Government since the 1st of this month; the measures in place to address the problems encountered by members of the public in using consumption vouchers such as technical difficulties, goods failing to match the descriptions as well as merchants hiding charges and raising prices instantly?

Reply:

President,

The Financial Secretary has announced the implementation of the Consumption Voucher Scheme (the Scheme) in the 2021-22 Budget under which electronic consumption vouchers with a total value of \$5,000 would be disbursed by instalments to each eligible Hong Kong permanent resident and new arrival aged 18 or above. The Scheme aims to stimulate consumer

sentiment, enabling the funding under the consumption vouchers to circulate in the local economy, so as to boost local consumption to the fullest extent and accelerate economic recovery. At the same time, the Government also wants to encourage more local merchants and the public to use electronic payment through the Scheme, so as to foster the development of the local electronic payment market.

Regarding the different parts of the question raised by Hon Tse, my responses are as follows:

(1) We have estimated earlier that there would be around 7.2 million eligible persons, involving about \$36 billion. It is expected that the Scheme would boost local economic growth by 0.7 per cent point. As observed after the first \$2,000 consumption voucher was disbursed to about 5.5 million eligible persons on August 1, the overall response from the community is very positive. The Scheme is generally welcomed by the public and businesses, and has successfully boosted and stimulated consumer sentiment. The four stored value facility (SVF) operators and a lot of shopping centres or merchants have seized the opportunity to introduce extra promotions to attract spending by the people. These additional promotions will reinforce the multiplier effect of the electronic consumption vouchers. As the consumption vouchers are disbursed in instalments, we believe that the enthusiastic consumer sentiment will continue in the second half of the year, leading to growth of the local retail, catering and service sectors, and boosting the overall local economy. Regarding the actual economic benefits to be brought about by the Scheme, we will make a comprehensive assessment after gathering more data.

The Financial Secretary has visited a number of districts earlier to learn about the implementation of the Scheme from the merchants and public. It is generally considered that the consumption vouchers are effective in boosting the market and stimulating consumer sentiment. Some people have indicated that their total spending has already exceeded the value of the voucher, and is looking forward to the disbursement of the next voucher.

(2) The Financial Secretary has taken into consideration relevant factors including the objectives of the Scheme, the number of beneficiaries, financial commitments and other Budget measures when deciding on the current value of the consumption voucher. According to the design of the Scheme, the consumption vouchers will be disbursed by two to three instalments with different validity periods according to the choice of SVF made by the registrants to facilitate their use, and at the same time to stimulate the local consumption market continuously. The leverage effect created by the additional discounts and promotions offered by the four SVF operators and different merchants will effectively enhance the impact of the Scheme on stimulating local consumption and boosting the economy. The first consumption voucher under the first batch involving about \$11 billion has been disbursed for about three weeks. The Government will successively disburse the next batch and instalment of consumption vouchers in the coming few months in accordance with the original schedule.

(3) From August 1 to 22, the Scheme hotline has received about 420 complaints, mainly related to the eligibility criteria, registration procedure, registration progress, disbursement of consumption vouchers, etc.

We have been keeping close contact with the four SVF operators on the Scheme, and are closely monitoring the disbursement and usage of the consumption vouchers. Apart from certain short term congestions of individual SVF's system on August 1 which affected a small group of people in receiving or using the consumption vouchers, the overall operation of the Scheme was generally smooth. The concerned operator has already handled the relevant technical issue, and taken follow up actions on the affected cases.

As for the extra handling fees or minimum spending value imposed by individual merchants on transactions using consumption vouchers, we have openly reiterated that if a merchant accepts payment through any of the four SVFs, it cannot refuse consumers to use consumption vouchers through the SVF nor impose extra fees. According to the agreements signed between the merchants and the four SVF operators, they cannot charge consumers any extra handling fees for using the SVFs. If merchants overcharge or impose unreasonable conditions on consumers using consumption vouchers, they may breach their agreements with the SVF operators. The SVF operators may take action according to the agreement, including cancellation of their accounts. In addition, I appeal to the public to check the price and bill before making payment, and keep the receipts for further action in case of need, regardless of whether they are using consumption vouchers or other payment methods.

Thank you, President.