

LCQ7: Assistance for food business industry amid epidemic

Following is a question by the Hon Tommy Cheung and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (February 3):

Question:

Since March last year, the Government has implemented a number of anti-epidemic measures to cope with the epidemic, dealing a heavy blow to the businesses of the food business industry (especially the food and beverage services sector). To assist the trades in tiding over the difficult times, the Government has launched several subsidy schemes under the Anti-epidemic Fund. In this connection, will the Government inform this Council:

(1) as the Government launched the Food Licence Holders Subsidy Scheme last year to provide eight types of food business licence holders with a one-off subsidy of \$80,000 or \$200,000, of the respective numbers of applications received, approved and rejected by the Government, with a breakdown by licence type; the total amount of subsidies disbursed under the Scheme, and the average processing time of each application;

(2) of the number of applications submitted by employers of the food and beverage services sector under the Employment Support Scheme (ESS) which were approved by the Government, and the total amount of wage subsidies disbursed;

(3) as ESS stipulates that employers who have been disbursed wage subsidies are required to undertake not to lay off their employees during the relevant period and to spend the full amount of the subsidies on paying for employees' wages, and employers in breach of the undertaking will be fined, of the number of employers of the food and beverage services sector who were fined for breaching the undertaking, and the total amount of fines involved;

(4) given that the Government launched the Catering Business (Social Distancing) Subsidy Scheme and the Enhanced Catering Business (Social Distancing) Subsidy Scheme consecutively last year to provide eligible licence holders of restaurants and canteens in operation with a one-off subsidy in accordance with the approved gross floor area of their licensed premises, of the respective numbers of applications received, approved and rejected by the Government under the two subsidy schemes; if there were rejected applications, of the reasons for that; and

(5) as the two subsidy schemes mentioned in (4) stipulate that the relevant food business licence must be valid throughout the whole period from the date of approval of the application to the specified date or else the Government will consider recovering from the applicant any subsidy disbursed and the related expenses incurred, of the number of applicants from whom the

subsidies have been/are being recovered due to violation of the stipulation, and the total amount of subsidy involved?

Reply:

President,

Having consulted the Policy Innovation and Co-ordination Office, my reply to the question raised by the Hon Tommy Cheung is as follows:

(1) The Food Licence Holders Subsidy Scheme launched under the first round of the Anti-epidemic Fund (AEF) in March 2020 was completed. A one-off subsidy of \$80,000 or \$200,000 was granted to eligible food business licence holders of eight types of food business premises in operation with a total subsidy amount of \$3.75 billion disbursed. The breakdown of various figures and amount of subsidy disbursed are in Annex I. The average time for processing an application by the Food and Environmental Hygiene Department (FEHD) was about 15 working days.

(2) and (3) The Employment Support Scheme (ESS) Secretariat (the Secretariat) does not have statistics concerning the amount of wage subsidies being disbursed to employers in particular sectors under the ESS nor the statistics concerning the number of employers' organisations in particular sectors, or the amount of penalty imposed on employers payable to the Government and the Government's claw back of subsidies arising from not fulfilling one or both of the two undertakings, i.e not implementing redundancies during the subsidy period and spending all the subsidies on paying wages to their employees.

Nonetheless, since June 2020, the Secretariat has been publishing, by batches, the list of employers who have received wage subsidies under the ESS, the amount of subsidies and the total number of committed headcount of employees on the ESS website (www.ess.gov.hk) to enable monitoring of the ESS by the community and employees concerned. Stakeholders in the catering sector and the general public may obtain information about whether individual employers in the sector have received wage subsidies under the scheme and also the subsidy amount granted to the organisations.

(4) Under the second round of the AEF, the FEHD launched the Catering Business (Social Distancing) Subsidy Scheme and the Enhanced Catering Business (Social Distancing) Subsidy Scheme in May and August 2020 respectively to provide eligible licence holders of restaurants and factory canteens in operation with a one-off subsidy in accordance with the approved gross floor area of their licensed premises. The application progress as at January 20, 2021 is in Annex II. The main reasons for refusing some of the applications under the two schemes include that the applicant failed to hold a valid food business licence issued by the FEHD, the provisional licence had expired but a full licence was not granted, or the licensed premises were found not in operation. The FEHD would provide a written reply to the applicants of the refusal cases with the reason(s).

(5) As stipulated in the above two subsidy schemes, the relevant food

business licence (full or provisional licence) must be valid throughout the whole period from the date of approval of the application to the completion of the schemes. Otherwise, the FEHD will consider recovering from the applicant any subsidy granted and all related expenses incurred. As at January 20, 2021, there was one case in which the applicant did not obtain a full licence upon the expiry of the provisional licence during the funding period. The case is being followed up by the FEHD.