

LCQ7: Subsidy schemes implemented for the catering outlets

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 (March 24):

Question:

Regarding the various subsidy schemes implemented for the catering outlets by the Government under the Anti-epidemic Fund, will the Government inform this Council:

- (1) of the total number, as at the 4th of this month, of those subsidy applications for which approval has been given but subsidies have not been disbursed, and the amount of subsidies involved;
- (2) when the disbursement of the relevant subsidies is expected to be completed;
- (3) of the expected balances of the relevant commitments upon completion of processing the applications under the various subsidy schemes; and
- (4) whether it will consider making good use of the sum mentioned in (3) to provide further subsidies for operators of nightclubs, karaoke establishments and bars whose businesses have likewise been hard hit by the epidemic and the anti-epidemic measures?

Reply:

President,

The business of catering premises is hard hit by the COVID-19 pandemic. In view of this, the Government has launched four rounds of subsidy schemes for the catering sector under the Anti-epidemic Fund (AEF) since February 2020 to provide instant financial relief for the trade. The total amount of subsidies approved so far is around \$11.6 billion.

My reply to the question raised is as follows:

- (1) and (2) As at 4 March 2021, the Food Licence Holders Subsidy Scheme launched by the Food and Environmental Hygiene Department under the first round of the AEF was completed and the subsidies for all approved cases, amounting to around \$3.7 billion, were disbursed. The Scheme has benefited about 29 000 catering premises.

The Catering Business (Social Distancing) Subsidy Scheme rolled out under the second round of the AEF disburses subsidies to catering premises providing dine-in services in two tranches. The Scheme mainly seeks to assist

the applicants in paying the salaries of their staff from May to July 2020 and from August to October 2020. Upon receiving the first tranche of the subsidy, the applicant has to submit, within the specified time frame, documents certifying that there was no layoff of staff from May to July 2020 and no less than 80 per cent of the subsidy was used for payment of the salaries for staff in order to receive the second tranche of the subsidy. The first tranche of the subsidy, which involved around \$2.2 billion, has been fully disbursed. The second tranche of the subsidy has been disbursed to most approved applications, which involved around \$1.9 billion, and there are only 16 approved applications which are yet to be disbursed with subsidy, involving around \$3 million.

As for the Catering Business Subsidy Scheme under the third and fourth rounds of the AEF, around \$1.4 billion and \$2.1 billion have been disbursed respectively, and there are two and around 1 300 applications, involving around \$110 million, still being processed respectively. The disbursement of subsidies is expected to complete by end of this month.

(3) The sum reserved for various subsidy schemes benefiting the catering sector under the four rounds of the AEF has been adjusted according to the actual application situation. Any balance would be handled according to the established mechanism.

(4) Facing the hard hit brought by the pandemic, we understand that various sectors of the community would wish the Government to provide additional relief. Currently, fees payable for food business licences, the karaoke establishment permit/licence and the liquor/club liquor licence are waived in support of the relevant operators. In considering different demands for subsidies, the Government must ensure proper use of resources and exercise fiscal prudence.