

LCQ9: Relief measures of the Government

Following is a question by the Hon Elizabeth Quat and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (March 18):

Question:

Some members of the public have relayed that Hong Kong's economy, after being dealt double blows last year by the Sino-United States trade conflicts and the disturbances arising from the opposition to the proposed legislative amendments, and then being ravaged this year by the novel coronavirus epidemic, is now on its last legs. As the economic prospect is not optimistic and the tide of unemployment is coming inexorably, small and medium enterprises as well as grass-roots people are particularly bearing the brunt. Regarding the relief measures of the Government, will the Government inform this Council:

(1) whether it will implement the relief measures (including allowing employers in the severely hit industries to hold over payments of the provisional profits tax) which were proposed by the political party to which I belong, and implement these measures expeditiously under an approach of special arrangements for special circumstances; if so, of the details; if not, the reasons for that;

(2) whether the funds under the \$30 billion Anti-epidemic Fund set up by the Government may be used for the following purposes: (i) subsidising small and medium enterprises in paying their employees' salaries, and (ii) providing subsidies to the employees whose income has been affected by the epidemic (especially those who are unable to cross the boundary daily to go to work because of the implementation of the infection prevention measures); if so, of the details; if not, the reasons for that;

(3) as the grass-roots people cannot afford anti-epidemic items the prices of which have shot up due to the shortage of supply, and many of them lack anti-epidemic awareness, whether the Government will (i) step up anti-epidemic publicity among them and (ii) supply anti-epidemic items to them at reasonable prices; if so, of the details; if not, the reasons for that;

(4) as anti-epidemic items are currently in short supply, of the measures put in place to help trades and industries such as retail, property management and private healthcare to acquire anti-epidemic items for use by their frontline staff; and

(5) given that quite a number of members of the public are currently unable to acquire anti-epidemic items such as face masks, whether the Government will consider afresh adopting administrative measures or invoking its

statutory power to prohibit hoarding of such items, to centralise the procurement and distribution of such items (including imposing restrictions on the selling prices and purchase quantities), and to make daily announcement on the stock of such items available on the market, so as to ensure that members of the public can acquire such items at reasonable prices?

Reply:

President,

Subsequent to the Government's announcement of four rounds of relief measures from August to December last year, the Financial Secretary delivered the 2020-21 Budget on February 26, in which he proposed counter-cyclical measures amounting to more than \$120 billion. The proposals help to boost our efforts to combat the epidemic, take care of people in need and bolster the economy. The Budget represents an unequivocal commitment by the Government to rise to the challenge of overcoming adversity and helping people in need. The measures also complement the initiatives set out under the \$30 billion Anti-epidemic Fund, approved by the Legislative Council on February 21, providing comprehensive support for people from all walks of life.

My reply to the various parts of the question, prepared in consultation with relevant bureaux/departments, is as follows:

(1) The measures introduced in the Budget focus on "supporting enterprises, safeguarding jobs, stimulating the economy and relieving people's burden". They endeavour to meet the public's expectations for relief measures. The Budget proposed a cash payout of \$10,000 to Hong Kong permanent residents aged 18 or above. It also proposed to reduce profits tax for the year of assessment 2019/20 by 100 per cent, subject to a ceiling of \$20,000. The Government will implement these measures as soon as practicable upon the Legislative Council's approval of the Appropriation Bill 2020.

(2) The Anti-epidemic Fund will enhance the capability of the Government and relevant parties in combating the epidemic, and will provide assistance or relief to enterprises and members of the public that are hard hit by the present epidemic, or are affected by anti-epidemic measures. About \$17 billion from the Fund will be used to implement 14 measures concerning the provision of assistance to affected enterprises and individuals. The enterprises and organisations that benefit from the respective measures may use the funds at their discretion, such as to settle employees' wages. Moreover, the Government will also use the Anti-epidemic Fund to provide a one-off special allowance to about 200,000 eligible low-income households under the Working Family Allowance and Student Financial Assistance.

(3)(i) At this critical moment, it is essential to step-up anti-epidemic publicity so as to dispel public concerns. Senior representatives from the Centre for Health Protection (CHP) of the Department of Health and the Hospital Authority conduct daily briefings covering issues such as the number of cases, their work on contact tracing and the latest quarantine measures.

The Government has launched a thematic website (www.coronavirus.gov.hk), an interactive map dashboard (chp-dashboard.geodata.gov.hk/covid-19/en.html) and a Telegram channel named "Hong Kong Anti-epidemic Information Channel" (t.me/HKFIGHTCOVID19) to furnish the public with the latest information in a timely manner. The CHP has also issued guidelines, reminding the public to maintain personal and environmental hygiene, and disseminated relevant health information through various channels and media. Senior officials of the Government also hold press conferences to announce major government decisions and measures, and to update the public on key developments in combating the virus.

(3)(ii) and (4) The Government appreciates that a sufficient and stable supply of personal protective equipment (PPE) is critical for the prevention and control of the epidemic. We are also concerned about the requirement of masks by disadvantaged sectors of the community. However, as we operate in a free market economy, the short supply of and high demand for PPE, resulting in a rise in prices, is indeed a global phenomenon.

To maintain public services, the Government will continue its endeavour to source masks globally through all practical channels. On the other hand, to strengthen and stabilise the supply of PPE, the Government will adopt a multi-pronged approach, exercise greatest flexibility and act with the greatest determination.

The Government has been following up on suggestions to increase local production of masks, including the "Local Mask Production Subsidy Scheme" introduced under the Anti-epidemic Fund. The Government has also contacted a local innovation and technology firm, inviting them to increase their monthly output of masks of higher specifications. The Government will proactively support their implementation of plans, with a view to stabilising local supply.

At the retail level, the Government has reached out to suppliers and retailers of different scales, appealing that they do not handle arriving supplies in a way that causes too much inconvenience to the public.

The Food and Health Bureau has been keeping in close contact with the private healthcare sector, with a view to understanding the supply of masks and PPE made available to them, and to rendering assistance as appropriate.

The Government also appeals to private enterprises and charitable organisations to donate masks to underprivileged communities, and will assist in coordination as far as practicable. A number of private organisations and charities have recently donated or indicated their wish to donate masks and disinfectants to the Government and non-government organisations. The Government will get in touch with relevant organisations according to the donors' wishes.

(5) According to the assessment of experts, the epidemic may persist for some time. As the supply of masks will remain tight in the short run, the Government considers it pragmatic to strengthen supply and manage demand. The

Government currently does not have any plans to mandatorily control the supply and prices of surgical masks through legislation, because this could adversely affect supply, or weaken our ability to make purchases from outside Hong Kong.

To address the supply shortage and problems faced by needy communities, we will continue to pursue the aforementioned measures, strengthening supply and encouraging donations to people in need.