

LegCo Secretariat releases Research Brief on “Challenges and economic impacts arising from Coronavirus Disease 2019”

The following is issued on behalf of the Legislative Council Secretariat:

The Legislative Council Secretariat (the Secretariat) today (December 14) released a Research Brief on "Challenges and economic impacts arising from Coronavirus Disease 2019".

The outbreak of Coronavirus Disease 2019 (COVID-19) since the early 2020 has posed extraordinary challenges in almost every part of the world. Almost a year has passed, the COVID-19 situation in Hong Kong remains challenging as the fourth wave of outbreak continues to rage on.

On healthcare, although the Government has strengthened the anti-epidemic efforts in testing, tracking and tracing, by introducing rules for mandatory testing and offering a grant for grassroots patients infected with COVID-19, cases without known sources have been growing fast recently.

Hong Kong has newly introduced a contact tracing app "LeaveHomeSafe", and requires certain high-risk premises such as restaurants and entertainment venues to display the QR code. While businesses and individuals in Hong Kong are adapting to the new tool, in Singapore, it is compulsory for a range of businesses and services, including hotels, events, large retail outlets and education institutes, to deploy a similar check-in system. Visitors are required to log their records with a contact tracing app or token. Over 50 per cent of Singapore's population have downloaded the app or are using the token and an estimated 25 000 close contacts of COVID-19 cases have been identified through this programme. In view of its observed usefulness, some have urged the Government to expand the usage of the "LeaveHomeSafe" app in the community.

Meanwhile, in dealing with COVID-19, some regular medical services in both public and private sectors in Hong Kong have been suspended or distorted. Some overseas places such as Singapore and the United Kingdom have strengthened the support to telemedicine. The relevant development in Hong Kong is still at infant stage. In view of uncertainty over the ongoing infection situation, Hong Kong may also need to assess the regulatory and technical readiness in order to catch up with the trend.

On economic front, the two largest pillar industries in Hong Kong, namely trading and logistics and financial services, are relatively more resilient. Tourism, however, has inevitably collapsed like many parts of the world. The travel bubble with Singapore as an initial step to re-open tourism has been deferred due to the fourth-wave outbreak. Unemployment and under-

employment are on the rise while private consumption and median household income on the fall.

In the face of the immediate and huge impact of COVID-19, the Government set up the "Anti-epidemic Fund" in February 2020 and rolled out three rounds of measures totaling HK\$191.5 billion. The largest sum of over HK\$90 billion was committed to the Employment Support Scheme (ESS) for job retention. However, with ESS ended in November and the package of relief measure expiring, the recent fourth wave of outbreak is re-posing pressure on the operations of many businesses in Hong Kong. Some overseas places like Japan, Singapore and the United Kingdom have continued to support the hardest-hit sectors with wage subsidies, and worked out measures to facilitate job redeployment, job matching and/or job creation.

With tourism coming to a standstill, many Asian places, such as Japan and South Korea, have sought to encourage local consumption by issuing discount vouchers for residents to spend in vulnerable services segments. These sweeteners, though short-time, are seen to be welcomed by both businesses and users, which may be of reference when devising local consumption stimulus.

The subject of COVID-19 challenges and economic impacts is within various policy areas of the LegCo Panels, including Panel on Health Services, Panel on Economic Development, Panel on Commerce and Industry, and Panel on Manpower.

The Research Brief is prepared by the Secretariat's Research Office of the Information Services Division with a view to enhancing information support for Members. It is a concise summary aiming at explaining a subject matter which may be of interest to Members and the general public.

The Research Brief is now available on the Legislative Council Website at www.legco.gov.hk/research-publications/english/2021rb01-challenges-and-economic-impacts-arising-from-coronavirus-disease-2019-20201214-e.pdf.