

Transcript of remarks of press conference on Consumption Voucher Scheme (with video)

The Financial Secretary, Mr Paul Chan, held a press conference this afternoon (June 18) to announce details of the Consumption Voucher Scheme. The Government Chief Information Officer, Mr Victor Lam, and the Head, Budget and Tax Policy Unit of the Financial Secretary's Office, Ms Jessie Wong, also attended. Following is the transcript of remarks of the press conference.

Reporter: First my questions are directed to Mr Paul Chan. Can you please clarify the exact definition of what a "new immigrant" is? Is that only pertaining to new arrivals from Mainland China? Are expats with working visas who have stayed in Hong Kong for two years included in that definition? And why are they included or excluded from the Scheme? My second question is for Ms Jessie Wong. Can you please explain why the process of redeeming the vouchers is so complicated and in so many disbursements? It seems like if you choose the Octopus option you have a longer time to take out the money. Is that in favour of this payment method?

Financial Secretary: On new arrivals, our definition is the new arrivals from the Mainland. They are coming here with the intent to permanently reside in Hong Kong. That particular definition also includes dependents of a sponsor who is a permanent resident of Hong Kong. Basically, when we design this we take into consideration the experience last year the scheme rolled out by the Community Care Fund when we launched the \$10,000 cash payout scheme.

Thank you. Jessie, please.

Head, Budget and Tax Policy Unit of the Financial Secretary's Office: Thank you. We have two disbursement arrangements because of the different characters of Octopus and the other three e-wallets. Also in light of the different needs of people, we want to provide more flexibility for people to choose which stored value facility better meets their needs.

For Octopus, I don't think it is complicated. I think it provides more flexibility to the registrants who choose Octopus. They can have a shorter time to spend the money and then they can get the last voucher earlier. On the other hand, if they want to have a longer time to spend it, it doesn't have an expiry date. They can have seven months in total at most to spend the \$4,000, then they will get the last voucher on the eighth month. It provides more flexibility and can suit the different needs of people. That's our purpose to provide two types of disbursement arrangement.

Reporter: Is the stimulus effect greater if the disbursement is split, stretched over a longer period? It was estimated the stimulus effect is 0.7 per cent last time. The stimulus effect on the economy.

Financial Secretary: The four stored value facilities operators from the policy standpoint need to be looked at as a basket. The idea is to provide options to our people so that they can choose whichever that best suits their spending habit and their inclination as to whether they want to spend earlier, quicker, or want to spread the spending over a longer period of time. Actually the Consumption Voucher Scheme, according to government economist, can provide a possible positive economic impact of 0.7 per cent. But of course at the end of the day, how big will be the multiplier effect? Not just the spending of the individuals but also, at the same time, whether the shops can work together to roll out promotional schemes, the atmosphere at the moment, and also of course, the pandemic situation at the time. If these all work properly, the impact on the economy would be bigger.

Reporter: Mr Secretary, so you are saying that basically if people choose Octopus card, and if they don't spend the \$4,000 within seven months, does that mean people will not get the last \$1,000 of the \$5,000 voucher? Why is there this spending deadline? And my point is like, would people, if they don't spend the \$4,000, meaning they would get \$1,000 less if they choose Octopus rather than the three other facilities. But secondly, can you explain the mass amount of dates that this scheme involves? Especially with the Octopus cards, you have a lot of time. Is it too complicated for users, etc? And my third question is does this mean that if you pick Octopus, then in effect it's a subsidy for public transport companies because they would obviously get a lot of the amounts that people use? Thank you.

Financial Secretary: This is a electronic consumption voucher scheme so the whole idea is to give the people of Hong Kong the voucher for them to spend so as to revive our economy. That is why we really want the recipients of this electronic consumption vouchers to spend the vouchers. As I have mentioned earlier, for people using Octopus card, depending on the day of registration, if the registration is done within the first two weeks, the first payment will be August 1, and the second payment will be October 1. And if they are able to spend all the \$4,000, the last payment will be in the middle of December. And for those who register after the first two weeks, the aforementioned dates will be postponed by one month. Your question is, for those people who may not be able to spend all the \$4,000 within the seven-month period, would they be able to get the final \$1,000? I'd just like to highlight that, during this seven-month period there is Christmas and then Chinese New Year. These are the festive seasons that people tend to spend. And also we will have a SMS alert service to those who have not yet spent the entire \$4,000 within the seven-month period to remind them to spend the money. So we do think that the chance of people not being able to spend the entire \$4,000 within this seven months is pretty remote.

On the using of the consumption voucher for public transport fees, the idea is to give a positive response to the suggestions that we have received. After the announcement of the Budget when we went out to brief the Legislative Council and also members of the public, a lot of suggestions put to us are that the consumption voucher should also cover public transport expenditure, and people do argue that if they want to go out to spend they

need to travel and if they travel they need to spend money. So there is certain legitimate expectation there. And also, as you know, the Public Transport Fare Subsidy Scheme has a minimum spending threshold. For people who do not reach that spending threshold, they would not be able to get any subsidy. And even for people whose travelling expenditure exceeding that particular threshold, the reimbursement is only for a certain percentage. So we believe extending the coverage of the consumption voucher to cover public transport fees, which is available to all those who receive the voucher, is fair and transparent. And then it is up to the individuals to choose how they want to spend their money according to their own circumstances.

Actually the opinion, the suggestions that we have received after the Budget are quite diverse. Some people prefer the amount of consumption voucher to be given to them over a very short period of time or even in one go, so that they can buy a large item. But there are also many in our community advocating that please do let us spend the money slowly, at our own pace, to suit our own circumstances. So I would say that this final package of consumption voucher details is the result of listening to different views and try to come up with a package that to the extent possible, cater for the different circumstances of the members of the public, and I do ask for your understanding.

Reporter: Sorry, are there too many dates? Is it too complicated for people to choose Octopus cards, like, they have to remember so many dates?

Financial Secretary: As there are so many different scenarios, so on the surface it seems to be complicated. But as I mentioned, if you look at an individual case, say if one is able to register within the two weeks and be able to spend the first two instalments of voucher by Octopus within the four-month period, then in the fifth month the final sum is to be received, so it is pretty straightforward.

(Please also refer to the Chinese portion of the transcript.)