

(Translation)

**Motion on
“Preventing the lower and middle classes from
being trapped in hardship amid the financial tsunami”
moved by Hon Albert HO Chun-yan
at the Legislative Council meeting
of Wednesday, 5 November 2008**

**Motion as amended by Hon Tommy CHEUNG Yu-yan and Hon CHAN
Kam-lam**

That, under economic globalization, Hong Kong's position as an important global financial centre and its free and open economy system have caused the local economy to fluctuate more easily with the external environment, the governance philosophy of a free market economy upheld by the Government also allows the disparity between the rich and the poor to persist for years in Hong Kong; the lower and middle classes are not able to benefit when the economy is growing and cannot save money or capital to fight against adversity, and the social security system is not comprehensive; as a result of the financial tsunami, the Hong Kong economy is now about to enter into recession and many people in the lower and middle classes may fall into hardship, which has become a major challenge to the Government's governance; while the Government has undertaken to fully support the financial and banking industries and take measures to support the small and medium enterprises, it should at the same time pay more attention to the impact of the financial tsunami on the lower and middle classes; this Council urges the Government to adopt various measures to protect the lower and middle classes from being trapped in hardship, including:

- (a) setting up a special committee chaired by the Chief Secretary for Administration to constantly monitor and assess the impact on the lower and middle classes when the Hong Kong economy is in times of financial crisis and to put forward corresponding measures, including introducing further relief measures such as reducing rates, Government rent and salaries tax;
- (b) the Task Force on Economic Challenges having to strive to explore specific measures to revitalize the local economy and, in particular, focusing on the over-reliance of the local economy on the financial and real estate sectors, identifying corresponding strategies and promoting more comprehensive development of the economy, including developing eco-tourism, taking the initiative to bid for the hosting of international activities, polishing the brands of Hong Kong as a 'culinary capital' and an 'events capital', providing more logistics back-up sites and facilities to

strengthen the status of Hong Kong as a logistics centre and to support recycling industries etc, so as to create low-skilled jobs, and reduce the impact of the global financial conditions on the economy system of Hong Kong and its labour market;

- (c) expeditiously implementing the 10 major infrastructure projects undertaken in the Policy Address of last year, accelerating the construction of infrastructures such as public housing estates and hospitals, expediting the redevelopment of old urban areas, repair and renovation of old buildings, inspection of buildings and removal of unauthorized building works, and expediting the implementation and commencement of the outstanding projects of the ex-Municipal Councils, so as to expeditiously create employment opportunities to counteract the impact of the financial tsunami on the employment rate;
- (d) promoting the development of social enterprises, assisting the disadvantaged in making effective use of social capital and creating employment opportunities through the improvement of legislation, funding allocation, training and education, and administrative support, etc, so as to alleviate the difficulties of the disadvantaged in seeking employment in times of economic recession;
- (e) strengthening the support to low-income families, including assisting the unemployed recipients of Comprehensive Social Security Assistance in securing employment, creating temporary jobs in various sectors of social services, expanding the 'Transport Support Scheme' and extending the duration of subsidy, as well as expeditiously enhancing the food bank services, etc, so as to make up for the inadequacies of the social security and employment protection systems; and
- (f) assisting as far as possible the families in the lower and middle classes in reducing expenses and lessening their burden, urging the power companies to expeditiously adjust the fuel clause surcharge and basic tariff downwards, and taking effective measures to alleviate the impact of high oil prices on various trades and industries and the public;
- (g) actively supporting and assisting small and medium enterprises, including formulating preferential policies for trades and industries, and offering concessions to those trades and industries which are conducive to the restructuring of Hong Kong's economy and increasing of employment opportunities; studying splitting major government projects to enable more small and medium enterprises to undertake such projects; promoting the development of new points of growth in the economy, including creative industries and healthcare service industries; fostering at a faster pace cooperation in cross-boundary travels; making effective use of the land in border areas to turn Hong Kong into an all-year-round capital of

exhibitions and sales; deepening the Mainland and Hong Kong Closer Economic Partnership Arrangement and expeditiously discussing with the Guangdong Provincial Government more cooperation plans, so as to create low-skilled jobs; and

- (h) revitalizing the community economy, utilizing vacant land in remote areas, such as Tin Shui Wai and Tung Chung, to develop commercial projects which can increase employment opportunities.