

(Revised)

For discussion  
on 21 February 2020

FCR(2019-20)46

## ITEM FOR FINANCE COMMITTEE

### HEAD 142 – GOVERNMENT SECRETARIAT : OFFICES OF THE CHIEF SECRETARY FOR ADMINISTRATION AND FINANCIAL SECRETARY

#### Subhead 700 General non-recurrent New Item “Anti-epidemic Fund”

Members are invited to approve the creation of a new commitment of \$30 billion for injection into the Anti-epidemic Fund to enhance our capability in combating the novel coronavirus epidemic, and to provide assistance or relief to enterprises and members of the public hard hit by the present epidemic or affected by anti-epidemic measures.

#### PROBLEM

We need to enhance our capability in combating the novel coronavirus virus (the epidemic), and to provide timely assistance or relief to enterprises and members of the public hard hit by the present epidemic or affected by anti-epidemic measures.

#### PROPOSAL

2. The Chief Secretary for Administration proposes that a new commitment of \$30 billion be created for the purpose of establishing the Anti-epidemic Fund (the Fund) under the Financial Secretary Incorporation Ordinance (Cap. 1015) to –

- (a) enhance the capability of government bureaux and departments as well as other relevant parties in combating the epidemic; and

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- (b) provide assistance or relief to enterprises and members of the public hard hit by the present epidemic or affected by anti-epidemic measures.

The Financial Secretary Incorporated will act as the trustee of the Fund.

## JUSTIFICATION

### *Need for a dedicated fund*

3. The outbreak of novel coronavirus was first detected in Wuhan of Hubei Province in December 2019 and has since been spreading globally. The Government launched the Preparedness and Response Plan for Novel Infectious Disease of Public Health Significance on 4 January 2020 and included “Severe Respiratory Disease associated with a Novel Infectious Agent” as a statutorily notifiable infectious disease under the Prevention and Control of Disease Ordinance (Cap. 599) on 8 January 2020. The Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation was gazetted on 7 February 2020 to require all persons having stayed in the Mainland for any period during the 14 days preceding arrival be subject to compulsory quarantine for 14 days, with the exception of exempted persons such as cross-boundary goods vehicle drivers and crew members of goods vessels, etc.

4. In addition, the Government has been taking stringent anti-epidemic measures at the community level, including suspension of classes and some public services, cancellation of government events, etc. to achieve social distancing and contain the public health risk. We encourage members of the public to maintain at all times strict personal and environmental hygiene for personal protection against infection and prevention of the spread of the disease in the community; and to stay home and refrain from going to crowded places as much as possible. We have also appealed to enterprises to make flexible work arrangements for their employees and maintain a high standard of environmental hygiene to achieve the same objective. While these measures are essential for fighting the disease, they inevitably affect the normal life of individuals and business operations, dealing a heavy blow to many people and business sectors when they are already facing challenging economic conditions.

5. In order to enhance the capability of government bureaux and departments as well as other relevant parties in combating the epidemic, and to provide assistance or relief to enterprises and members of the public hard hit by the epidemic or affected by anti-epidemic measures, we need to set aside dedicated resources and streamline the process to allow their timely deployment in meeting needs, some of which may not be known at present. To this end, the Chief Executive announced on 5 February 2020 that the Government would set up a sizeable fund and formulate relevant proposals as soon as possible.

*/Steering .....*

*Steering Committee on the Anti-epidemic Fund*

6. The Chief Secretary for Administration will chair a Steering Committee to oversee the operation and use of the Fund. In addition to overseeing implementation of the specific proposals discussed in paragraph 9 below, the Steering Committee will also consider other proposals that cannot be anticipated at present, and decide on whether to accept them having regard to the objectives of the Fund. Relevant Directors of Bureaux and Heads of Departments will be invited to join the Steering Committee depending on the nature of the proposals received and initiatives endorsed. The terms of reference and membership of the Steering Committee are at Enclosure A.

Encl. A

7. We consider it important to ensure proper deployment of financial resources of the Fund and effective implementation of measures it undertakes. While the Steering Committee will oversee and coordinate matters relating to the operation of the Fund, government departments and other organisations entrusted to implement specific initiatives will be required to submit periodic progress and financial reports to the Steering Committee for review on a regular basis.

8. The Steering Committee will provide regular reports to the Legislative Council to keep it informed of the implementation of the various initiatives under the Fund.

*Immediate measures for implementation*

9. To achieve the objectives of the Fund, we propose to implement the following measures immediately upon its establishment –

*(I) Enhancing anti-epidemic capability*

(a) Enhancing support to the Hospital Authority (HA) in combatting the epidemic – To provide additional resources to the HA for tackling the epidemic, in particular for ensuring sufficient support and protection for frontline healthcare staff. Details are set out at Enclosure B1.

Encl. B1

(b) Support local mask production – To provide subsidy to facilitate the establishment of mask production facilities in Hong Kong as soon as possible. Details are set out at Enclosure B2.

Encl. B2

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- Encl. B3 (c) Global procurement of personal protective equipment (PPE) – To ensure ready availability of funding for placing orders of PPE in a highly competitive global market. Details are set out at Enclosure B3.
- Encl. B4 (d) Support property management (PM) sector in anti-epidemic efforts – To provide financial support to frontline PM workers in private residential and composite buildings during the recent epidemic to strengthen their capacity on personal and environmental hygiene, give recognition to their committed services provided during this critical period, and to alleviate the burden on the residents due to the heightened cleaning efforts and additional costs for procuring cleaning products and protective kits. Details are set out at Enclosure B4.
- Encl. B5 (e) Technology applications to enable reusability of masks – To fund technology applications that enable masks to be reusable. Details are set out at Enclosure B5.
- Encl. B6 (f) Support construction sector in anti-epidemic efforts – To provide resources for contractors, subcontractors, consultants and workers in the construction industry to enhance hygiene conditions in the workplace, implement precautionary measures and procure necessary protective/antiseptic equipment so that they can continue to work in face of the public health challenges. Details are set out at Enclosure B6.
- Encl. B7 (g) Support cleansing and security staff engaged by Government and Hong Kong Housing Authority (HouA) service contractors in anti-epidemic efforts – To provide financial support to such frontline workers (including toilet attendants) in their anti-epidemic efforts, and give recognition to their committed services at this critical juncture. Details are set out at Enclosure B7.
- Encl. B8 (h) Installation of emergency alert system – To enable the Government to send time-critical public announcements and messages to alert the general public of emergency situations, including pandemic outbreaks. Details are set out at Enclosure B8.
- Encl. B9 (i) Home quarantine support – To make available more monitoring devices for the home quarantine measures. Details are set out at Enclosure B9.

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Encl. B10 (j) Ex-gratia payment to households of the two public housing estates designated as quarantine centres. Details are set out at Enclosure B10.

(II) *Providing relief to enterprises and individuals*

Encl. B11 (k) Retail Sector Subsidy Scheme – To provide subsidy to operators of retail business as a financial relief in view of the severe impact of the epidemic on their business. Details are set out at Enclosure B11.

Encl. B12 (l) Food Licence Holders Subsidy Scheme – To provide subsidy to food business licence holders as a financial relief in view of the severe impact of the epidemic on the business of the catering and food-related trades. Details are set out at Enclosure B12.

Encl. B13 (m) Subsidy for the transport sector – To provide subsidy for operators of the transport sector in view of the severe impact of the epidemic on their businesses. Details are set out at Enclosure B13.

Encl. B14 (n) Convention and Exhibition (C&E) Industry Subsidy Scheme – To provide subsidy to the C&E industry to reinvigorate Hong Kong's reputation as an international premier C&E hub. Details are set out at Enclosure B14.

Encl. B15 (o) Special allowance for eligible Working Family Allowance (WFA) and Student Financial Assistance (SFA) households – To help targeted low-income households to weather the deteriorating economic and employment conditions as a result of the epidemic. Details are set out at Enclosure B15.

Encl. B16 (p) Additional student study grant for 2019-20 school year – To provide financial relief to parents in meeting expenses that may arise from class suspension (e.g. software for e-learning or other learning materials). Details are set out at Enclosure B16.

Encl. B17 (q) Rental waivers for tenants at the Science Park, industrial estates and Cyberport. Details are set out at Enclosure B17.

Encl. B18 (r) Subsidies for live marine fish wholesale traders and fishing vessels with Mainland deckhands. Details are set out at Enclosure B18

- Encl. B19 (s) Support to child care centres (CCCs) – To provide subsidy to aided and non-aided CCCs as a financial relief in view of the prolonged suspension of service. Details are set out at Enclosure B19.
- Encl. B20 (t) Arts and Culture Sector Subsidy Scheme – To provide subsidy to the arts and culture sector as a financial relief in view of the severe impact of the epidemic on their normal operation. Details are set out at Enclosure B20.
- Encl. B21 (u) Licensed Guesthouses Subsidy Scheme – To provide subsidy to licensed guesthouses as a financial relief in view of the severe impact of the epidemic on their business. Details are set out at Enclosure B21.
- Encl. B22 (v) Travel Agents Subsidy Scheme – To provide subsidy to travel agents as a financial relief in view of the severe impact of the epidemic on their business. Details are set out at Enclosure B22.
- Encl. B23 (w) Support to training bodies – To provide subsidy to appointed training bodies of the Employees Retraining Board as a financial relief in view of the prolonged suspension of retraining courses caused by the epidemic. Details are set out at Enclosure B23.
- Encl. B24 (x) Licensed Hawkers Subsidy Scheme – To provide subsidy to licensed hawkers as a financial relief in view of the severe impact of the epidemic on their business. Details are set out at Enclosure B24.

10. As the fight against the epidemic continues, we may identify further measures for enhancing our capability, and other sectors or types of individuals who need financial support or relief. We therefore propose that some financial buffer be injected into the Fund to serve as a ready source for prompt response. It will also serve as contingency provisions for the implementation of the specific measures discussed in paragraph 9 above.

### *Urgency*

11. To overcome the current public health challenge, it is imperative that we have a sufficient and ready source of funding to immediately boost the anti-epidemic capabilities of the Government, HA and all sectors of the

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community. There is also urgency in providing relief to enterprises and members of the public hard hit by the present epidemic or affected by anti-epidemic measures. Delay will aggravate their hardship, and some enterprises may not survive without timely support. We therefore seek the early approval of the Finance Committee for this proposal. The Fund will be set up within the week following funding approval, and the specific measures discussed above will be implemented as a matter of priority according to the timetable set out at Enclosures B1 to 24.

## FINANCIAL IMPLICATIONS

12. We propose a one-off injection of \$30 billion into the Fund in 2019-20 for the following measures –

<u>Descriptions</u>	<u>Financial implications</u> (\$ million)
<b><i>(I) Enhancing anti-epidemic capability</i></b>	
(a) Enhancing support to the HA in combatting the epidemic	4,700
(b) Support local mask production	1,500
(c) Global procurement of PPE	1,000
(d) Support PM sector in anti-epidemic efforts	1,000
(e) Technology applications to enable reusability of masks	800
(f) Support construction sector in anti-epidemic efforts	710
(g) Support cleansing and security staff engaged by Government and HouA service contractors in anti-epidemic efforts	250
(h) Installation of emergency alert system	150
(i) Home quarantine support	50
(j) Ex-gratia payment to households of the two public housing estates designated as quarantine centres	30
<b><i>Subtotal for enhancing anti-epidemic capability (A)</i></b>	<b><i>10,190</i></b>

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<u>Descriptions</u>	<u>Financial implications</u> (\$ million)
<b><i>(II) Providing relief to enterprises and individuals</i></b>	
(k) Retail Sector Subsidy Scheme	5,600
(l) Food Licence Holders Subsidy Scheme	3,730
(m) Subsidy for the transport sector	3,230
(n) C&E Industry Subsidy Scheme	1,020
(o) Special allowance for eligible WFA and SFA households	990
(p) Additional student study grant for 2019-20 school year	900
(q) Rental waivers for tenants at the Science Park, industrial estates and Cyberport	380
(r) Subsidies for live marine fish wholesale traders and fishing vessels with Mainland deckhands	270
(s) Support to CCCs	220
(t) Arts and Culture Sector Subsidy Scheme	150
(u) Licensed Guesthouses Subsidy Scheme	150
(v) Travel Agents Subsidy Scheme	140
(w) Support to training bodies	90
(x) Licensed Hawkers Subsidy Scheme	30
<b><i>Subtotal for providing relief to enterprises and individuals (B)</i></b>	<b><i>16,900</i></b>
<b><i>Subtotal of (A) + (B)</i></b>	<b><i>27,090</i></b>
(y) Contingency (10% of the financial provisions for (a) to (x) above) – To serve as a ready source for prompt response to needs that fall within the ambit of the Fund, and as contingency provisions for the implementation of the above specific measures	2,710
<b>TOTAL</b>	<b>29,800</b>
	<b>Say 30,000</b>



13. The administration of the Fund will be met by the existing resources of the Office of the Chief Secretary for Administration and relevant bureaux and departments.

## **PUBLIC CONSULTATION**

14. The general public and various sectors of the community have been calling for assistance from the Government to combat the epidemic and help tide over the present financial challenges they face. There is urgency in setting up the Fund to meet public expectations and address practical needs.

## **BACKGROUND**

15. Following the spread of the epidemic globally, the Government has activated the Preparedness and Response Plan for Novel Infectious Disease of Public Health Significance since early January 2020, and taken all necessary measures to contain the public health risk.

16. Apart from the package of measures to be pursued under the Fund, we also encourage public bodies and the private sector to deploy their resources and work hand in hand with the community to combat the epidemic, and to provide assistance to those in need. For example, the Education Bureau will deploy existing resources to offer financial assistance to the kindergarten sector in view of their financial difficulties arising from an increase in expenditure for maintaining a hygienic environment and the acquisition of services to facilitate learning of students during the class suspension period.

17. In the same spirit, the Social Welfare Department (SWD) has, through two tranches at an estimated expenditure of \$13.8 million and \$14.6 million respectively, provided grants at \$5,000 or \$3,000 per service unit under each tranche for some 2 100 subsidised service units as well as nearly 900 private and self-financing residential care homes for the elderly and residential care homes for persons with disabilities, etc. to procure PPE and sanitising items in order to combat the epidemic. The SWD has also informed in writing the operators of residential care homes (both subsidised and non-subsidised) subject to SWD's licensing or registration, and the relevant home-based service units, that special grants may be provided for them to hire relief workers or pay overtime allowances arising from some of their regular staff being put under quarantine arrangements or self-isolation as a result of their return to Hong Kong from the Mainland during the period from 27 January to 29 February 2020. Funding of \$124.5 million has been earmarked to cover some 1 380 service units.

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Chief Secretary for Administration's Office  
Commerce and Economic Development Bureau  
Development Bureau  
Education Bureau  
Financial Services and the Treasury Bureau  
Food and Health Bureau  
Home Affairs Bureau  
Innovation and Technology Bureau  
Labour and Welfare Bureau  
Transport and Housing Bureau  
February 2020

## **Anti-epidemic Fund Steering Committee**

### **Terms of reference**

1. To receive, consider and approve proposals to be funded by the Anti-epidemic Fund (the Fund) for combatting the novel coronavirus epidemic and for providing assistance and support to enterprises and members of the public affected by the epidemic.
2. To monitor the implementation of measures funded under the Fund.
3. To oversee the deployment of the Fund and endorse the reports for submission to the Legislative Council

### **Membership**

Chief Secretary for Administration (Chairman)  
Secretary for Commerce and Economic Development  
Secretary for Development  
Secretary for Education  
Secretary for Food and Health  
Secretary for Financial Services and the Treasury  
Secretary for Home Affairs  
Secretary for Innovation and Technology  
Secretary for Labour and Welfare  
Secretary for Transport and Housing

Secretary: Head, Human Resources Planning and Poverty Coordination Unit,  
Chief Secretary for Administration's Private Office

Note: Representatives of other policy bureaux or departments may be coopted as members and/or invited to attend Steering Committee meetings as and when necessary.

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**Immediate measures for implementation**

**(I) Enhance Anti-epidemic capability**

Enclosure

- B1 Enhancing support to the Hospital Authority in combatting the epidemic
- B2 Support local mask production
- B3 Global procurement of personal protective equipment
- B4 Support property management sector in anti-epidemic efforts
- B5 Technology applications to enable reusability of masks
- B6 Support construction sector in anti-epidemic efforts
- B7 Support cleansing and security staff engaged by Government and Hong Kong Housing Authority service contractors in anti-epidemic efforts
- B8 Installation of emergency alert system
- B9 Home quarantine support
- B10 Ex-gratia payment to households of the two public housing estates designated as quarantine centres

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**(II) Providing relief to enterprises and individuals**

Enclosure

- B11 Retail Sector Subsidy Scheme
- B12 Food Licence Holders Subsidy Scheme
- B13 Subsidy for the transport sector
- B14 Convention and Exhibition Industry Subsidy Scheme
- B15 Special allowance for eligible Working Family Allowance and Student Financial Assistance households
- B16 Additional student study grant for 2019-20 school year
- B17 Rental waivers for tenants at the Science Park, industrial estates and Cyberport
- B18 Subsidies for live marine fish wholesale traders and fishing vessels with Mainland deckhands
- B19 Support to child care centres
- B20 Arts and Culture Sector Subsidy Scheme
- B21 Licensed Guesthouses Subsidy Scheme
- B22 Travel Agents Subsidy Scheme
- B23 Support to training bodies
- B24 Licensed Hawkers Subsidy Scheme

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**Enhancing support to the Hospital Authority in combatting the epidemic**

**Policy Bureau : Food and Health Bureau**

**Implementation : Hospital Authority**

Objective

It is our objective to provide additional resources to the Hospital Authority (HA) for tackling the novel coronavirus infection, in particular for ensuring sufficient support and protection for frontline healthcare staff.

Brief description

2. Public hospitals are one of our main lines of defence in Hong Kong's anti-epidemic efforts. With the development of the novel coronavirus infection in Hong Kong, our frontline healthcare workers are facing additional workload and pressure. The Government would allocate **\$4.7 billion** to the HA from the Anti-epidemic Fund to provide additional resources for the HA in tackling the disease, in particular for ensuring sufficient support and protection for frontline healthcare staff.

Financial implications

3. Key components of the proposed enhanced support measures with indicative breakdown of financial requirements are listed below –

- (a) \$2.5 billion for personnel-related expenditure for frontline staff involved in anti-epidemic efforts, for example, extending and enhancing rates under the Special Honorarium Scheme, and recruiting more temporary and agency staff;
- (b) \$1.5 billion for procuring additional personal protective equipment (PPE) and other necessary accessories for healthcare staff;
- (c) \$350 million for offering special rental allowance to staff who need to rent hotel rooms or other premises for temporary stay and temporary accommodation arrangements;
- (d) \$260 million for enhancing support for laboratory testing and procuring drug and medical equipment; and

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- (e) \$90 million for additional cleansing, security, laundry, transportation, storage, clinical waste disposal, IT support services, etc. and hospital supplies e.g. linen, curtains, etc.

Urgency

4. The HA has been deploying its resources to strengthen the capability of public hospitals to combat the novel coronavirus epidemic, including the deployment of additional manpower and enhancing staff compensation, gradual mobilisation of isolation facilities, development of tests in laboratories of public hospitals to enhance surveillance, and expediting the procurement of PPE. In view of the escalating epidemic situation, it is important to ensure that our public hospital services and frontline healthcare staff are supported in a timely manner by sufficient resources.

Implementation

5. An allocation of **\$4.7 billion** will be made to the HA immediately after the Fund is set up for the HA to continue with its anti-epidemic efforts.

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## Support local mask production

**Policy Bureau : Commerce and Economic Development Bureau**  
**Implementation : Hong Kong Productivity Council**

### Objective

It is our objective to provide subsidy to facilitate the establishment of mask production facilities in Hong Kong as soon as possible.

### Brief description

2. In view of the spread of the novel coronavirus worldwide, the demand for all types of personal protective equipment, notably surgical masks in Hong Kong, both for use by the medical sector as well as for the community's consumption, has surged very significantly. However, the supply of such masks in Hong Kong is largely through import, with a big portion from the Mainland. With the Mainland itself having a significant additional demand on surgical masks, export shipments to Hong Kong, even for those committed orders, have largely fallen through lately. The acute supply shortage situation is aggravated by the worldwide surge in demand for masks. This has not only driven up prices but is also drying up stock fast.

3. Noting that the health concerns would likely persist for a while, we consider it of paramount importance to facilitate home-based production of surgical masks as soon as possible, which can help address to some extent the imminent shortage situation as well as to build up some stock in reserve in the long run. Indeed, many Hong Kong enterprises are producing surgical masks in the Mainland, with other businessmen having premises in Hong Kong, some of which are ready for use for producing surgical masks while some others would be ready to do so following conversion.

4. Against this background, we propose to introduce a Local Mask Production Subsidy Scheme to provide subsidies to facilitate the establishment of surgical mask production facilities in Hong Kong. Details are set out in the ensuing paragraphs.



5. We propose that a grant of up to \$10 million be given to the Hong Kong Productivity Council (HKPC) for it to (a) set up expeditiously a production line for surgical masks, if necessary, so as to help bring the business back to Hong Kong; and (b) administer the subsidy scheme.

6. We propose to provide subsidies to private entities to set up production lines on surgical masks in Hong Kong. The key features of the subsidy scheme are proposed as follows –

- (a) a subsidy of up to \$3 million to be given to each factory for setting up one production line of surgical masks, plus an additional subsidy of up to \$2 million for each additional production line in the same factory. Each production line should produce at least 500 000 masks per month. We will provide subsidy to a maximum of 20 production lines.

For budget estimate purposes, we assume that the subsidy scheme would benefit ten factories each with two production lines, hence the maximum total subsidy would amount to \$50 million;

- (b) the subsidy will be given to factories on a first come (i.e. start production) first served basis;
- (c) the subsidy scheme will run till end of 2020, i.e. factories which commence operation after 2020 will **not** be eligible for the subsidy even if the funding has not been exhausted;
- (d) the Government will commit to a one-year order from each production line of up to two million masks per month. If all the 20 production lines are in operation and each with a monthly production of at least two million masks, the total government order for a one-year period for all the production lines is 480 million masks.

We will devise a mechanism for determining the purchase price, having regard to the cost of production. For budget estimate purposes, assuming an average purchase price of \$3 per mask<sup>Note</sup>, the cost for underwriting to buy 480 million masks is \$1,440 million; and

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<sup>Note</sup> Under normal time, each mask is sold in the retail market at \$0.5 to \$1 per piece, whereas under the tight supply situation we are facing, we have seen masks sold overseas and being procured by the Government Logistics Department at over \$US1 each. With the high land and labour costs in Hong Kong, we expect that the unit cost to produce masks here would be higher. We therefore assume an average purchase price of \$3 for each mask.

- (e) any surplus production over the yearly order of two million of masks/month for Government must be for local consumption and must not be exported. The surplus stock should be sold to statutory bodies, medical institutions, education institutions, public transport companies, other private companies, etc. for their employees in Hong Kong, or the retail consumption market.

#### Financial implications

7. The total amount of funding required is estimated to be **\$1,500 million**.

#### Urgency

8. In view of the acute supply shortage of surgical masks worldwide, leading to the immense difficulties we are encountering in sourcing masks for imports into Hong Kong to meet surging local demands, it is of paramount urgency and importance that we facilitate home-based mask production as soon as possible, which can help address to some extent the imminent shortage as well as to build up some stock in reserve in the long run.

#### Implementation

9. The HKPC has already been liaising with and providing advice to interested parties who have approached the HKPC. This proposal will be implemented once the Fund is set up.

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**Global procurement of personal protective equipment**

**Policy Bureau : Financial Services and the Treasury Bureau**

**Implementation : Government Logistics Department**

Objective

It is our objective to ensure the Government has sufficient funds readily available for the procurement of personal protective equipment (PPE) so that orders can be placed quickly in the highly competitive market.

Brief description

2. To combat novel coronavirus infection, since January 2020 the Government has resorted to all possible means and channels worldwide to make direct procurement of PPE, including surgical masks, N95 masks, and face shield. Demand for such items, especially surgical masks, has increased exponentially not only locally but also in many other markets outside Hong Kong. To ensure that we can secure the much-needed supplies as fast as possible to meet our operational needs in a highly competitive international market, the Government has exercised maximum flexibility in the procurement process. As long as the items meet the technical specifications and are offered at the prevailing market price, the Government will make immediate direct purchase. There is no question of “the lowest bid wins”.

3. With the proactive assistance of the Economic and Trade Offices and InvestHK and referrals by individuals, the Government Logistics Department (GLD) has got into contact with more than 500 suppliers from nearly 30 countries/regions. As at 15 February 2020, more than four million masks secured through the current procurement drive have been delivered to the Government Logistics Centre. However, full and timely delivery of the ordered items remains a challenge as supply of masks is tight throughout the globe, and some jurisdictions have imposed export controls. We hope that the remaining shipments will arrive in batches as scheduled.

4. Against this background, we have to go extra miles to source PPE globally. We need to have sufficient funds readily available for placing orders quickly in the highly competitive market.

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Financial implications

5. We propose that **\$1 billion** be earmarked within the Fund for this purpose. In drawing on the funding for PPE procurement, we will exercise prudence and spend responsibly.

Urgency

6. The ready availability of funding is of utmost importance to enable us to place orders quickly in the highly competitive global market.

Implementation

7. The Government has been making direct procurement of PPE worldwide since January 2020. This proposal will provide the required financial flexibility for placing orders quickly in the highly competitive market after the Fund is set up.

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**Support property management sector in anti-epidemic efforts**

**Policy Bureau : Home Affairs Bureau**

**Implementation : Home Affairs Department in collaboration with the Property Management Services Authority**

Objectives

It is our objective to provide financial support to frontline property management (PM) workers (i.e. cleansing and security workers) in private residential and composite buildings in anti-epidemic efforts during the recent outbreak of the novel coronavirus infection to strengthen their capacity on personal and environmental hygiene, and give recognition to their committed services provided during this critical period.

2. It is also our objective to alleviate the additional costs arising from heightened cleansing efforts and procurement of cleansing products and protective kits, and to alleviate the burden on the residents.

Brief description

3. We propose to provide private residential/composite buildings, including all such buildings<sup>1</sup> under various subsidised sale schemes of the Housing Authority (HouA) (e.g. Home Ownership Scheme, Tenants Purchase Scheme, Green Form Subsidised Home Ownership Scheme, etc.) and the Hong Kong Housing Society (HKHS) (e.g. Flat-for-Sale Scheme, Sandwich Class Housing Scheme, Subsidised Sale Flats Project, etc.)<sup>2</sup> with the following financial support for –

- (a) *Frontline PM Workers* – each of the cleansing/security workers will be given a monthly “hardship allowance” of \$1,000 per eligible

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<sup>1</sup> Three-nil buildings will be excluded as assistance in kind has been/will be provided to them, e.g. through enhanced cleansing provided by District Offices.

<sup>2</sup> Public rental housing owned by the HouA and HKHS will be excluded.

worker for four months<sup>3</sup> (i.e. a minimum of \$4,000 per worker), subject to a cap of six headcounts of hardship allowance per building block, to strengthen their capacity on personal and environmental hygiene, and recognise their anti-epidemic efforts; and

- (b) *Property Management Companies (PMCs)/Owners Corporations (OCs)* – each of the eligible PMCs (or OCs if there are no PMCs) will be given a lump sum funding of \$2,000 per building block for four months<sup>4</sup>, as a subsidy for stepping up cleaning efforts (i.e. buying of cleaning products and protective kits, etc.) and as recognitions of their efforts in enhancing hygiene awareness.

We expect that over 200 000 frontline PM workers serving around 33 000 building blocks (around 800 PMCs and/or 10 000 OCs) will benefit.

#### Financial implications

4. The total funding required is about **\$1 billion**.

#### Urgency

5. The stepping up of the cleansing efforts in residential buildings is crucial to minimising risks of virus infection and spreading in local community. The frontline PM workers serving private residential buildings have been under immense pressure since the outbreak of the novel coronavirus. Their workload has been increasing substantially and they are facing much higher health risks, given their very frequent contacts with residents during their daily work, and some of them may be even working in buildings with residents under “home quarantine”. Moreover, the additional cleansing efforts have created imminent burdens to PMCs and OCs. Urgent financial support to the frontline PM workers and PMCs/OCs is warranted to strengthen their capacity on personal and environmental hygiene to better cope with the present public health challenge.

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<sup>3</sup> The monthly allowance of \$1,000 per eligible worker will be made throughout the epidemic period but no fewer than four months. For the purpose of estimating the financial implications, a four-month period is used.

<sup>4</sup> The lump sum subsidy of \$2,000 per eligible building block under a PMC/OC is to cover the entire epidemic period but no fewer than four months. For the purpose of estimating the financial implications, a four-month period is used.

Implementation

6. Upon setting up of the Fund, the scheme should be open for application in March 2020, with a view to starting the disbursement of allowances and subsidies in about three weeks' time upon close of the application period.

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**Technology applications to enable reusability of masks**

**Policy Bureau : Innovation and Technology Bureau**

**Implementation : Innovation and Technology Commission**

Objective

The demand on masks in Hong Kong has been increasing drastically recently, whilst the supply for disposable masks remains extremely short. It is our objective to enable technology applications in relation to mask reusability to cater for the urgent needs of the community.

Brief description

2. We are considering different technology applications, such as the production of reusable masks, for members of the general public.

Financial implications

3. The total expenditure is estimated to be \$800 million.

Urgency

4. The supply of disposable masks in Hong Kong has been extremely tight due to the shortage in global supply. Technology applications, such as the production of reusable masks, are needed urgently.

Implementation

5. The Government is reviewing various technology applications and will make them available as soon as possible.

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**Support construction sector in anti-epidemic efforts**

**Policy Bureau : Development Bureau**

**Implementation : Construction Industry Council**

Objective

It is our objective to help the construction industry combat the effect of the novel coronavirus.

Brief description

2. Over the years, the construction industry has made valuable contribution towards the development of Hong Kong. With no exception, the industry has been seriously affected by the current novel coronavirus epidemic. The industry emphasises much on teamwork and different tiers of the project teams from consultants, contractors and subcontractors have to liaise and work closely in workplaces and on sites. In particular, frontline construction workers are very often required to work in demanding conditions. Enhanced hygienic control measures at both offices and construction sites are thus essential to prevent the spread of the disease, and hence disruption to projects.

3. To help the industry combat the effect of the novel coronavirus, we propose to offer the following subsidies to the industry stakeholders through the Construction Industry Council (CIC) –

- (a) a subsidy of \$50,000 to each eligible contractor, subcontractor and consultant<sup>1</sup> to strengthen their hygienic control measures including increasing the frequency of cleaning the offices or construction sites, measuring body temperature of employees or construction workers, procuring additional antiseptic equipment, etc.; and
- (b) a subsidy of \$1,500 to each eligible registered construction worker<sup>2</sup> for the purchase of personal protective/antiseptic equipment against novel coronavirus infection.

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<sup>1</sup> Contractors who paid levy to the CIC in the past year; subcontractors who are registered under CIC's registration schemes and have employed registered construction workers in their companies; and consultants admitted in the government's approved list(s) will be considered eligible.

<sup>2</sup> Registered construction workers who worked in construction sites with attendance recorded by the Construction Workers Registration System of the CIC (i.e. the Daily Attendance Record) in the past year will be considered eligible.

We estimate the above measures will benefit about 7 000 construction establishments and 240 000 construction workers. We will work out further details of the measures with the CIC.

#### Financial implications

4. The required funding for the subsidies will be **\$710 million**.

#### Urgency

5. Apart from being hit by the lack of supply of some construction materials arising from the temporary cessation of operation of certain enterprises in the Mainland due to the novel coronavirus, the construction industry has to bear extra expenses associated with the implementation of enhanced hygienic control measures at both offices and construction sites, and warrants urgent financial support to better cope with the current public health challenge.

#### Implementation

6. Upon setting up of the Fund, the CIC will invite applications from eligible establishments and construction workers within one week with a view to disbursing subsidies to the applicants in about two to three weeks' time upon receipt of the applications.

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**Support cleansing and security staff  
engaged by Government and Hong Kong Housing Authority  
service contractors in anti-epidemic efforts**

**Policy Bureau : Financial Services and the Treasury Bureau**  
**Implementation : Individual departments and the Hong Kong Housing Authority in collaboration with their contractors**

Objective

It is our objective to provide financial support to frontline workers engaged by Government and Hong Kong Housing Authority (HouA) service contractors in anti-epidemic efforts, and give recognition to them for their committed services provided at this critical juncture.

Brief description

2. In view of the development of the novel coronavirus, government departments and HouA have respectively enhanced cleansing and disinfection measures in government premises, public areas and HouA premises to upkeep good environmental hygiene with the assistance of the cleansing workers and toilet attendants engaged under service contracts. Security workers who station primarily in public areas and HouA premises have to maintain frequent contacts with the general public in order to perform their daily duties. To provide financial support to these frontline workers in anti-epidemic efforts, and give recognition to them for their committed services provided at this critical juncture, we propose to provide a monthly allowance of \$1,000 for no fewer than four months throughout the epidemic period for each cleansing worker, toilet attendant and security worker engaged under Government and HouA service contracts. We estimate that nearly 62 000 workers will benefit from this initiative.

Financial implications

3. The estimated total financial implication is **\$250 million**.

/Urgency .....

Urgency

4. Frontline workers who provide public services on a daily basis warrant urgent financial support to better cope with the present public health challenge, particularly in view of their work nature as explained in paragraph 2 above.

Implementation

5. If the Fund is established by the end of February 2020 and subject to timely provision of the required information on these cleansing and security workers from contractors to the government departments and HouA, we aim to effect payment of the first round of monthly allowance to the contractors by the end of March 2020 for them to pass on to their eligible employees.

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## Installation of emergency alert system

**Policy Bureau : Commerce and Economic Development Bureau**

**Implementation : Office of the Communications Authority**

### Objective

It is our objective to enable the Government to send time-critical public announcements and messages to alert the general public during emergency situations. We propose to cover the costs of installing and operating a new emergency alert system (EAS) for the Government to send instant messages to all mobile telephone users.

### Brief description

2. At present, if there are urgent and important messages that the Government would need to widely disseminate to all members of the public during an emergency, the Government will need to seek the assistance of local mobile network operators (MNOs) to use their short message services (SMSs), pursuant to an agreement reached with them in 2008. In the last 12 months, the Government used this mode of message dissemination 12 times.

3. However, the arrangement of sending SMSs has a number of limitations. Given the capacity constraint and the large number of subscribers in Hong Kong, the messages would take four hours or more to reach all mobile telephone subscribers. Pre-paid SIM card users and visitors using roaming services would not be able to receive such messages. We propose to adopt the technology of cell broadcast which is a faster and much flexible mode of message dissemination. It enables messages to be sent to all mobile telephone users in a defined area at the same time<sup>Note</sup>. As such, time-critical government announcements and messages (e.g. health/safety alerts, extreme weather conditions) can reach target recipients in a much faster manner with also greater flexibility for geographical differentiation. The proposal will benefit all 24 million mobile telephone users in Hong Kong.

/Financial .....

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<sup>Note</sup> The latest generation of Cell Broadcast Systems can reach millions of mobile subscribers in less than 10 seconds.

Financial implications

4. We estimate that the cost of **\$150 million** to set up the EAS would cover the cost of equipment, installation and operation. The EAS will need to interface with the telecommunications networks of the MNOs and we will need to discuss and agree with the MNOs on implementation details and the mode of operation.

Urgency

5. The Government needs to alert the public of any urgent development and measures arising from the novel coronavirus epidemic. We should have the EAS in place as soon as possible

Implementation

6. The dissemination of messages by the EAS will be operated by local MNOs in cooperation with the Government. It is anticipated that the system can be set up and the proposal be implemented in about four months assuming full cooperation of the MNOs. The Office of the Communications Authority is discussing with them on the quickest way to implement the proposal.

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## Home Quarantine Support

**Policy Bureau : Innovation and Technology Bureau**  
**Implementation : Office of the Government Chief Information Officer/Innovation and Technology Commission (Logistics and Supply Chain MultiTech Research and Technology Centre)**

### Objective

In anticipation of the continuous increase in the number of people to be put under quarantine, it is our objective to make available more monitoring devices.

### Brief description

2. The Office of the Government Chief Information Officer (OGCIO) and Innovation and Technology Commission (Logistics and Supply Chain MultiTech Research and Technology Centre (LSCM)) have been providing technology support for the Government's home quarantine measures, particularly the 14-day compulsory home quarantine for people entering Hong Kong from the Mainland. So far, the use of WhatsApp/WeChat location sharing, supplemented by video calls and surprise home visits, has been effective. However, with the continuous increase in the number of Hong Kong residents returning from the Mainland, we need to make available more electronic wristbands to support the measure. This involves procurement of custom-made wristbands and the pairing smart phones, enhancement of the backend system as well as additional manpower to deal with the related monitoring work.

### Financial implications

3. It is estimated that the proposal will require a total non-recurrent expenditure of **\$50 million** in the 2020-21 financial year, with breakdown as follows –

/(a) .....

	<b>2020-21</b> <b>(\$'000)</b>
(a) Home quarantine monitoring devices - Smart phones (10 000 units) - Wristbands (20 000 units)	40,000
(b) System implementation service	5,000
(c) Manpower (for system operation support)	5,000
<b>Total:</b>	<b>50,000</b>

### Urgency

4. The home quarantine measures for people arriving from the Mainland (mostly Hong Kong residents) have been in place since 8 February 2020, and the number of people under home quarantine has been increasing continuously. Making available more wristbands and pairing smart phones to support the measure is thus a matter of emergency.

### Implementation

5. This measure will be implemented immediately. OGCIO and LSCM are working on the technical aspects of wristbands from prospective suppliers with a view to facilitating early supply of adequate units.

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**Ex-gratia payment to households of  
the two public housing estates designated as quarantine centres**

**Policy Bureau : Transport and Housing Bureau**

**Implementation : Housing Authority**

Objective

It is our objective to grant ex-gratia payment to eligible Public Rental Housing (PRH) applicants who have accepted advance allocation of flats in Fai Ming Estate (暉明邨) in North District and Chun Yeung Estate (駿洋邨) in Sha Tin, so as to help them tide over problems and inconvenience, if any, caused by a deferred intake, arising from the serious damage of Fai Ming Estate by protestors upon the Government's announcement of reserving the estate as quarantine centre (QC) and the use of Chun Yeung Estate as a QC.

Brief description

2. The intake date for prospective tenants of Fai Ming Estate in North District originally planned for around the first quarter of 2020 has to be deferred due to the serious damage of the Estate by protestors upon the Government's announcement of reserving the Estate as a QC. It is expected that the repair works and subsequent statutory inspection may take approximately six to eight months to complete. About 700 eligible PRH applicants who have accepted advance allocation of Fai Ming Estate will be affected.

3. Similarly, the intake date for prospective tenants of Chun Yeung Estate in Shatin originally scheduled for the first quarter of 2020 has to be deferred due to the Government's use of the estate as a QC. It is unclear at this stage when Chun Yeung Estate would cease to be used as a QC. Subsequent disinfection work and reinstatement work would also have to be undertaken and this will take time. About 4 000 eligible PRH applicants who have accepted advance allocation of Chun Yeung Estate will be affected.

4. Since the deferral may create problems and inconvenience to the prospective tenants concerned, we propose to grant an ex-gratia allowance of **\$6,000** to each prospective tenant (household basis regardless of size of household) of the two estates, who has accepted advance allocation of domestic units, so as to help them tide over problems and inconvenience caused by a deferred intake.

/Financial .....

Financial implications

5. The estimated expenditure is about **\$30 million** for these 4 700 prospective tenants of the domestic units in the financial years of 2019-20 to 2020-21, including \$4.2 million for Fai Ming Estate and \$24 million for Chun Yeung Estate.

Urgency

6. As the deferral in intake into the two estates might have disrupted the plans of the prospective tenants and/or caused some inconvenience with financial implications, it is considered necessary to make available the proposed ex-gratia payment to them as soon as possible to offer them some relief.

Implementation

7. We aim to effect the payment by batches with the first batch to be made around one month after the setting up of the Fund.

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## Retail Sector Subsidy Scheme

**Policy Bureau : Chief Secretary for Administration's Office**

**Implementation : Hong Kong Trade Development Council**

### Objective

It is our objective to provide relief to retailers to tide over their financial difficulties owing to the sharp decline in retail sales arising from a significant drop in the number of inbound tourists and weak local consumption.

### Brief description

2. Social incidents and the recent threat of the epidemic have severely affected local consumption and tourism-related activities in Hong Kong. As a result, retail sales declined sharply in December 2019, with total retail sales dropped by 21% by volume over the previous year. For the fourth quarter of 2019, the volume of retail sales fell by 24% year-on-year, representing the largest quarterly decline on record. The outbreak of the novel coronavirus also caused a significant drop in the number of visitors to Hong Kong. There were 3.2 million visitor arrivals in January 2020, representing a daily average of 100 000, a 53% drop from 200 000 in the first half of 2019. Preliminary data in February suggests that arrivals have continued to decline, with average daily arrivals falling to below 3 000. The business environment for the retail trade has become increasingly difficult. Some retailers have already decided to close down or temporarily suspend the operation of some of their outlets.

3. To help the retail sector tide over this difficult period, we propose that a one-off subsidy be provided to each eligible retailer. Our plan is to target businesses which sell goods at a physical location mainly to the general public for personal/household consumption. It is estimated that around 70 000 retailers would benefit from the proposed subsidy scheme<sup>Note</sup>. As the retail business is by nature extremely diverse, the Government is actively engaging industry stakeholders and seeking their urgent inputs in drawing up the coverage of the scheme, detailed eligibility criteria and level(s) of the subsidy. We will engage the Hong Kong Trade Development Council as the implementation agent of the scheme.

/Financial .....

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<sup>Note</sup> According to Census and Statistics Department's Quarterly Report of Employment and Vacancies Statistics, there were 63 184 retail establishments as at September 2019.

Financial implications

4. For budgetary planning purpose, we will set aside **\$5,600 million** for the subsidy scheme.

Urgency

5. Many retail businesses are struggling to survive. The early provision of the subsidy will tide them over the difficulties arising from the current social and economic challenges, and enable them to sustain their operation and preserve employment. As at September 2019, there were about 267 000 persons engaged in the local retail establishments.

Implementation

6. We are in discussion with the relevant stakeholders to come up with a workable and equitable definition of retailers eligible for the subsidy. Subject to the satisfactory outcome of such deliberations, we aim at starting to invite applications from eligible retailers within two months upon the setting up of the Fund.

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## Food Licence Holders Subsidy Scheme

**Policy Bureau : Food and Health Bureau**

**Implementation : Food and Environmental Hygiene Department**

### Objective

It is our objective to provide immediate financial relief to the food business sector, the business of which is seriously affected by the novel coronavirus epidemic.

### Brief description

2. Over the years, the food business sector has made a significant contribution towards the economic development of Hong Kong. In 2018, the sector generated value added of around HK\$60,000 million, representing about 2.2% of Hong Kong's GDP in the year. In September 2019, the number of persons engaged in the sector was around 239 000, accounting for about 8.4% of the total number of persons engaged in Hong Kong. With no exception, the sector has been seriously affected by the novel coronavirus epidemic and facing a difficult business environment.

3. To help the sector combat the effect of the novel coronavirus epidemic, we propose to offer the following subsidies –

- (a) a subsidy of \$200,000 to each eligible holder of any of the following premises-based licences in operation –
  - (i) general restaurant licence;
  - (ii) marine restaurant licence;
  - (iii) factory canteen licence; and
- (b) a subsidy of \$80,000 to each eligible holder of any of the following premises-based licences in operation –
  - (i) light refreshment restaurant licence;

/(ii) .....

- (ii) food factory licence;
- (iii) bakery licence;
- (iv) fresh provision shop licence; and
- (v) siu mei and lo mei shop licence.

We estimate that the above measures will benefit about 28 000 licensees.

#### Financial implications

4. The total amount of subsidy involved is approximately **\$3,730 million**.

#### Urgency

5. There is urgency to provide relief, as there is a significant drop in business and rise in underemployment in the sector generally. Without immediate support, a lot of operators would be driven out of business and their staff would be laid off, thus jerking up the unemployment rate.

#### Implementation

6. Upon setting up of the Fund, the Food and Environmental Hygiene Department will invite applications from eligible licensees within one week, with the target of disbursing subsidies to the applicants within about two weeks from receiving their respective applications.

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## Subsidy for the Transport Sector

**Policy Bureau : Transport and Housing Bureau**

**Implementation : Transport Department and Marine Department**

### Objective

To curb the novel coronavirus epidemic, the daily operation of local and cross-boundary transport has been seriously affected or even put to a halt. For example, the patronage of franchised bus service has dropped by around 40% during the two weeks between 29 January and 11 February 2020, as compared with that before the Chinese New Year. It is our objective to provide financial support to the various transport trades.

### Brief description

2. The Financial Secretary announced on 22 October 2019 the introduction of a six-month fuel subsidy or a one-off subsidy to the transport trades to help them cope with the operating pressure in the prevailing economic environment. We now propose expanding the original proposal<sup>1</sup> with a view to providing comprehensive and continuous financial support to the various transport trades as follows –

- (a) *Taxis and public light buses (“PLBs”)* – Offer a \$1.0 discount per litre of liquefied petroleum gas (“LPG”) (i.e. approximately a one-third discount) for 12 months for LPG taxis and PLBs, and reimburse one-third of the actual fuel cost for 12 months for petrol taxis and diesel PLBs;
- (b) *Franchised buses, local ferries and tramways* – Reimburse one-third of the actual fuel/electricity cost for 12 months for the five franchised bus companies, 22 franchised and licensed ferry services and Hong Kong Tramways Limited;
- (c) *Non-franchised buses (“NFBs”)*<sup>2</sup> – Provide a one-off non-accountable subsidy of \$20,000 for each licensed NFB;

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<sup>1</sup> As contained in the Legislative Council Panel on Transport Paper on “Fuel Subsidy and One-off Subsidy to the Transport and Logistics Trades” on 17 January 2020 (LC Paper No. CB(4)245/19-20(03)).

<sup>2</sup> These refer to public buses operating under Passenger Services Licence, as differentiated from those operating under franchise.

- (d) *School private light buses, hire cars, goods vehicles and local commercial vessels* – Provide a one-off non-accountable subsidy of \$10,000 for each goods vehicle<sup>3</sup>, school private light bus, hire car<sup>4</sup> and local commercial mechanised vessel<sup>5</sup>, and provide a one-off survey fee subsidy for local commercial vessels<sup>6</sup>; and
- (e) *Cross-boundary ferries* – Provide a one-off non-accountable subsidy of \$1 million for each cross-boundary vessel.

(a) *Taxis and PLBs*

3. There are currently 18 163 taxis in Hong Kong. All except three are fuelled mainly by LPG. For PLBs, there are currently 3 541 LPG PLBs and 809 diesel PLBs in the territory. Most taxi and red minibus drivers are rentee-drivers and have to fill up their vehicles at LPG filling stations at their own expense. With a view to directly alleviating the financial pressure of frontline drivers in the simplest and most convenient way, we propose the oil companies provide a subsidy of \$1.0 per litre of LPG (i.e. approximately a one-third discount)<sup>7</sup> directly to drivers at the LPG stations for a period of 12 months. The Government will reimburse the oil companies for the actual amount of subsidy provided.

4. Regarding petrol taxis and diesel PLBs, given that the numbers of drivers and operators concerned are relatively small, and that petrol and diesel are much more transferable than LPG, we propose these drivers/operators claim reimbursement from the Government of one-third of their fuel costs for a period of 12 months upon presentation of refilling receipts or monthly statements of the “company fuel cards”.

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<sup>3</sup> “Goods vehicles” cover light goods vehicles (including van-type light goods vehicle), medium and heavy goods vehicles.

<sup>4</sup> “Hire cars” refer to cars issued with hire car permits.

<sup>5</sup> “Mechanised vessels” refer to vessels installed with propulsion engine as indicated on the operating licence.

<sup>6</sup> “Local commercial vessels” include Class I, Class II and Class III vessels as well as Class IV vessels let for hire or reward, excluding vessels for providing the 22 franchised and licensed ferry services.

<sup>7</sup> At present, seven oil companies operate a total of 12 dedicated LPG filling stations and 56 non-dedicated LPG filling stations in Hong Kong. The LPG prices vary at different filling stations and may also change with the international LPG price movements. In January 2020, the average LPG price at dedicated LPG filling stations is about \$3.24 per litre. The proposed \$1.0 per litre government subsidy will help the trade save about one-third of fuel cost.



5. The Transport Department (“TD”) is in active discussion with oil companies and will implement the scheme soonest possible. We expect that 59 000 taxi drivers, 2 000 red minibus drivers and 161 green minibus operators will benefit from the above measures.

*(b) Franchised Buses, Local Ferries and Tramways*

6. For franchised bus companies, operators of franchised and licensed ferry services and Hong Kong Tramways Limited, the Government proposes reimbursing one-third of the actual fuel/electricity cost<sup>8</sup> incurred by these operators during the 12-month period between 1 July 2019 and 30 June 2020. The operators should submit the relevant bills on the fuel/electricity expenses to the TD for verification before the subsidy can be disbursed.

*(c) NFBs*

7. There are a total of around 7 400 NFBs. They cover a wide range of services, including residents’ services, student services, employees’ services, tour services, hotel services, contract hire services as well as cross-boundary coach (CBC)<sup>9</sup> services. Their business has been seriously affected. In particular, the operation of CBCs has basically been put to a halt following the suspension of immigration clearance service for passengers at three land crossings between Hong Kong and the Mainland (i.e. border control points (BCPs) at Man Kam To, Sha Tau Kok and Lok Ma Chau) as well as the implementation of the 14-day compulsory quarantine requirement at Shenzhen Bay Port and the HZMB Hong Kong Port. Operators are reducing the staff cost through no-pay leave or even lay-off, but they still need to bear other operating expenses such as vehicle insurance fee, vehicle mortgage, parking fees and other administration overheads.

8. To cope with the challenges owing to the prevailing environment, we propose adopting the most direct and simple approach by providing a one-off non-accountable subsidy of \$20,000 to the registered owners of every licensed NFB.

*/(d) .....*

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<sup>8</sup> Limited to the electricity cost for operating tram cars.

<sup>9</sup> CBCs include long-haul and short-haul CBCs, cross-boundary shuttle buses operating at Lok Ma Chau Boundary Control Point (“BCP”) (i.e. the Yellow Bus), as well as cross-boundary shuttle buses at Hong Kong-Zhuhai-Macao Bridge (“HZMB”) Hong Kong Port (i.e. the Gold Bus).

*(d) School Private Light Buses, Hire Cars, Goods Vehicles and Local Commercial Vessels*

9. The business of school private light buses is greatly affected by the significant drop of school and extra-curricular activities for students. Domestic hire cars mostly provide services for business purposes, tour, airport limousine and hotel private limousine services; cross-boundary hire cars serve cross-boundary passengers. The business of both domestic and cross-boundary hire cars has been adversely affected since the outbreak of the novel coronavirus epidemic and the compulsory quarantine requirement at BCPs, both of which result in drastically reduced numbers of cross-boundary and foreign visitors.

10. Owners of goods vehicles and local commercial vessels have also been affected by the external economic environment including both the on-going China-US trade war and the outbreak of the novel coronavirus epidemic. Of note also is the vast number of vehicles and vessels concerned (a total of some 2 200 school private light buses, 1 300 hire cars, 120 000 goods vehicles and 7 900 local commercial mechanised vessels). We therefore propose adopting the most direct and simple approach by providing a one-off non-accountable subsidy of \$10,000 to the owners of every school private light bus, hire car, goods vehicle and local commercial mechanised vessel to assist the trades to cope with the challenges owing to the prevailing environment.

11. For all local commercial vessels, including Class I, II and III vessels as well as Class IV vessels letting for hire or reward, we propose granting them a one-off survey fee subsidy. An eligible vessel, whether surveyed by the Marine Department (“MD”) or an authorised surveyor, may be granted a subsidy of which the amount will be determined by the MD in accordance with the essential survey fee under the Merchant Shipping (Local Vessels) (Fees) Regulation (Cap. 548J).

*(e) Cross-boundary Ferry Services*

12. Cross-boundary ferry services at China Ferry Terminal and Tuen Mun Ferry Terminal have been suspended since 30 January 2020, while that at Hong Kong-Macau Ferry Terminal has been suspended since 4 February 2020. This formed part of the Government’s efforts in consolidating cross-boundary passenger flow with a view to containing the spread of the coronavirus. The cross-boundary sea transport has completely come to a halt. While cross-boundary ferry operators have suspended their businesses, they have to continue to maintain their dockyards and back-office support, pay berthing fee for some of their vessels to berth at other locations not owned by them, as well as shoulder staff cost even though their business are stopped during the suspension period. We therefore propose a one-off non-accountable subsidy of \$1 million per vessel to support the trade.

Financial implications

13. The total amount of expenditure involved is approximately **\$3,230 million**.

Urgency

14. The ready availability of funding will help the operators tide over; otherwise, large-scale retrenchment of drivers and supporting staff will take place.

Implementation

15. The proposal will be implemented as soon as possible after the Fund is set up.

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## Convention and Exhibition Industry Subsidy Scheme

**Policy Bureau : Commerce and Economic Development Bureau**  
**Implementation : Hong Kong Trade Development Council, Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo**

### Objective

It is our objective to provide subsidy to the convention and exhibition (C&E) industry to reinvigorate Hong Kong's reputation as an international premier C&E hub.

### Brief description

2. The C&E industry has almost come to a complete halt with the outbreak of the novel coronavirus, as visitors have cut down significantly on their travelling, including trips to Hong Kong. Starting from February 2020, almost all C&E events have been cancelled or postponed. The industry has already been hard hit by the negative impact of the social unrest in Hong Kong, with many events cancelled, postponed, downscaled or relocated elsewhere. The epidemic has dealt a further and much severe blow to the C&E industry. In addition to the business of the C&E industry itself (including event organisers and venue managers), other related sectors such as accommodation, catering, retail, entertainment, transportation, etc. are also seriously affected.

3. With C&E events postponing/canceling, local small and medium enterprises (SMEs) have also lost the opportunities to connect with international buyers and obtain orders. In order to reinvigorate Hong Kong's reputation as an international premier C&E and sourcing hub, it is necessary for us to give an early commitment to the industry that we would much welcome the resumption of C&E events in Hong Kong as soon as the outbreak of the epidemic has come to an end. We therefore suggest providing subsidy to (a) participants, local and overseas, of exhibitions and conventions organised by the Hong Kong Trade Development Council (HKTDC) and (b) all other organisers of exhibitions and international conventions at the Hong Kong Convention and Exhibition Centre (HKCEC) and AsiaWorld-Expo (AWE) in order to retain/attract C&E events in/to Hong Kong. Details are set out in the ensuing paragraphs.

*/HKTDC .....*

## *HKTDC*

4. We introduced in January 2020 a scheme to subsidise local SMEs to participate in HKTDC's exhibitions held between 1 February and 31 July 2020, i.e. local participants will be subsidised 50% of their participation fee per participation in HKTDC's exhibitions during the period, subject to a cap of \$10,000. However, following the outbreak of the novel coronavirus, HKTDC has already decided to postpone its exhibitions between February and April 2020.

5. In order to reinvigorate Hong Kong's reputation as an international premier C&E hub and sourcing, we propose that the scheme should be expanded to all participants of HKTDC's exhibition and major conventions (i.e. over 400 participants), and that the scheme should be extended to 12 months, counting from the time when HKTDC is holding events again. We estimate that this would cost **\$400 million**.

## *Other organisers*

6. As to exhibitions and major conventions hosted by private organisers, in order to streamline administrative procedures, instead of subsidising individual exhibitors and participants, we propose that the Government subsidises all organisers of exhibitions and international conventions/conferences (i.e. conventions/conferences with over 400 participants and at least 50% of which are non-local participants) at HKCEC and AWE 100% of the venue rental for one year. The start day of this one-year period will synchronise with that of HKTDC's scheme. We estimate that this would cost about \$620 million. The two venue operators must pass on the rental subsidy to all organisers involved, and we would urge the organisers to share the subsidy with their event participants.

## Financial implications

7. Total amount of resources required under this proposal is estimated to be \$1,020 million.

## Urgency

8. In view of the lead time required for organising C&E events, particularly for exhibitions, events once cancelled or moved elsewhere may not return to Hong Kong. It is of paramount importance that we make a commitment now so as to send a clear message to the industry that we welcome the resumption

of C&E events in Hong Kong once the epidemic has come to an end. This will help secure confidence of event organisers in Hong Kong as well as allow preparation time for event organisers, exhibitors, buyers and other participants to return to Hong Kong on our C&E events.

Implementation

9. Following the setting up of the Fund, the Government, HKTDC, HKCEC and AWE will be able to immediately promote the Scheme to potential organisers and exhibitors. The Scheme will be implemented for one-year, counting from the time when it is opportune for holding major exhibitions and conventions again.

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**Special Allowance for Eligible Working Family Allowance  
and Student Financial Assistance Households**

**Policy Bureau : Labour and Welfare Bureau**

**Implementation : Working Family and Student Financial Assistance Agency**

Objective

It is our objective to help targeted low-income households under the Working Family Allowance (WFA) and means-tested Student Financial Assistance (SFA) to weather the deteriorating economic and employment conditions as a result of the epidemic.

Brief description

2. The Chief Executive announced on 14 January 2020 that a time-limited special cash allowance would be provided to the unemployed/under-employed who have received WFA or SFA. Having considered the adverse impact of the novel coronavirus epidemic on the economy and the need for expeditious assistance for these low-income families, we propose a one-off special allowance to each beneficiary household under WFA and means-tested SFA for pre-primary, primary and secondary students<sup>1</sup>.

3. It is estimated that about 58 000 WFA households and 145 000 SFA households would benefit from this one-off special cash allowance. For a WFA household, the lump sum allowance it will get would be equivalent to an additional two-month allowance, based on the highest monthly amount<sup>2</sup> they received in its most recently submitted and approved WFA application during the period from 1 April 2019 to the date on which this funding proposal is approved by the Finance Committee of the Legislative Council. For an SFA household, it will receive two times the overall average monthly amount received by WFA households from 1 April to 30 September 2019 (i.e. a lump sum allowance of \$4,640 (\$2,320 X 2) per eligible SFA household).

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<sup>1</sup> The means-tested SFA schemes for pre-primary, primary and secondary students include (i) Grant for School-related Expenses for Kindergarten Students; (ii) Kindergarten and Child Care Centre Fee Remission Scheme; (iii) School Textbook Assistance Scheme; (iv) Student Travel Subsidy Scheme; (v) Subsidy Scheme for Internet Access Charges; (vi) Financial Assistance Scheme for Designated Evening Adult Education Courses; and (vii) financial assistance for Diploma Yi Jin students.

<sup>2</sup> The actual payment of the special allowance will vary among individual WFA households having regard to their actual household compositions and conditions. For example, a four-person household with two children may be entitled to a maximum of \$6,400 special allowance (i.e. two times of the maximum WFA payment at \$3,200 per month). As for singleton households, the maximum special allowance would be \$2,400 (i.e. two times of the maximum WFA payment at \$1,200 per month).

4. Unlike the extra payments (EP) to WFA households implemented in the past, the proposed one-off special allowance has a much wider coverage. It is a unique and special arrangement, which includes not only some 58 000 WFA beneficiary households but also another 145 000 households who had received means-tested SFA for pre-primary, primary and secondary students. The amount of special allowance is also designed at a more generous level than EPs.

#### Financial implications

5. The total expenditure for the proposed special allowance is estimated to be **\$990 million**, inclusive of relevant administrative and staffing cost of the Working Family and Student Financial Assistance Agency (WFSFAA).

#### Urgency

6. Targeted WFA and SFA households are facing unemployment and/or a drastic drop of income as a result of the rapidly deteriorating economic and employment conditions amid the novel coronavirus epidemic. With the unemployment/under-employment rates expected to further increase, it is necessary to disburse the special allowance to these low-income households as soon as practicable.

#### Implementation

7. WFSFAA will start disbursing the special allowance within four months after the setting up of the Fund. Beneficiary households are not required to make applications.

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**Additional student study grant for 2019-20 school year**

**Policy Bureau : Education Bureau**  
**Implementation : Education Bureau**

Objective

It is our objective to assist parents to defray education-related expenses during the class suspension period.

Brief description

2. During the class suspension period, many parents have to make the usual education-related payments, in whole or in part, for their children. Some may have to pay for learning materials or e-learning devices to enable their children to continue learning. To assist parents to defray these expenses, we will provide an additional \$1,000 to each recipient of the Student Grant for the 2019-20 school year, i.e. the Student Grant amount of this year will be increased from \$2,500 to \$3,500.

Financial implications

4. The total additional expenditure is about **\$900 million**.

Urgency

5. Parents have paid out of pocket the additional education-related expenses already. Students' families, especially the low-income groups, are in need of the relief provided by the additional Student Grant.

Implementation

6. The additional \$1,000 grant will be given out together with the Student Grant of \$2,500 after setting up of the Fund. No extra applications by parents/students are necessary. The Education Bureau is already processing the Student Grant in accordance with its original schedule, and should be able to effect payment of the first batch within a week after the Fund is set up. The Education Bureau has extended the application form submission deadline to two weeks after the resumption of classes.

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**Rental waivers for tenants at  
the Science Park, industrial estates and Cyberport**

**Policy Bureau : Innovation and Technology Bureau**  
**Implementation : Hong Kong Science and Technology Parks Corporation  
and the Hong Kong Cyberport Management Company  
Limited**

Objective

It is our objective to provide relief to tenants and start-ups at the Hong Kong Science Park, industrial estates and Cyberport by providing them with a six-month rental waiver.

Brief description

2. The rental relief will cover all start-ups, incubatees, co-working space users, office tenants, partner companies, professional services companies and merchant outlets at the Hong Kong Science Park, InnoCentre, industrial estates and Cyberport. The relief will be capped at 10 000 square feet and is expected to benefit about 1 800 tenants<sup>Note</sup>. We will request the Hong Kong Science and Technology Parks Corporation (HKSTPC) and the Hong Kong Cyberport Management Company Limited (Cyberport) to submit reports on the number of tenants benefitting from the measure and rental involved.

Financial implications

3. The total rental involved under this measure is **\$380 million**.

Urgency

4. Affected by the earlier social situation in Hong Kong and external economic instability, the operating environment of technology companies, particularly start-ups, has become very difficult. The epidemic has worsened the situation as it has substantially reduced Hong Kong's interaction with overseas economies and the Mainland. We consider it necessary to be able to offer further rental support after the current rental concessions end in March 2020 in order to retain these companies in Hong Kong's technology ecosystem.

/Implementation .....

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<sup>Note</sup> As the measure seeks to alleviate the rental burden of the industries, it will not be applicable to such tenants as government departments and government subvented organisations.

Implementation

5. We propose that the relief measure should take effect from 1 April 2020. Both the HKSTPC and Cyberport would inform their tenants immediately upon the setting up of the Fund.

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**Subsidies for live marine fish wholesale traders and  
fishing vessels with Mainland deckhands**

**Policy Bureau : Food and Health Bureau**

**Implementation : Agriculture, Fisheries and Conservation Department**

Objective

It is our objective to provide immediate financial relief to live marine fish wholesale traders and fishing vessels with Mainland deckhands, the business or operation of whom have been seriously affected by the novel coronavirus epidemic.

Brief description

2. Live marine fish wholesale traders, which mainly supply live marine fish to restaurants, have been hard hit by the novel coronavirus epidemic.

3. Most of the fishing vessels and fish collectors currently rely on deckhands from Mainland China in their operation. Due to the epidemic, Mainland deckhands have been unable to report duty, and the vessels concerned have been unable to operate for a prolonged period of time.

4. To help the sector combat the effect of the novel coronavirus epidemic, we propose to offer the following subsidies –

- (a) a subsidy of \$200,000 to the operator of each live marine fish wholesale stall in the Fish Marketing Organization markets;
- (b) a subsidy to the owner of each fishing vessel and fish collector vessel with Mainland deckhands –
  - (i) \$200,000 for each vessel of 25 meters or above in length; and
  - (ii) \$80,000 for each vessel of less than 25 meters in length.

We estimate that the above measures will benefit about 1 800 traders and owners.

/Financial .....

Financial implications

5. The total amount of subsidy involved is approximately **\$270 million**.

Urgency

6. There is urgency to provide relief, so that the affected traders and owners could keep on running their business.

Implementation

7. The Agriculture, Fisheries and Conservation Department will invite applications from eligible traders and owners within one week after establishment of the Fund, with a target of disbursing subsidies to the applicants within about two weeks from their respective applications.

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## Support to child care centres

**Policy Bureau : Labour and Welfare Bureau**

**Implementation : Social Welfare Department**

### Objective

It is our objective to tide aided and non-aided child care centres (CCCs) over the financial difficulties arising from the prolonged suspension of service in light of the development of novel coronavirus infection.

### Brief description

2. A special grant to be given to CCCs, comprising \$21 million per month to 258 aided CCCs (covering some 5 000 children) and \$34 million per month to 299 non-aided CCCs (covering some 16 500 children), i.e., a total of \$55 million per month or \$220 million for the four-month period from February to May 2020. The amount of grant per CCC will be based on its size of enrolment (i.e. no. of children) before suspension of service and whether the service is full-day or half-day.

3. In view of the prolonged suspension of service of CCCs as part of the strategy to contain the epidemic since late January 2020, coupled with financial hardships that some parents may face under the current economic situation, there are concerns that a lot of parents may choose to withdraw their children from CCCs. With operating revenue from fees significantly reduced as a result, some CCCs may not be able to sustain their operation. To help CCCs tide over the financial difficulties, we propose giving CCCs a cash grant. The grant would be given to aided and non-aided CCCs, including CCCs attached to kindergartens.

### Financial implications

4. The proposal will require up to \$55 million per month as long as suspension of CCC service lasts, or \$220 million in total<sup>Note</sup>. For the purpose of this Fund, we propose allocation of **\$220 million** for this special grant to CCCs.

/Urgency .....

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<sup>Note</sup> The special grant will be made to CCCs throughout the epidemic period but no fewer than four months. For the purpose of estimating the financial implications, a four-month period is used.

Urgency

5. CCCs provide day care to the children aged from birth to under three in a safe, stimulating and learning environment, to enhance their growth and development. Their places are usually in high demand. Some operators of CCCs have expressed concern that because an increasing number of parents is refusing to pay service fees during service suspension, the CCCs may not be able to survive without quick assistance. The proposed special grant will provide financial relief to CCCs during the suspension period so as to help sustain their operation until resumption of normal service.

Implementation

6. Subject to the availability of enrolment figures from the Education Bureau vis-à-vis CCCs attached to kindergartens, SWD will endeavour to start disbursement of the first month's grant one month after the setting up of the Fund.

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## Arts and Culture Sector Subsidy Scheme

**Policy Bureau : Home Affairs Bureau**

**Implementation : Home Affairs Bureau and others**

### Objective

It is our objective to assist the arts and culture sector which has been seriously affected by the closure of venues and cancellation of performances necessitated by the strategy of social distancing in combatting the spread of the novel coronavirus epidemic.

### Brief description

2. The arts and culture sector has suffered severely due to the closure of arts, cultural and exhibition facilities of the Leisure and Cultural Services Department, West Kowloon Cultural District and the Hong Kong Academy of Performing Arts, etc. All shows and exhibitions during the period have to be cancelled. Furthermore, performance tours to Mainland and overseas have also been called off. In addition to loss in box office income and sponsorship in relation to the cancellation of performances/shows, the arts groups have also incurred preparation cost, e.g. staff cost, production cost, rehearsal, props, stage setting, etc. The livelihood of many in the arts and culture sector, including freelance artists as well as workers doing menial and other supportive tasks and who are not on monthly salary, has been seriously affected.

### Financial implications

3. We propose to allocate **\$150 million** from the relief fund to assist the arts and culture sector in this difficult period.

### Urgency

4. Most arts and cultural groups do not have handsome reserves. Unexpected cancellation of performances would deal a severe blow to their cash-flow. This could in turn affect their ability to pay their staff on time and prepare for production resumption when the epidemic has abated. Also pertinent to note is that, without performances and exhibitions, freelance artists and workers would have no income. Hence, there is a strong case for the expeditious provision of funds to the arts and culture sector.

/Implementation .....



Implementation

5. We shall work closely with the following organisations to ensure that arts and cultural groups affected by the closure of venues will be covered –

- (a) Hong Kong Arts Development Council;
- (b) Advisory Committee on Arts Development;
- (c) Hong Kong Arts Festival Society;
- (d) Cantonese Opera Development Fund;
- (e) The Chinese Artists Association of Hong Kong (i.e. Barwo); and
- (f) Non-government performing and exhibition venues.

6. In working out the details with these organisations, we shall ensure that staff especially freelance artists as well as workers doing menial and other supportive tasks are covered. We have started discussion with the various organisations. Upon setting up of the Fund, we plan to finalise the details with the relevant organisations and disburse funding to affected parties within Q2 of 2020.

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### **Licensed Guesthouses Subsidy Scheme**

**Policy Bureau : Commerce and Economic Development Bureau in collaboration with the Home Affairs Bureau**

**Implementation : Tourism Commission in collaboration with the Office of the Licensing Authority under the Home Affairs Department**

#### Objective

It is our objective to provide a direct subsidy to guesthouses licensed under the Hotel and Guesthouse Accommodation Ordinance (Cap 349) as a timely financial relief to support their operations, as the economy has been doubly hard hit by social incidents and the novel coronavirus outbreak.

#### Brief description

2. The novel coronavirus outbreak has triggered a drastic drop in the number of visitors to Hong Kong, and hard hit many businesses. Guesthouses are reportedly having a very low occupancy. Many guesthouses are cutting their costs, or ceased or are going to cease operation as a result of the downturn in business. There is a strong need for providing direct assistance to guesthouses to tide them over the austere environment.

#### Financial implications

3. It is suggested that a subsidy of up to \$80,000 be provided to some 1 800 licensed guesthouses. The total amount of subsidy involved is up to approximately **\$150 million**.

#### Urgency

4. As explained above, the guesthouse sector has been suffering from business downswing which has been made worse by the novel coronavirus outbreak. Without immediate and effective relief measures, more guesthouses would likely be forced out of business, hence shedding further jobs, leaving the rest struggling to survive.

/Implementation .....

Implementation

5. Subject to the confirmation of payment account by individual guesthouse, payments can start to be made in a month's time upon the setting up of the Fund.

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## Travel Agents Subsidy Scheme

**Policy Bureau : Commerce and Economic Development Bureau**  
**Implementation : Tourism Commission**

### Objective

It is our objective to provide a direct subsidy to travel agents as a timely financial relief to support their operations, as the tourism industry has been doubly hard hit by social incidents and the novel coronavirus outbreak and is suffering from plunges in both inbound and outbound traveller figures.

### Brief description

2. The travel industry bears the brunt of the negative impact arising from the stringent control over cross-boundary human traffic introduced in a bid to curb the spread of novel coronavirus. During the Chinese New Year holiday period in 2020, the visitor arrival has dropped by over 80% and exceeded 90% in early February year-on-year. As the trade has already been suffering from the impact of social event in the second half of 2019, this further blow may likely force the small travel agents out of business, and leave the rest struggling to survive. Moreover, helping measures introduced earlier like the Travel Agent Incentive Scheme and the Green Lifestyle Local Tour Incentive Scheme could hardly take the effect of helping the industry given the prevailing situation and the need to maintain social distancing. There is thus a strong case to provide direct subsidy to the trade in order to support enterprises.

### Financial implications

3. It is suggested that a subsidy of \$80,000 be provided to each of the 1 736 licensed travel agents as on the date of announcement of this initiative. Total amount of subsidy involved is approximately **\$140 million**.

### Urgency

4. As explained above, the tourism trade has been suffering from business downswing since the second half of 2019 arising from the social events, and the novel coronavirus infection dealt an even more severe blow to their business in 2020. Without immediate and effective relief measures, small travel agents would likely be forced out of business, leaving the rest struggling to survive.

/Implementation .....

Implementation

5. Subject to the confirmation of payment account by individual travel agent, payments can start to be made in a month's time upon the setting up of the Fund.

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## Support to training bodies

**Policy Bureau : Labour and Welfare Bureau**  
**Implementation : Employees Retraining Board**

### Objective

It is our objective to provide subsidy to appointed training bodies of the Employees Retraining Board as a financial relief in view of the prolonged suspension of retraining courses caused by the novel coronavirus epidemic.

### Brief description

2. A special grant to ERB's appointed training bodies is recommended to alleviate their imminent financial burden of mainly overhead expenses on rental and staff costs during the current suspension period. The special grant, set at 30% of the funding allocated to individual training bodies for organising retraining courses, will be disbursed to individual training bodies monthly through ERB throughout the epidemic period but no fewer than four months from February to May 2020. All appointed training bodies of ERB will be benefited.

3. ERB provides funding to its some 80 training bodies for the provision of retraining courses and support services at around 400 training centres across the territory. In response to the latest situation of the novel coronavirus infection, the ERB has announced suspension of its retraining courses since late January 2020 until 15 March 2020, and may further extend depending on the developments. Suspension of ERB's training courses incur financial difficulties to the training bodies. According to ERB, training bodies' overhead expenses on rental and staff costs constitute around 30% of their total operating costs. On this basis, the average monthly overhead expenses by all training bodies amounted to around \$21 million.

### Financial implications

4. The proposal will require a total of **about \$90 million** for the four-month period from February to May 2020.

/Urgency .....

Urgency

5. Training bodies are key partners of ERB for the provision of retraining courses and relevant services. Under normal circumstances, ERB's disbursement of training fees hinges on the training places allocated to training bodies and the actual number of trainees who attended the courses concerned. Without any income in the form of ERB's training fees due to suspension of retraining courses, training bodies may need to consider dismissing some staff or even shutting down their training centres. The proposed special grant will alleviate training bodies' imminent financial burden during the suspension period, so that they could maintain minimal operation of their training centres and resume retraining courses as soon as possible when the suspension is over.

Implementation

6. The first batch of monthly special grant will be disbursed to individual training bodies through ERB one month after the setting up of the Fund.

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## Licensed Hawkers Subsidy Scheme

**Policy Bureau : Food and Health Bureau**

**Implementation : Food and Environmental Hygiene Department**

### Objective

It is our objective to provide immediate financial relief to the licensed hawkers, the business of whom is seriously affected by the novel coronavirus epidemic.

### Brief description

2. Over the years, the licensed hawkers have played a role in furthering self-reliance of grass-rooters. With no exception, such hawkers have been hard hit by the novel coronavirus epidemic.

3. To help the licensed hawkers combat the effect of the novel coronavirus epidemic, we propose to offer a subsidy of \$5,000 to each eligible licensee of a hawker licence, which remains valid before the respective application is approved. We estimate the above measures will benefit about 5 500 licensees.

### Financial implications

4. The total amount of subsidy involved is approximately **\$30 million**.

### Urgency

5. There is urgency to provide relief, so that the licensed hawkers could keep on running their business.

### Implementation

6. Upon setting up of the Fund, the Food and Environmental Hygiene Department will invite applications from eligible licensees within one week, with a target of disbursing subsidies to the applicants within about two weeks from their respective applications.

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