

財經事務及庫務局
(庫務科)



FINANCIAL SERVICES AND
THE TREASURY BUREAU
(The Treasury Branch)

香港添馬添美道 2 號
政府總部
24 樓

24/F, Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

電話號碼 Tel. No. : 2810 2283

傳真號碼 Fax No. : 2596 0729

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7 September 2020

Miss Flora TAI
Clerk to the House Committee
Legislative Council Secretariat
Legislative Council
1 Legislative Council Road
Central, Hong Kong

Dear Miss Tai,

Follow-up to special House Committee meeting on 28 August 2020
Motion proposed to be moved by Hon Jeremy Tam on Cash Payout Scheme

I refer to your letter to the Chief Secretary for Administration's Office dated 28 August 2020 enclosing, amongst others, a motion proposed to be moved by Hon Jeremy Tam in regard to the Cash Payout Scheme. Our reply is as follows.

To enhance our anti-epidemic capability and provide relief to affected sectors and individuals, the Government has launched two rounds of measures under the Anti-epidemic Fund (AEF) and measures in the 2020-21 Budget, committing over \$280 billion thus far (equivalent to about 10% of Hong Kong's GDP). Measures seeking to relieve the burden of individuals include the Cash Payout Scheme, rates concession, extra allowance to eligible social security recipients, etc.

Meanwhile, noting in particular the impact of the further social distancing measures on the businesses of a number of sectors, the Government has been listening to the views of the hard-hit sectors and working on the third round of relief measures under the AEF.

As a result of sizeable spending on relief measures and reduced revenue, it is estimated that the level of fiscal reserves will be brought down to below \$900 billion, equivalent to around 13 months' government spending. Given the current economic downturn and uncertainties surrounding COVID-19, it is crucial that we exercise fiscal prudence to preserve our financial capability in meeting known and unexpected needs. It is also important that we maintain a healthy level of fiscal reserves to maintain Hong Kong's monetary stability.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Raistlin Lau', written in a cursive style.

(Raistlin Lau)

for Secretary for Financial Services and the Treasury

c.c. Director of Administration (Attn: Assistant Director of Administration 3)