

**Legislative Council Panel on Commerce and Industry  
Subcommittee on Issues Relating to the Stimulation of  
Hong Kong's Economy**

**Follow-up to meeting on 29 January 2021**

**Item (b)(i) - Employment Support Scheme and Setting up of an  
Unemployment Assistance System**

Given the uncertainties surrounding COVID-19 and the economy, it is crucial that we exercise fiscal prudence to preserve our financial capability in meeting known and unexpected needs. As such, after careful consideration, the Government considers it more appropriate to put in place relief measures with a targeted approach vis-a-vis extending the subsidy period or implementing a new round of the Employment Support Scheme (ESS). The Government has no plan to extend the ESS or implement other wage subsidy schemes alike. Nonetheless, we will continue to closely monitor the impact of the epidemic on various industries and review as appropriate, so that we could preserve our capacity until the epidemic stabilises.

Since there are currently no systems such as pay-as-you-go income tax system, contributory social insurance system or central provident fund system in place, and the Government cannot obtain detailed tax information of all employees in Hong Kong, the implementation of a new unemployment assistance system will require serious and thorough deliberation as well as public discussion. Apart from considering the new system in tandem with the existing severance payment and long service payment systems, we have to look into and evaluate the impacts of such a systemic change on the conduct of employers and employees as well as the overall economy, and the ways to meet the resources required for the substantial work arising from system administration and abuse prevention.