

MANAGING THROUGH COVID-19

HONG KONG GOVERNMENT'S ECONOMIC RESPONSE

SUMMARY OF THE HONG KONG GOVERNMENT'S ECONOMIC RESPONSES TO COVID-19

The Hong Kong SAR Government has announced a range of measures to mitigate the economic impacts of COVID-19. The measures total HK\$311.5 billion, or about 10 to 11 per cent of gross domestic product, and were delivered in four rounds: A [first round](#) of HK\$30 billion of the Anti-epidemic Fund (14 February), HK\$120 billion in the [2020-21 Budget](#) (26 February), a [second round](#) of HK\$137.5 billion of the Anti-epidemic Fund (8 April), and a [third round](#) of HK\$24 billion of the Anti-epidemic Fund (15 September). Further details on the relief measures for business and individuals under the third round can be found [here](#).

Current as at 16 September 2020.

SUPPORT FOR BUSINESS

Retaining and creating jobs

- Introduce an Employment Support Scheme (ESS). The ESS offers all employers who have been making Mandatory Provident Fund contributions a 50 per cent wage subsidy, subject to a wage cap of HK\$18,000, for the period June to November 2020. The ESS will be disbursed to employers in two payments, with the first payment no later than June 2020.
- Invest HK\$6 billion to create around 30,000 time-limited jobs (up to 12 months) in the public and private sectors in the coming two years.

Supporting businesses with cashflow

- Enhance the [SME Financing Guarantee Scheme](#) (SFGS) in the second and third round of the Anti-epidemic Fund. This includes:
 - Raising the maximum loan amount per enterprise:
 - loans with an 80 per cent guarantee – maximum facility increased from HK\$15 million to HK\$18 million. The principal moratorium is extended to 31 March 2021, with the maximum durations of the principal moratorium extended from 12 months to 18 months. The Pre-approved Principal Payment Holiday Scheme was also extended to April 2021, while repayment for trade facilities under the Scheme was deferred for 90 days.

- loans with a 90 per cent guarantee – maximum facility increased from HK\$6 million to HK\$8 million. The principal moratorium is extended to 31 March 2021, with the maximum durations of the principal moratorium extended from 12 months to 18 months. The Pre-approved Principal Payment Holiday Scheme was also extended to April 2021, while repayment for trade facilities under the Scheme was deferred for 90 days.
 - loans with a 100 per cent guarantee – maximum loan amount: increase the ceiling from the total amount of employee wages and rents for six months, to that for 12 months, or HK\$5 million (originally HK\$4 million), whichever is lower. The maximum repayment period increases from three years to five years
 - Provide concessionary interest at a rate up to three per cent for one year for loans under the 80 per cent guarantee and the 90 per cent guarantee.
 - Extend the application period and eligibility for the 100 per cent loan guarantee to publicly-listed companies
- Automatically defer the payment profits tax due for payment in April, May and June 2020 by three months.
- Reduce profits tax for the year of assessment 2019-20 by 100 per cent, subject to a ceiling of HK\$20,000.

Reducing business costs

- Increase government rental concessions for eligible businesses / organisations operating in Government premises from 50 per cent to 75 per cent for the period April to March 2021. Businesses which have completely ceased operation will receive a full rental waiver until March 2021.
- Increase government rental or fee concessions from 50 per cent to 75 per cent for eligible short-term tenancies and waivers administrated by the Lands Department for the period April to March 2021.
- Offer a 75 per cent waiver of water and sewage charges payable by non-domestic accounts from December 2019 to March 2021, subject to a monthly cap of HK\$20,000 and HK\$12,500 respectively per account.
- Provide a subsidy to each eligible non-domestic household accounts for four extra months (from to cover 75 per cent of their monthly billed electricity charges, subject to a monthly cap of HK\$5,000 per account.
- Waive rates for non-domestic properties for four quarters of 2020-21, subject to a ceiling of HK\$5,000 for each quarter of 2020-21.
- Waive business registration fees for 2020-21.
- Waive registration fees for all annual returns (except for late delivery) charged by the Companies Registry for two years.

Encouraging human capital development and business technology adoption

- To encourage staff in different occupations to learn new skills and to help enterprises apply technology, the Government announced the following measures:
 - **LAWTECH Fund:** Assist some small and medium-sized law firms / barristers' chambers to procure / upgrade their information technology system and arrange relevant LAWTECH training for their staff to support the development of remote hearings.
 - **COVID-19 Online Dispute Resolution (ODR) Scheme:** Provide ODR services for disputes related to or arising from COVID-19.
 - **Deployment of 5G:** Subsidise 50 per cent of project costs for projects deploying 5G technologies, subject to a cap of HK\$500,000 for each project.

- **Distance Business Programme:** Implement a programme under the Innovation and Technology Bureau to support enterprises to continue business with technology adoption and related training.
- **Training subsidies for the construction sector:** Provide training subsidies to some 600 consulting firms through the Construction Industry Council. The subsidy for each company will be HK\$50,000.
- **Matching grants for skills upgrading:** Provide matching grants for training programmes for staff in the public and private sectors.
- Raise the ceiling of the on-the-job training allowance payable to employers under the [Employment Programme for the Elderly and Middle-aged](#), the [Youth Employment and Training Programme](#) as well as the [Work Orientation and Placement Scheme](#).
- [The Employees Retraining Board](#) will increase the maximum amount of monthly allowance of each eligible trainee from HK\$4,000 to HK\$5,800.
- Provide a grant, set at 30 per cent of the funding allocated to individual training bodies for organising retraining courses, which will be disbursed to individual training bodies monthly through the Employees Retraining Board throughout the pandemic period but no fewer than four months from February to May 2020.

SUPPORT FOR SPECIFIC SECTORS

Aviation sector

- A HK\$1 million one-off subsidy per large aircraft registered in Hong Kong and HK\$200,000 per small aircraft registered in Hong Kong in the second round of the Anti-epidemic Fund, and a further one-off non-accountable subsidy of HK\$500,000 per large aircraft and HK\$100,000 per small aircraft in the third round of the Anti-epidemic Fund.
- A one-off subsidy of up to HK\$3 million (with 100 employees or above) or \$1 million (with fewer than 100 employees) to each aviation support services and cargo facilities operator.
- A one-off non-accountable subsidy of up to HK\$1.5 million to aviation support services operators.
- A government waiver of HK\$670 million for Air Traffic Control Charges in 2019-20 for the Airport Authority (AA), which will be passed on in full to airlines.
- The AA will budget HK\$2 billion to provide further relief measures for the aviation sector.

Catering sector

- A one-off subsidy ranging from HK\$250,000 to HK\$2.2 million to general restaurants, light refreshment restaurants, marine restaurants and factory canteens based on the size of their premises in the second round of the Anti-epidemic Fund. The subsidy will be disbursed in two portions, and not less than 80 per cent of the subsidy has to be used to pay employees' salaries. A licensee is required to undertake that there will be no staff redundancy for three months after obtaining the subsidy, and it will not apply for subsidy under the Employment Support Scheme. Another one-off subsidy ranging from HK\$50,000 to HK\$250,000 to general restaurants, light refreshment restaurants, marine restaurants and factory canteens based on the size of their premises in the third round of the Anti-epidemic Fund.
- A one-off subsidy of HK\$200,000 to each eligible licensed general restaurant, marine restaurant and factory canteen.
- A one-off subsidy of HK\$80,000 to each eligible licensed light refreshment restaurant, food factory, bakery, fresh provision shop, and siu mei and lo mei shop.

- Each eligible catering outlet directed by the Government to close the whole of its licensed premises (including karaoke establishments, bars / pubs and nightclubs) is eligible for a further one-off subsidy of HK\$50,000 in the second round of the Anti-epidemic Fund and a further subsidy of HK\$25,000 in the third round of the Anti-epidemic Fund.
- A one-off subsidy of HK\$50,000 to tenants of cooked food / light refreshment stalls at public markets managed by the Food and Environmental Hygiene Department in the second round of the Anti-epidemic Fund, and a further one-off subsidy of HK\$25,000 in the third round of the Anti-epidemic Fund.
- A one-off subsidy of HK\$5,000 to each eligible licensee of a hawker licence.
- A one-off subsidy of HK\$25,000 to cooked food stall tenants holding a hawker licence and operating in a public housing development.
- Increase the non-recurrent commitment for short-term food assistance services projects by HK\$127 million.

Construction sector

- A HK\$7,500 subsidy to each eligible registered construction worker and a HK\$1,500 subsidy to each eligible registered construction worker for the purchase of personal protective / antiseptic equipment.
- A HK\$20,000 subsidy to each eligible contractor, specialist contractor and supplier, and company member of major construction-related trade associations.
- A HK\$50,000 subsidy to each eligible contractor, subcontractor and consultant to strengthen their hygienic control measures including procuring additional antiseptic equipment.
- A HK\$10,000 subsidy to each eligible Registered Minor Works Contractor, Registered Electrical Contractor, Registered Gas Contractor, Registered Lift / Escalator, Contractor, Registered Contractor under Builders' Lifts and Tower Working Platforms (Safety) Ordinance, Registered Fire Service Installation Contractor and each eligible supplier of construction-related machineries and equipment rental.
- The [Construction Industry Council](#) (CIC) will provide around 6,000 eligible small and medium-sized contractors and registered subcontractors with a financial subsidy, capped at HK\$20,000 each. The CIC will also provide training allowances to those underemployed in-service workers attending its training courses to upgrade their skills.

Cultural and creative sector

- **Cinemas Subsidy Scheme:** A subsidy of HK\$100,000 per screen to each cinema licensed as a place of public entertainment in commercial operation in March 2020 in the second round of the Anti-epidemic Fund. The maximum subsidy for a cinema circuit in the second round is HK\$3 million.
- Provide a further one-off subsidy of HK\$50,000 per screen to each existing cinema licensed as a place of public entertainment with commercial operation in July 2020 in the third round of the Anti-epidemic Fund. The maximum subsidy for a cinema circuit in the third round is HK\$1.5 million.
- **PMQ and its tenants:** A subsidy of HK\$25 million for upkeeping PMQ's operation and waiver of its tenants' rental.
- **Local printing and publishing sector:** Meet all the participation fees of eligible participants in the next Hong Kong Book Fair. The maximum amount of subsidy for each participant is HK\$100,000.
- Allocate HK\$150 million to support the arts and culture sector.
- Provide a one-off subsidy of HK\$5,000 for each eligible individual arts practitioner/freelancer.
- Provide a subsidy of HK\$100,000 to each eligible company in the performing industry which organised pop concerts in two of the years between 2017 and 2019 in designated venues.
- Provide a 75 per cent rent concession for six months for tenants of Arts Spaces and Jockey Club Creative Arts Centre.

Education sector

- Grant interest-free deferral of loan repayment for two years to self-financing post-secondary institutions and non-profit-making international schools.
- A HK\$40,000 one-off relief grant to private schools offering non-formal curriculum registered under the Education Ordinance, i.e. tutorial schools.
- A one-off relief grant to services providers and suppliers for schools and post-secondary education institutions, this includes:
 - HK\$80,000 to tucks ships, canteens and restaurants.
 - HK\$10,000 to lunchbox providers.
 - HK\$10,000 to school bus drivers, school private light bus drivers and escorts in the second round of the Anti-epidemic Fund, and a further grant of HK\$6,700 in the third round of the Anti-epidemic Fund.
 - HK\$7,500 to instructors, coaches, trainers and operators of interests classes engaged by schools in the second round of the Anti-epidemic Fund, and a further grant of HK\$5,000 in the third round of the Anti-epidemic Fund.
- A grant of HK\$40,000 to each eligible provider of catering services for schools and post-secondary education institutions.
- A grant of HK\$5,000 per school (primary and secondary), a lunchbox provider is serving.
- A grant of HK\$5,000 for each interest class instructor.
- A grant for kindergartens and private primary and secondary day schools at a rate ranging from HK\$30,000 to HK\$80,000 depending on size and type.
- A grant of HK\$20,000 to each private school offering nonformal curriculum.

Fishing sector

- A HK\$200,000 subsidy to the operator of each live marine fish wholesale stall in the Fish Marketing Organisation markets.
- A HK\$200,000 subsidy to the owner of each fishing vessel and fish collector vessel with Mainland deckhands of 25 metres or above in length.
- A HK\$80,000 subsidy to the owner of each fishing vessel and fish collector vessel with Mainland deckhands of less than 25 metres in length.

Innovation and technology sector

- A six-month rental waiver for 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.

Passenger transport sector

- A HK\$6,000 monthly subsidy for a period of six months to each eligible active taxi and red minibus (RMB) driver.
- A HK\$7,500 subsidy for taxi and RMB drivers who cannot meet all the eligibility requirements of an active driver but can fulfill certain conditions.
- A HK\$30,000 subsidy to the registered owner of each taxi and RMB.
- A HK\$50,000 subsidy to the registered owner of each non-franchised bus in the second round of the Anti-epidemic Fund, and a further non-accountable subsidy of HK\$15,000 in the third round of the Anti-epidemic Fund.

- A HK\$40,000 subsidy for each school private light bus and hire car, in the second round of the Anti-epidemic Fund, and a further non-accountable subsidy of HK\$15,000 in the third round of the Anti-epidemic Fund.
- A HK\$10,000 subsidy for each goods vehicle and local commercial mechanised vessel.
- A survey fee subsidy for local commercial vessels.
- A HK\$1 million subsidy for each cross-boundary vessel in the first round of the Anti-epidemic Fund, and a further one-off non-accountable subsidy of HK\$500,000 in the third round of the Anti-epidemic Fund.
- Reimburse 100 per cent of the actual regular repair and maintenance costs and insurance premium for six months for the five franchised bus companies, nine franchised / licensed ferry operators and Hong Kong Tramways Limited.
- Offer a HK\$1.00 discount per litre of liquefied petroleum gas (LPG) for 12 months for LPG taxis and public light buses, and reimburse one-third of the actual fuel cost for 12 months for petrol taxis and diesel public light buses.
- 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.

Retail sector

- A HK\$80,000 one-off subsidy to each eligible retail store. The maximum subsidy is HK\$3 million for a parent company that operates retail groups or chain stores under the same business registration.

Tourism and hospitality sector

- A subsidy of HK\$80,000 to each licensed travel agent in the first round of the Anti-epidemic fund, a further cash subsidy ranging from HK\$20,000 to HK\$200,000 to each licensed travel agent in the second round of the Anti-epidemic fund, and a further cash subsidy for each licensed travel agent, directly proportional to the number of staff members employed, using a subsidy level (i.e. HK\$5,000) per travel agent staff member as the basis of calculation in the third round of the Anti-epidemic fund.
- Provide each travel agents' staff and active freelance tourist guides and tour escorts holding a valid pass a monthly subsidy of HK\$5,000 for six months.
- Provide a subsidy of HK\$15,000 for each travel agent's staff and freelance accredited practitioners whose main occupations are tourist guides or tour escorts.
- Provide each licensed hotel with cash subsidy of HK\$300,000 / HK\$400,000.
- Provide a subsidy of up to HK\$80,000 to each licensed guesthouse.
- Provide each coach driver who mainly provides transport services for tourists with a one-off subsidy of HK\$10,000 in the second round of the Anti-epidemic Fund, and a further subsidy of HK\$6,700 for each tour service coach driver in the third round of the Anti-epidemic Fund.
- Waive the monthly fixed rent and management fees of the operator of Kai Tak Cruise Terminal for six months.
- Offer fees and rent reduction for cruise lines and existing tenants of the Kai Tak Cruise Terminal from December 2019 to November 2020.
- Provide subsidy to cruise lines by offering refund of berth deposits for cancelled ship calls during the suspension of immigration service when they schedule a prospective ship call.
- Provide additional funding of over HK\$700 million for the Hong Kong Tourism Board to step up external promotion after the COVID-19 epidemic.

Other sectors

- A HK\$7,500 grant to each registered coach under National Sports Associations and Sports Organisations who has proven coaching record in the past year.
- A HK\$5,000 grant per eligible registered sports coaches.
- A HK\$8,000 grant to each private refuse collector.
- A HK\$10,000 grant to each local primary producer.
- A HK\$50,000 grant to each Category B and Category C exchange participants.
- A HK\$2,000 grant to each Securities and Futures Commission licensed individuals.
- A cash subsidy to licensed individuals of the estate agency sector. The amount is equal to the 24-month licence fee of the relevant licences.
- Provide a subsidy to businesses which have been ordered to close or put in place specified precautionary measures, this includes:
 - HK\$100,000 to operators of amusement game centres in the second round of the Anti-epidemic Fund, and a further HK\$50,000 in the third round of the Anti-epidemic Fund.
 - HK\$100,000 to holders of a commercial bathhouse licence in the second round of the Anti-epidemic Fund, and a further HK\$50,000 in the third round of the Anti-epidemic Fund.
 - HK\$100,000 to operators of fitness centres in the second round of the Anti-epidemic Fund, and a further HK\$50,000 in the third round of the Anti-epidemic Fund.
 - HK\$100,000 to operators of place of amusement (billiard establishments, public bowling-alleys and public skating) in the second round of the Anti-epidemic Fund, and a further HK\$50,000 in the third round of the Anti-epidemic Fund.
 - HK\$100,000 to holders of a Place of Public Entertainment Licence (PPEL) (except cinemas) in the second round of the Anti-epidemic Fund, and a further HK\$50,000 in the third round of the Anti-epidemic Fund.
 - HK\$20,000 to holders of a temporary PPEL in the second round of the Anti-epidemic Fund, and a HK\$10,000 in the third round of the Anti-epidemic Fund.
 - HK\$100,000 to holders of a Mah-jong / Tin Kau licence in the second round of the Anti-epidemic Fund, and a further HK\$50,000 in the third round of the Anti-epidemic Fund.
 - HK\$100,000 to operators of club-houses with a Certificate of Compliance licence in the second round of the Anti-epidemic Fund, and a further HK\$50,000 in the third round of the Anti-epidemic Fund, plus a further subsidy of HK\$25,000 for those who also operate karaoke establishment, nightclub or bar / pub in their club-houses.
 - HK\$30,000 to HK\$100,000 to beauty parlour operators depending on the size of the premises, subject to a cap of HK\$3 million for each beauty parlour chain in the second round of the Anti-epidemic Fund, and a further tiered subsidy (at HK\$15,000, HK\$30,000 and HK\$50,000) depending on the number of workers in the premises, and subject to a cap of \$1.5 million for each beauty parlour chain in the third round of the Anti-epidemic Fund.
 - HK\$30,000 to HK\$100,000 to operators of massage establishments depending on the size of the premises, subject to a cap of HK\$3 million for each massage establishment chain in the second round of the Anti-epidemic Fund, and a further tiered subsidy (at HK\$15,000, HK\$30,000 and HK\$50,000) depending on the number of workers in the premises, and subject to a cap of \$1.5 million for each massage establishment chain in the third round of the Anti-epidemic Fund.
 - HK\$100,000 to non-governmental operators of sports on recreational facilities on Government sites.
- Provide a subsidy of HK\$20,000 to each affected party room.
- Provide a subsidy of HK\$30,000 to each affected sports premises.

- Provide a subsidy of HK\$50,000 to the operator of sports and recreational facilities on each affected government site.
- Provide a six-month rental subsidy to local recycling enterprises.
- Reduce rental by 50 per cent for another six months for eligible tenants of government properties, government land and EcoPark.
- Provide hirers of civic centres under the Leisure and Cultural Services Department with a 50 per cent reduction of hire charges for another six months.
- Provide a monthly allowance of HK\$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 Hong Kong Housing Authority service contracts.
- Expand the [Convention and Exhibition Industry Subsidy Scheme](#) to all participants of the Hong Kong Trade Development Council'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 the Hong Kong Trade Development Council is holding events again.
- Provide a grant comprising HK\$21 million per month to 258 aided child care centres and HK\$34 million per month to 299 non-aided child care centres for the four-month period from February to May 2020 in the second round of the Anti-epidemic Fund.
- Provide a subsidy for each child care centre calculated at the rate of HK\$2,000 per full-day enrolment per month and HK\$1,000 per half-day enrolment per month, for four months in the third round of the Anti-epidemic Fund.

SUPPORT FOR INDIVIDUALS

- A HK\$10,000 cash handout to Hong Kong permanent residents aged 18 or above.
- New arrivals in Hong Kong who are not eligible for the HK\$10,000 cash handout may receive cash assistance from the [Community Care Fund](#).
- Reduce salaries tax and tax under personal assessment for the year of assessment 2019/20 by 100 per cent, subject to a ceiling of HK\$20,000.
- Automatically defer payment of salaries tax and tax under personal assessment due for payment in April, May and June 2020 by three months.
- Waive rates in respect of residential properties for four quarters of 2020-21, subject to a ceiling of HK\$1,500 per quarter for each rateable property.

Support for students

- Automatically grant interest-free deferral of loan repayments for two years to all student loan repayees (except those in default).
- Pay the examination fees for school candidates sitting for the 2021 Hong Kong Diploma of Secondary Education Examination.
- Provide an additional HK\$1,000 to each recipient of the [Student Grant](#) for the 2019-20 school year.

Support for lower-income groups

- Provide a time-limited unemployment support scheme through the [Comprehensive Social Security Assistance Scheme](#). The asset limits for an able-bodied applicant will be increased by 100 per cent until 31 May 2021.
- Provide an extra allowance to eligible social security recipients, equal to one month of the standard rate Comprehensive Social Security Assistance payments, [Old Age Allowance](#), [Old Age Living Allowance](#) or [Disability Allowance](#).

- Pay one month's rent for lower income tenants living in public rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society.
- Grant an ex-gratia allowance of HK\$6,000 to each prospective tenant (household basis regardless of size of household) of Fai Ming Estate and Chun Yeung Estate.
- A one-off special allowance to each beneficiary household under the [Working Family Allowance](#) and means-tested [Student Financial Assistance](#) for pre-primary, primary and secondary students.

Support for healthcare professionals

- Waive the registration / enrolment fees for some 125,000 healthcare professionals for three years starting from July 2020.

Other support for individuals

- Reduce Mass Transit Railway (MTR) fares by 20 per cent for six months from 1 July 2020.
- Relax the monthly threshold from HK\$400 under the [Public Transport Fare Subsidy Scheme](#) to HK\$200 for six months from 1 July 2020.

OTHER IMPORTANT ANNOUNCEMENTS

- The [Hong Kong Monetary Authority](#) is adjusting regulatory parameters to enable banks to lend, releasing a total lending capacity of HK\$1,000 billion, and provide to clients a principal moratorium for a specified period.
- The [Insurance Authority](#) is facilitating all major insurance companies to offer grace period of premium payment for holders of individual life, critical illness and medical policies for a specified period.