

**Legislative Council Meeting of 23 June 2021**  
**Motion on**  
**“Providing support for hard-hit industries affected by the epidemic”**

**Progress Report**

**Purpose**

The motion “Providing support for hard-hit industries affected by the epidemic” moved by Hon YIU Si-wing, as amended by Hon Frankie YICK, was passed (at **Annex**). This paper is a consolidated progress report by relevant policy bureaux in respect of the issues raised in the motion.

**Tourism industry**

2. The tourism industry has been the hardest hit sector in the past two years or so since the social unrest and violent incidents in the second half of 2019 and the COVID-19 outbreak thereafter. In 2020, the Government provided financial support to the tourism-related industries through various rounds of the Anti-epidemic Fund (“AEF”). Taking into account the serious plight caused by the epidemic on the tourism industry and grave challenges faced by them, the Government announced on 5 August 2021 that another provision of about \$377 million has been earmarked under the AEF for providing a new round of special further subsidies to the tourism and related industries, so as to continue to support relevant trades and practitioners to tide over the current challenging period. Amongst others, the Government provided special further cash subsidies to the travel trade and practitioners as follows:

- (a) travel agent: travel agents with 10 or less staff members will be provided with a subsidy at a flat rate of \$50,000 each; for travel agents with 11 staff members or more, the subsidy level will be directly proportional to the number of staff member they have, with a subsidy level of \$5,000 per staff member as the basis of calculation. Some 1 600 travel agents are expected to benefit from this measure;
- (b) travel agent’s staff and freelance accredited tourist guide and tour escort whose main occupation is tourist guide and tour escort: a one-off subsidy of \$7,500 will be provided to each staff member/ tourist guide/ tour escort. Some 18 400 persons are expected to benefit from this measure; and

- (c) driver of tour service coach mainly serving tourists: a one-off subsidy of \$3,350 will be provided to each driver. Some 3 400 drivers are expected to benefit from this measure.

3. Apart from providing cash subsidies, the Government has also been actively creating room for business for the tourism industry while striking a balance between epidemic containment and resuming economic activities. Amongst others, the Government allowed the resumption of organising local group tours of 30 persons or below with conditions starting from end April 2021, and relaxed the restriction on the number of participants to 100 persons for group tours with two-thirds of the participants having received the first dose of COVID-19 vaccine starting from 24 June 2021. Besides, “cruise-to-nowhere” itineraries for Hong Kong residents which do not involve ports outside Hong Kong resumed in end-July 2021 under cruise line’s strict compliance of a set of health precautionary measures specifically designed for cruise travel.

4. On the other hand, the Hong Kong Tourism Board (“HKTB”) has also launched various activities to promote local consumption and assist the local tourism in the past months. HKTB’s latest round of activities include: (1) launching the “Free Tours Lucky Draw” with about 20 000 reward quotas of free local tours on 5 August 2021 which seeks to encourage local citizens for getting vaccinated with COVID-19 vaccines, provide continuous support to the tourism industry, as well as help boost the vaccination rate for creating favourable conditions for the resumption of tourism; and (2) launching of a new round of “Staycation Delights” with a total of 20 000 quotas on 16 August 2021. HKTB will also continue to maintain Hong Kong’s exposure in source markets through various promotions and organisation of mega events, such as launching the “Great Outdoors Hong Kong” summer campaign, which showcased through videos Hong Kong’s diverse outdoor scenes to local and overseas audience.

5. In terms of support for small and medium enterprises (“SMEs”), the Government has been committed to helping relieve enterprises’ financing problems, as well as providing funding for enterprises to explore business opportunities. The Government launched the Special 100% Guarantee Product under the SME Financing Guarantee Scheme in April 2020 to provide low-interest loans for enterprises affected by the epidemic. As at end July 2021, over \$65 billion of loans have been approved for 25 000 enterprises. To continue to support enterprises hard hit by the epidemic, the Government has announced the extension of the application period of the Special 100% Guarantee Product by six months to 30 June 2022, and the provision of an

additional \$35 billion of financial commitment, thereby increasing the total commitment to \$218 billion. We have also strengthened financial support for SMEs, including substantially increased the funding ceiling and expanded the funding scope of the SME Export Marketing Fund and the Dedicated Fund on Branding, Upgrading and Domestic Sales, to allow SMEs to utilise Government funding for brand building, promotion and business expansion in the Mainland and overseas markets with a view to developing more diversified markets. Over 15 000 enterprises have received a total of \$2.5 billion funding during the current-term Government.

### **Exhibition industry**

6. In terms of support for the convention and exhibition industry, the Government has launched under the AEF the Convention and Exhibition Industry Subsidy Scheme to reinvigorate the reputation of Hong Kong as a premier international convention, exhibition and sourcing hub. As of 31 July 2021, the Convention and Exhibition Industry Subsidy Scheme provided total subsidy of around \$103.63 million to 46 exhibitions, which involved around 6 500 exhibitors.

### **Cross-boundary passenger service industry**

7. The prolonged epidemic is seriously affecting the operation of the cross-boundary passenger transport trade. The Government is fully aware of the difficulties faced by the trade, and has therefore provided various subsidies in the past under the AEF and rolled out a number of measures and extended some of them to relieve the pressure of the trade and its practitioners. The various measures include providing non-accountable subsidies totalling \$65,000 and \$55,000 to each cross-boundary coach (“CBC”) and cross-boundary hire car (“CBHC”) respectively; providing subsidies totalling \$23,400 to each local CBC driver; providing non-accountable subsidies totalling \$1,500,000 to each cross-boundary ferry (“CBF”) vessel; providing free parking spaces for CBCs; providing rent waiver to operators for facilities such as ticket offices, regulator kiosks and passenger waiting halls in Government premises; and waiving the Closed Road Permit fees for CBCs and CBHCs, vehicle licence and examination fees for commercial vehicles, as well as the fees payable for issue or renewal of Passenger Service Licence and Passenger Service Licence Certificate for CBCs, etc.

8. In respect of the new round of special further subsidies mentioned in paragraph 2 above, the Government will provide further financial support for the cross-boundary passenger transport trade as follows:

- (a) CBCs: to provide a one-off non-accountable subsidy of \$30,000 per vehicle to the registered owner of each licensed CBC (including port shuttle buses). About 1 500 CBCs are expected to benefit from this measure;
- (b) CBHCs: to provide a one-off non-accountable subsidy of \$30,000 per vehicle to the registered owner of each licensed CBHC. About 600 CBHCs are expected to benefit from this measure; and
- (c) CBFs: to provide a one-off non-accountable subsidy of \$500,000 to each eligible CBF vessel. About 80 CBFs are expected to benefit from this measure.

9. The governments of Guangdong, Hong Kong and Macao will continue to maintain close liaison so that once the epidemic situation is under control, the cross-boundary people flow amongst the three places can be enabled the soonest possible and the cross-boundary passenger transport service trade can also resume its operation in an orderly manner. The governments will also formulate measures pertinent to the trade with a view to ensuring the smooth operation of cross-boundary passenger transportation when it is resumed.

#### **Catering industry, bars, karaoke, nightclubs, etc.**

10. Since March 2020, the Food and Environmental Hygiene Department (“FEHD”) has rolled out four rounds of subsidy schemes under the AEF to provide immediate financial relief to the catering industry, bars/pubs, nightclubs, karaoke establishments, licensed hawkers, public market stalls, commercial bathhouses, etc. to assist them in tiding over difficult times. As at end July 2021, FEHD has granted over \$13 billion under the various subsidy schemes and will handle the remaining cases in a timely manner.

#### **Mahjong parlours, live performance, etc.**

11. Since the end of March last year, amusement game centres, mahjong-tin kau premises and places of public entertainment have been required to operate under specified mode of operation or close temporarily. Various subsidy schemes were set up under the AEF to provide subsidies of around \$135 million in total to the above operators which have been seriously affected by the social distancing measures. The relevant subsidy schemes have completed. As the epidemic situation has stabilised, the Government has been

relaxing social distancing measures in a gradual and orderly manner to allow the relevant premises to gradually resume normal operation.

12. Apart from the support from the AEF, the Government has waived the licence fee for specific places of entertainment to relieve the financial burden on operators. The relevant fee waiver measure is valid until the end of September 2022.

13. Besides, club-houses operating with a Certificate of Compliance (“CoC”) issued under the Clubs (Safety of Premises) Ordinance (Cap. 376) are premises affording facilities for exclusive use by a club and its members for the purpose of social interaction or recreation. The facilities of club-houses and various services provided therein had been ordered to close or put in place tightened specified pandemic prevention and control measures during the epidemic. The Government has launched four rounds of the Club-house Subsidy Scheme under the AEF, which have disbursed a total subsidy of about \$220 million to the CoC holders. The measures have completed.

14. In terms of support for the performing industry, the Government has extended the reduction of basic hire charges of civic centres’ facilities managed by the Leisure and Cultural Services Department (“LCSD”) by 75% for booking in the hiring period until 30 September 2021. LCSD has also granted reduction of the rights fee for television/radio broadcasting, audio-visual/visual recordings, location filming/photography by 75%. For the programmes presented or sponsored by LCSD, to tie in with social distancing measures of the Government, LCSD has been in close communication and thorough discussion with arts groups concerned to explore the possibility for programme adjustment or the change of programme format from live performances to online broadcast. LCSD also offered to revise the programme budget in view of their genuine needs and the actual costs incurred for the productions in order to adjust the artist fees, production costs and the payment schedules flexibly, so as to alleviate the financial difficulties of the arts groups.

15. To further facilitate the recovery of the performing industry and to encourage relaunch of large scale cultural and entertainment performances after the epidemic, LCSD has also reduced the hire charge based on percentage of gross ticket proceeds from 20% to 10% applicable to four performance venues, including Hong Kong Coliseum, Queen Elizabeth Stadium, Hong Kong Cultural Centre and Hong Kong City Hall, for a period of two years, so as to alleviate the existing economic difficulties of the citizens and the trade.

## **Conclusion**

16. The Government will continue to contain the epidemic under stringently control, revive the economy, and put in place appropriate measures to assist industries hard-hit by the epidemic.

**Commerce and Economic Development Bureau**

**Food and Health Bureau**

**Home Affairs Bureau**

**Transport and Housing Bureau**

**September 2021**

(Translation)

**Council meeting of 23 June 2021**  
**Hon YIU Si-wing's motion on**  
**“Providing support for hard-hit industries affected by the epidemic”**

Motion as amended by Hon Frankie YICK

That, since the occurrence of ‘black-clad violence’ incidents in Hong Kong in the latter half of 2019, the number of visitor arrivals to Hong Kong has dropped significantly, resulting in a severe hit on Hong Kong’s economy; with the subsequent outbreak of the Coronavirus Disease 2019 epidemic, the Government has, over the past year or so, implemented the ‘No-gathering Order’ and immigration quarantine measures to cope with the epidemic, nonetheless, Hong Kong’s economy has been dealt a further severe blow as a result; the Government has launched a series of measures to boost the economy which have achieved initial results; according to the latest figures released by the Census and Statistics Department, the overall unemployment rate in Hong Kong has dropped; but as the prevailing epidemic has yet to be brought under control, and the date for the resumption of cross-border travel remains uncertain, many hard-hit industries have been struggling to survive, and the pace of Hong Kong’s economic recovery has also turned sluggish; in this connection, this Council urges the Government to allocate additional resources to continuously support the hard-hit industries affected by the epidemic; the relevant measures include:

- (1) collecting and analysing statistics for assessing the impact of the epidemic on individual industries, defining the industries profoundly affected by the epidemic as ‘hard-hit industries’, for example, tourism and related industries, exhibition industry, cross-boundary passenger service sector, catering industry (e.g. suppliers of lunch boxes for schools), and such industries as bars, karaoke, nightclubs, mahjong parlours, and live music performance, and seriously assess the short-, medium- and long-term impact of the shrinkage of hard-hit industries on Hong Kong’s economy;
- (2) allocating additional resources for assisting stakeholders and practitioners of hard-hit industries in tiding over the difficult times, and launching a new round of measures to support enterprises and safeguard jobs for hard-hit industries;

- (3) providing extra support for tourism and related industries to prevent them from shrinking or even declining; and
- (4) providing a 'business resumption allowance' for the cross-boundary passenger service sector which still has zero income, so that the sector can prepare for business resumption, including inspecting and repairing conveyances which have been left idle for a long time to ensure that they can still operate safely upon the resumption of cross-border travel.