

HONG KONG FILES

HONG
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**同心抗疫 Together,
We Fight the Virus!**

Hong Kong's Multi-pronged Response to COVID-19

Year 2020 was greeted by a new pandemic, COVID-19, in many parts of the world. In tackling the spread of the virus and protecting the health of the community, the Hong Kong SAR Government has implemented a comprehensive and co-ordinated approach with actions that are guided by three key principles: responding promptly, staying alert to the situation, and working in an open and transparent manner. In continuous consultation with medical experts and various sectors of society, the Government has been constantly adjusting the “Supress and Lift” strategy according to the actual situation, while considering the impact of the measures on the economy, livelihood and the daily lives of people.



The Chief Executive, Mrs Carrie Lam (centre), accompanied by the Secretary for Food and Health, Professor Sophia Chan (left), holds a press conference on measures to prevent the spread of novel coronavirus on January 25.

Emergency Arrangements

- On January 6, a Steering Committee was formed under the Preparedness and Response Plan.
- On January 23, the first quarantine centre was activated, immediately after the first two confirmed cases of infection in Hong Kong were identified.
- On January 25, the Government activated the “Emergency Response Level” of the Preparedness and Response Plan.
- The Chief Executive Carrie Lam chairs the Steering Committee-Command Centre to oversee concerted efforts to fight the disease. First meeting was held on January 26.
- The Chief Executive has set up an expert advisory panel, comprising four world-renowned experts, to advise the Government in a direct and timely manner.

Reducing People Flow Between Hong Kong and the Mainland

- On January 24, flights and high speed rail services between Hong Kong and Wuhan were suspended.
- From January 27, Hubei residents and those who have visited Hubei Province in the past 14 days (except Hong Kong residents) are barred from entering Hong Kong.
- Since January 28, the Mainland authorities have suspended the application, approval and issuance of the group visit endorsements and the endorsements under the Individual Visit Scheme for Mainland residents visiting Hong Kong.
- From January 30, flights between Hong Kong and other Mainland cities have been reduced by about half in stages. All rail services of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Intercity Through Train were suspended.
- From February 4, the Government closed all but two land Boundary Control Points, i.e. Shenzhen Bay and Hong Kong-Zhuhai-Macao Bridge (HZMB), with the Mainland to stem the flow of cross-boundary travel. All ferry services to and from the Mainland and Macao were suspended.
- On February 5, immigration services at Kai Tak Cruise Terminal and Ocean Terminal were suspended.
- From early April, the operating hours of the passenger clearance services at the Shenzhen Bay Port and that of the clearance for cross-boundary coaches and shuttle buses passengers at the HZMB Hong Kong Port have been shortened, while the operating hours for cargo clearance remain unchanged (i.e. 24 hours daily).



The Chief Secretary for Administration, Mr Matthew Cheung (third row, second right), views the prevention and control measures against COVID-19 at Hong Kong International Airport.

Preventing Imported Cases

- Government issued Red Outbound Travel Alert on all overseas countries/territories on March 17, urging members of the public to avoid any non-essential travel outside Hong Kong.
- From March 25, all non-Hong Kong residents arriving from overseas countries and regions by plane will be denied entry to Hong Kong until further notice.
- Non-Hong Kong residents arriving from the Mainland, Macao and Taiwan who have visited any overseas countries and regions in the past 14 days will be denied entry to Hong Kong until further notice.
- All inbound travellers, including Hong Kong and non-Hong Kong residents, are subject to a 14-day compulsory quarantine.
- All arrivals at Hong Kong International Airport (HKIA) are required to immediately collect their deep throat saliva sample for taking a COVID-19 test at the nearby Temporary Specimen Collection Centre (TSCC).
- All asymptomatic inbound travellers arriving at HKIA are required to wait for test results before leaving. Passengers arriving by flights in mornings will stay at TSCC to wait for test results, while those who need to wait for test results overnight will be temporarily accommodated in the Department of Health Holding Centre for Test Result at the Regal Oriental Hotel.



The Government brought back Hong Kong residents stranded in Hubei Province by chartered flights in March. Photo shows returned residents are briefed by Department of Health staff on the compulsory quarantine arrangements.

Enhanced Quarantine Arrangements and Testing for COVID-19

- People who are close contacts of confirmed COVID-19 cases, but are asymptomatic, will be placed under compulsory quarantine at dedicated quarantine centres.
- A locally developed smart bracelet connected to the user's smartphone will be used in some cases to ensure that people comply with quarantine requirements.
- Those placed under mandatory quarantine will be subject to regular and surprise checks to ensure they are at the intended place of quarantine. Contravening the quarantine requirement would be a criminal offence.
- Rapid testing is available in public hospital laboratories to shorten the waiting time for test results.
- From March 9, the Centre for Health Protection extended the Enhanced Laboratory Surveillance Programme, which provides a free testing service for COVID-19, to cover all private clinics and hospitals so that cases of COVID-19 can be identified early in order to minimise the risk of community transmission.
- From March 29, the CHP further extended the Enhanced Laboratory Surveillance Programme to cover all asymptomatic inbound travellers.



New quarantine facilities were constructed in Sai Kung Outdoor Recreation Centre in March.

Promoting “Social Distancing” and Boosting Supply of Surgical Masks

- Class suspension of all schools since the Chinese New Year holidays in late January; deferment of Hong Kong Diploma of Secondary Education examination from March to April to protect students' health
- Special work arrangements for civil servants with government departments providing essential, emergency and limited public services only; enterprises are urged to make flexible work arrangements for employees to help fight the disease.
- Events that attract large crowds have been cancelled or postponed.
- Measures were introduced to regulate catering business premises, e.g. reducing seating capacity of premises of catering businesses and specifying 1.5-metre distancing between tables.
- Temporary closure of business premises, including amusement game centres, beauty parlours and karaoke establishments
- Prohibition of group gatherings
- The Government increased the supply of surgical masks by sourcing globally, increasing local production, and liaising with relevant Mainland authorities to facilitate speedy clearance and delivery to Hong Kong.
- Priorities include meeting the needs of healthcare workers and other personnel providing services to the public, as well as stabilising the market supply.
- The Government introduced the Local Mask Production Subsidy Scheme to help address the shortage of masks as well as to build up stock. On April 24, all 20 subsidised production lines under the scheme were approved. When in full production, the production lines will collectively supply 34.25 million masks to the Government and a further 7.65 million to the local market every month.



Mrs Lam (left) helps package surgical masks at the Correctional Services Department's Lo Wu Correctional Institution.



Mrs Lam (second right) visits the Kowloon Speedpost Operations Centre in Yau Tong to thank postal staff for their hard work during the coronavirus epidemic.

Support Measures to Tide Over COVID-19 Challenge

Since the beginning of this year, the HKSAR Government has launched three rounds of measures totalling HK\$287.5 billion (about US\$37 billion or S\$51 billion), which is equivalent to 10% of Hong Kong's GDP, to help offset the economic fallout from COVID-19. They include the HK\$120 billion relief package in the 2020-21 Budget, the HK\$30 billion Anti-epidemic Fund and HK\$137.5 billion relief package announced on April 8.

2020-21 Budget



The Financial Secretary, Mr Paul Chan (second left), held a press conference on the 2020-21 Budget on February 26.

Focusing on "supporting enterprises, safeguarding jobs, stimulating the economy and relieving people's burden", the Financial Secretary, Mr Paul Chan, unveiled his 2020-21 Budget on February 26. Here are some of the counter-cyclical initiatives to support enterprises to cope with the impact of economic downturn and COVID-19.

Stimulate the economy

Smoothen livelihoods

- Extra **1** month allowance of standard CSSA payment, Old Age Allowance, Old Age Living Allowance or Disability Allowance. Similar arrangements will apply to Work Incentive Transport Subsidy
- Pay **1** month's rent for lower income tenants living in public rental units
- Pay examination fees for candidates sitting 2021 HKDSE Examination

Support employees

- Additional annual funding of **\$30** million to enhance Labour Department employment programmes. Raise ceiling of on-the-job training allowance
- Provide **\$2.5** billion to the Employees Retraining Board to enhance the Love Upgrading Special Scheme. Increase the maximum monthly allowance of trainees to **\$5,800**
- Construction Industry Council to allocate **\$200** million for training allowances for workers, and subsidising SME contractors and registered subcontractors with a ceiling of **\$20,000** each

Concessionary low-interest loan

Introduce a **concessionary low-interest loan** with **100%** Government guarantee for enterprises, which will be open for application for **6** months. Maximum loan of **\$2** million with repayment period up to **3** years. Moratorium on principal repayment for first **6** months

- Reduce profits tax for 2019-20 assessment year by **100%**, subject to a **\$20,000** ceiling
- Waive rates for non-domestic properties for 2020-21, subject to a ceiling of **\$5,000** per quarter in first two quarters and **\$1,500** per quarter for remaining two quarters

Cash payout

\$10,000 cash payout to Hong Kong permanent residents aged 18 or above

- Reduce salaries tax and tax under personal assessment for 2019-20 assessment year by **100%**, subject to ceiling of **\$20,000**
- Waive rates of domestic properties for four quarters of 2020-21, subject to a **\$1,500** ceiling per quarter

Continue to implement relief measures announced last year

- Electricity charges for non-residential account: subsidise **75%** of charges for **4** extra months, subject to a monthly cap of **\$5,000**
- Water and sewage charges of non-domestic households: waive **75%** of charges for **4** extra months, subject to a monthly cap of **\$20,000** and **\$12,500** respectively
- Local recycling enterprises: provide **\$100** million rental subsidy for **6** months
- Rental for Government properties/properties covered by short-term and temporary waivers: **50%** reduction for **6** months
- Hire charges for civic centres under Leisure and Cultural Services Department: **50%** reduction for **6** months
- Fees and rent for cruise lines and cruise terminal tenants: reduction for **6** months

Support enterprises

Safeguard jobs

- Waive business registration fees for 2020-21
- Waive registration fees for company annual returns for **2** years

SUPPORT MEASURES

Anti-epidemic Fund

The HK\$30 billion Fund was established in February, aiming to ease the burden on businesses and the community during the fight against COVID-19. HK\$16.9 billion has been earmarked to support enterprises and safeguard jobs. The initiatives include the following:

- One-off subsidy of \$80,000 to each licensed **travel agent**.
- One-off subsidy of \$200,000 to each eligible licensed **restaurant and factory canteen**.
- One-off subsidy of \$80,000 to each eligible licensed **light refreshment restaurant, food factory, bakery, fresh provision shop, and siu mei and lo mei shops**.
- A subsidy of up to \$80,000 to each licensed **guesthouse**.
- Setting aside \$5.6 billion to provide a **one-off subsidy to each eligible retailer**.
- Setting aside \$3.23 billion to provide comprehensive and continuous financial support to the **various transport trades**.
- Setting aside \$1.02 billion to support the **convention and exhibition industry** by providing subsidies to participants and organisers of major conventions and exhibitions.
- Setting aside \$380 million to provide a six-month rental waiver for tenants and start-ups at Hong Kong Science Park, Cyberport and industrial estates to support the **innovation and technology sector**.

Targeted Relief Package

\$81 billion Employment Support Scheme



- The Government will provide **wage subsidies** to eligible employers who undertake **not to make workers redundant** during the subsidy period, and to spend **100%** of the subsidy on paying wages for their employees.
- All employers who have been making Mandatory Provident Fund (MPF) contributions or have set up Occupation Retirement Schemes for employees are eligible (except the HKSARG, statutory bodies and subvented staff in Government funded organisations, etc). 1.5 million employees are expected to benefit.
- Wage subsidies for each employer calculated on **50%** of salary at a "specified month"^{*} (**capped at a salary of \$18,000**) for 6 months. To be disbursed to employers in two tranches, with the first before end-June 2020.
- Grant a **one-off lump-sum subsidy of \$7,500** to about 215 000 **self-employed persons** who have made MPF contributions in the past 15 months.
- About 800 000 persons in three sectors, i.e. construction, catering and road transport (mainly taxi and red minibus drivers), which are not well covered by MPF, will be taken care of by the respective sector-specific schemes.

^{*} Employers may choose any one month from January to March 2020 taking into account their own circumstances. If the number of employees and payrolls in January are higher than those in subsequent months, the wage subsidies to be disbursed by the Government will enable employers to rehire employees to meet their operational needs.

Supporting the unemployed

- Temporarily **relax the asset limits for able-bodied applicants of the Comprehensive Social Security Assistance (CSSA) Scheme** by 100% for 6 months. Expect to benefit 40 000 households. The CSSA is a household-based scheme, helping recipients meet their basic needs. The value of an owner-occupied residential property of able-bodied households will be disregarded as asset for a grace period of 12 months.

Job creation

- **Invest \$6 billion** to create around **30 000 jobs** in the public and private sectors for people of different skill sets and academic qualifications, benefitting professionals and technicians, fresh graduates, middle level and grassroots workers.
- The Government will **recruit about 10 000 civil servants and create about 5 000 short-term intern positions** for young people in the coming year.

Major measures under the second round of AEF include:

- **Tourism Industry** – Subsidy to licensed travel agents **ranging from \$20,000 to \$200,000**; travel agents' staff and active freelance tourist guides and tour escorts will each receive a monthly subsidy of \$5,000 for 6 months; licensed hotels will receive a subsidy of \$300,000 or \$400,000 and tour coach drivers a one-off subsidy of \$10,000.
- **Passenger Transport** – Reimburse 100% of the actual regular repair and maintenance costs and insurance premium for **6 months** for the franchised bus companies, franchised/licensed ferry operators and the Tramways Limited; provide the registered owner of a taxi, red minibus, non-franchised bus, school private light bus and hire car, as well as the licence holder of green minibus service a one-off subsidy of **\$30,000** for each vehicle; provide each eligible active taxi and red minibus driver a monthly subsidy of **\$6,000** for 6 months.
- **Catering Sector** – Subsidy **ranging from \$250,000 to \$2.2 million** (paid in two tranches during a 6-month period) for licensed catering outlets selling or supplying food for consumption on their premises. To support employment, catering outlets receiving the subsidy are required to undertake not to implement redundancy of staff during the subsidy period, and that not less than 80% of the subsidy for the respective months would be used for paying staff salaries. About 16 000 licensed catering outlets and their employees are expected to benefit, involving about \$9.5 billion.
- **Aviation Industry** – One-off subsidy of \$1 million per large aircraft and \$200,000 per small aircraft will be provided to the eligible air operators. Aviation support services and cargo facility operators at HKIA will receive a one-off subsidy of up to **\$3 million**.
- **Education sector** – One-off relief grant of **\$80,000** will be offered to each eligible catering outlet (namely, tuck shops, canteens, and restaurants) in primary schools, secondary schools, University Grants Committee-funded universities, the Vocational Training Council and self-financing post-secondary institutions.
- **Construction sector** – One-off subsidy of **\$7,500** to each eligible construction worker; and \$20,000 or \$10,000 to each construction-related enterprise not eligible for the first-round measures. Such enterprises include eligible constructors, specialist contractors, works contractors, suppliers, etc.
- Provide a one-off grant of **\$7,500** to each registered coach under National Sports Associations and Sports Organisations who has proven coaching record in the past year as well as each instructor, coach, trainer and provider of interests classes for schools or organisations subvented by the Social Welfare Department.

The Chief Executive, Mrs Carrie Lam, announced on April 8 an unprecedented relief package worth at HK\$137.5 billion, involving a series of measures, such as an HK\$80 billion scheme to subsidise wages for six months, HK\$21 billion to support 16 hardest-hit sectors, and creation of 30,000 new jobs.

SDEV visits Singapore

The Secretary for Development (SDEV), Mr Michael Wong, held an official visit to Singapore from January 12 to 15. He met with senior Singaporean officials, including the Minister for National Development, Mr Lawrence Wong; and the Coordinating Minister for Infrastructure and Minister for Transport, Mr Khaw Boon Wan, to keep them abreast of the latest developments in Hong Kong and to exchange views on issues of mutual concern.

SDEV also attended briefings conducted by the Building and Construction Authority, the Housing and Development Board and the Urban Redevelopment Authority. He visited building projects to learn more about Singapore's work and experience with urban planning and development, adoption of innovative construction technologies and efforts in promoting green buildings. During his stay in Singapore, Mr Wong visited a number of development projects adopting the modular integrated construction (MiC) method, as well as an integrated construction and prefabrication hub, both of which offer a useful reference for Hong Kong in promoting the MiC method.



Mr Wong (third left) calls on Singapore's Coordinating Minister for Infrastructure and Minister for Transport, Mr Khaw Boon Wan (second right), to discuss issues of mutual concern.



Mr Wong (first left) and the Permanent Secretary for Development (Works), Mr Lam Sai-hung (first right), visit module units with basic interior fitting-out completed.

Mr Wong visits an integrated construction and prefabrication hub to observe how different processes of manufacturing units are consolidated in a single multi-storey factory to optimise land use.



The Secretary for Development, Mr Michael Wong (centre), meets with Singapore's Minister for National Development, Mr Lawrence Wong (first left), and the Chief Executive Officer of Singapore's Urban Redevelopment Authority, Mr Lim Eng Hwee, while touring the Singapore City Gallery.

EVENTS GALLERY

Hong Kong String Orchestra's concert in Singapore

With the support of the Hong Kong Economic and Trade Office (HKETO) in Singapore, the Hong Kong String Orchestra (HKSRO) concluded its "One Belt One Road Journey – Pan Asia Tour" in Singapore, performing to a full house of some 240 audience at Esplanade in the evening of January 17. Presenting Western classical music, Chinese folk songs as well as Cantopop Medley in the concert, the HKSRO, a young and home-grown string orchestra in Hong Kong, captivated the audience by demonstrating their enormous power and passion in music.

Founded by virtuoso violinist Yao Jue in 2013, the HKSRO was recognised for its "music uniqueness fusing Eastern and Western influences". The Orchestra has also been dedicated to nurturing young strings elites and grooming budding music talents in Hong Kong.

The Director of the HKETO in Singapore, Mr Wong Chun To, hosted a reception before the concert and gave words of encouragement to the young music ambassadors of Hong Kong. Mr Wong also shared the HKSAR Government's efforts in creating a conducive environment and developing both the cultural hardware and software with an aim to promote the vibrancy of the arts and cultural scene in Hong Kong.

EVENTS GALLERY



Hong Kong String Orchestra Artistic Director Yao Jue and the Hong Kong young musicians perform to some 240 audience at Esplanade.



The Director of HKETO in Singapore, Mr Wong Chun To, addresses guests from the diplomatic, government and business sectors as well as the local Hong Kong community at the reception.



Mr Wong (second right), Ms Yao (centre), Counsellor (Internal Affairs) of the Chinese Embassy in Singapore, Mr Pan Zejun (second left); President of Hong Kong Singapore Business Association, Mr Philip Chan (first right); and Founder of Altenburg Arts Pte Ltd, Mr Lionel Choi (first left), propose a toast for the success of the concert.

HSBA Chinese New Year Networking Luncheon Talk in Singapore

The Hong Kong Singapore Business Association (HSBA) held its Chinese New Year Networking Luncheon Talk on February 7. Deputy CIO and Global Head of Research of EFG Asset Management, Mr Daniel Murray, shared his insights about the world economic developments in 2020 during the luncheon. The Director of the HKETO in Singapore, Mr Wong Chun To, also took the opportunity to update participants on Hong Kong's latest situation. He assured Singapore's business community that Hong Kong's fundamentals remained strong despite the social unrest last year. The city is still recognised as a competitive financial hub with free movement of capital and information, a simple tax system, a sound regulatory mechanism, the rule of law and a wide array of professional services. Hong Kong topped the list in raising IPO funds in 2019 and will continue to be a perfect springboard for foreign enterprises to tap in the massive Mainland market. Mr Wong also outlined the multi-pronged measures taken by the Hong Kong Government to contain the spread of COVID-19 and protect the health of the community.



Mr Wong (second from right, facing camera) joins the "lo-hei" tradition at the HSBA luncheon to celebrate the Chinese New Year.



Mr Wong updates the business community in Singapore on Hong Kong's situation at the luncheon talk.



Networking with the business community at the luncheon. (Front row sitting, from left) Mr Wong, President of HSBA, Mr Philip Chan; Chairman of HSBA, Mr Dennis Chiu; and Mr Murray.

Visit by Hong Kong Baptist University student delegation

We received a student delegation from Hong Kong at the beginning of the New Year. Twenty-six students from Hong Kong Baptist University (HKBU) were in Singapore for a career exploration trip. The Director of the HKETO in Singapore, Mr Wong Chun To, gave a briefing to the delegation on the Hong Kong-ASEAN relationship, Belt and Road Initiative, functions of the HKETO in promoting Hong Kong overseas, as well as the ASEAN Internship Scheme for Hong Kong Higher Education Students. Mr Wong and the youngsters had an engaging dialogue and fruitful exchanges of their study and work plans during the session.



Hong Kong rated as world's second freest economy

Hong Kong was ranked No.2 in the 2020 Index of Economic Freedom by the Heritage Foundation (the Foundation) in a report which was released on March 17 analysing the level of economic freedom of 180 economies. Hong Kong attained the highest score among other assessed economies in terms of "Fiscal Health", "Business Freedom", "Trade Freedom" and "Financial Freedom", though its overall score decreased by 1.1 points from the previous year due primarily to a decline in the "Investment Freedom" score, which was mainly due to security issues arising from the social unrest in the latter half of 2019. Despite not being able to retain its rank as the world's freest economy title after 25 successive years, Hong Kong is continually recognised for its various strengths and noted to have remained a dynamic global financial centre with a high degree of competitiveness and openness by the Foundation.

World Justice Project reaffirms Hong Kong's position in the Rule of Law Index



Hong Kong maintained its ranking as No.5 in the East Asia and Pacific region and No.16 globally in the latest Rule of Law Index released by the World Justice Project in March this year. In the "Absence of Corruption" category, Hong Kong improved one rank to eighth globally. The city also improved one rank in the global rankings of "Civil Justice" and "Criminal Justice", scoring well in "No corruption" and "Impartial and effective alternative dispute resolutions". Hong Kong moved up two ranks, standing at second regionally and globally in the "Order and Security" category. It is worth noting that despite the social turmoil in the second half of 2019, our solid foundation of rule of law remains intact and the fundamental rights are well protected by the Basic Law. Hong Kong's core competitiveness and our fundamentals in the rule of law remain strong.

Hong Kong remains one of the top 10 leading international financial centres



Hong Kong was ranked No.6 in the Global Financial Centres Index Report published by the Z/Yen from the United Kingdom and the China Development Institute from Shenzhen. Among the five areas of competitiveness (namely Business Environment, Human Capital, Infrastructure, Financial Sector Development, and Reputational and General) as mentioned in the Report, Hong Kong enjoyed high ranking especially in Business Environment and Human Capital. Despite the challenging socio-economic situation in the latter half of 2019, Hong Kong's financial system remains resilient. Different facets of the financial services sector continue to function in an orderly manner. The Linked Exchange Rate System has been operating smoothly. There have been no notable outflows of funds.

COMMENTS / SUGGESTIONS

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