



17 April 2020

Mr Todd Handcock
Chairman
The Canadian Chamber of Commerce in Hong Kong
Unit 10 BC, China Overseas Building,
139 Hennessy Road,
Wan Chai, Hong Kong

Dear Mr Handcock,

Thank you for your letter of 9 April to the Chief Executive, setting out detailed comments of the Chamber on relief measures. I am authorised to reply.

The HKSAR Government's \$81 billion Employment Support Scheme (ESS) will provide time-limited wage subsidies to eligible employers to retain their employees. While we note that similar schemes have been put in place in some overseas jurisdictions, the ESS is designed to provide the most direct and efficient assistance to society in the light of the local circumstances, with minimal administrative costs. All employers who have been making Mandatory Provident Fund contributions or have set up Occupational Retirement Schemes for their employees will be eligible for the ESS, except those employed by the Government and statutory bodies, subvented staff in Government-funded organisations and staff employed by outsourced service contractors to work for Government contracts. Eligible employers joining the ESS will be required to undertake to refrain from implementing redundancy during the subsidy period and to spend all the wage subsidies on paying wages to their employees.

中華人民共和國香港特別行政區行政長官辦公室

Office of the Chief Executive of the Hong Kong Special Administrative Region of the People's Republic of China

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Under the ESS, the wage subsidy to be provided by the Government is calculated based on 50% of the monthly salary of an employee, which is capped at \$18,000 (i.e. the median monthly wage in Q2 2019), for a period of six months. Having regard to the concerns raised by society, the Government will require employers joining the ESS to specify a month out of January, February or March 2020 for calculation of their total salary subsidies. These subsidies will be disbursed to employers in two tranches of payment, with the first not later than June 2020, and are expected to benefit 1.5 million employees.

The Government is also aware that rental accounts for a significant portion of the expenditure of many businesses. As such, the Government will increase the rental concessions for eligible businesses and organisations operating in government premises, as well as short-term tenancies and waivers administered by the Lands Department from 50% to 75% between April and September 2020. Businesses which have completely ceased operation (such as cross-border ferry piers and tuck shops in government schools) will receive a full rental waiver. The Government has also urged public bodies, such as the Housing Authority, the Housing Society, the Urban Renewal Authority and the Airport Authority, to provide their commercial tenants with rental concessions. The Chief Executive has also personally met with the Real Estate Developers Association of Hong Kong to discuss rental matters and appealed to landlords on various occasions to provide rent concessions to their tenants during this difficult time, and we are pleased to learn that some landlords have already responded by reducing rental.

In the face of the unprecedented challenge, the HKSAR Government, taking account of the views gathered from different channels, considers it necessary to take the above measures to help the society ride out the storm and to cater for the needs of businesses and members of the public as far as possible. The HKSAR Government will remain vigilant in safeguarding public health. Let us act in unison in our fight against the disease.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Maggie Wong', written in a cursive style.

(Maggie Wong)

Private Secretary to Chief Executive