

Transcript of remarks by FS and SCED

Following is the transcript of remarks by the Financial Secretary, Mr Paul Chan, and the Secretary for Commerce and Economic Development, Mr Edward Yau, at a media session on further measures to support small and medium enterprises today (September 4):

Reporter: Sir, how helpful do you think the new measures will be to boost the economy and bring down maybe the unemployment rate? And my second question is will you consider rolling out measures to help tourism and also the retail industry? Thank you.

Financial Secretary: Thank you. This round of measures mainly aim at liquidity support to the SMEs, including principal repayment moratorium under the existing loan guarantee scheme and the new product guaranteeing up to 90 per cent of loans to the SMEs up to the maximum of \$6 million each. These two measures are mainly to provide liquidity support. The various funding schemes as mentioned by the Secretary for Commerce and Economic Development are to facilitate the channelling the various funding to the SMEs to support them. We will continue to monitor the situation and roll out measures as necessary. The last announcement on the August, 15 already involved quite a number of measures aiming at helping them. We'll continue to monitor the situation. At the moment, in terms of the tourism sector and private consumption, we are having targeted plans. Perhaps on the tourism side, I may invite the Secretary for Commerce and Economic Development to give you some more information.

Secretary for Commerce and Economic Development: As I said before, tourism industry and retail businesses are hard hit because they are at the forefront. The latest statistics for the last week of August show that the year-on-year arrival figure of tourists from all over the world dropped by (about) 45 per cent.

Measures are needed to help these industries, and we keep talking to retail and tourism industries. For instance, we are talking to the Hong Kong Tourism Board to see if they can roll out schemes to support overseas promotion for tourists to come again by sponsoring travel agencies to take part in overseas promotion. We are also discussing with the Travel Industry Council of Hong Kong to see if there could be subsidies to give certain relief to practitioners within the trade.

But in a wider context, I think Hong Kong's economy does not just suffer in these two areas. In fact, all the measures that we have rolled out just now are targeted at all enterprises, particularly those small and medium-sized, or micro-sized, ones. We hope that these measures could help them ride out of this storm.

Having looked at the situation week by week, and talked to people, it gives me a perception that certain sectors are hard hit, but there are sectors that businesses are basically as usual. I toured the convention centre (Hong Kong Convention and Exhibition Centre) just now, and saw two major trade fairs there. The (presence of) local participants, I mean the exhibitors, remains very strong; basically there is no difference in their participation. But overseas buyers are slightly fewer, for some worry more. The sense that I got is companies or businessmen who have been to Hong Kong or have some local connections, those in the know, would feel more relaxed and comfortable in carrying on the plan. But first timers, people who come to Hong Kong for the first time, they may puzzle a bit. So it all depends on whether we are able to put a stop to the disturbances. I think the sooner the better it will help the business. Thank you.

(Please also refer to the Chinese portion of the transcript.)

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