



The Way Forward:
Initiatives to

Support Business, Society and **Reboot** the Economy

– An Interview with **Mr Paul Chan**

Financial Secretary, The Government of the HKSAR

未來路向：支持商業、
社會發展及重啓經濟的措施

— 專訪香港特別行政區政府財政司司長

陳茂波先生

Providing in-depth insights on a wide range of topics, during a face-to-face interview with *Momentum*, Financial Secretary, The Government of the Hong Kong Special Administrative Region, Mr Paul Chan explained that, as the city eyes an economic and business rebound, the pace of recovery hinges on the COVID-19 pandemic being contained locally, regionally and internationally.

Referring collectively to the COVID-19 pandemic, Sino-US trade and geopolitical frictions and local social instability throughout 2019 and 2020 as “two years of unprecedented events”, the Financial Secretary (FS) said the government’s current main focus is implementing COVID-19 containment measures with the aim of reopening Hong Kong’s borders with the Mainland and the international community as soon as it is safe and practical to do so. “With a small but open economy which is dependent on trade, travel and interaction with the international community, restoring cross-border travel is important for the economy and for the people of Hong Kong to prosper,” he explained.

“Our most urgent task is to contain the epidemic and press ahead with the vaccination programme, so that people and businesses can be back on track, and safe travelling between Hong Kong and the Mainland as well as the rest of the world can be resumed as soon as possible,” the FS said. As soon as the COVID-19 situation is considered under control in Hong Kong, the first step is opening the borders with the Mainland followed by reactivating travel links with the international community. For example, the government has reached consensus with Singapore to establish an air travel bubble to allow quarantine-free travel with no restriction on purposes between Hong Kong and Singapore upon travellers’ compliance with a set of stringent health protocols, and inaugural flights will be launched on 26 May. The government also extended the Return2hk Travel Scheme since late April to exempt Hong Kong residents from the two-week mandatory home quarantine when they return to the city from the Chinese mainland and Macau, and upon fulfilment of the specified conditions. However, the FS emphasised the timeline for reopening borders is subject to uncertainty associated with flare-ups of the highly contagious coronavirus. Relaxation of containment measures also depends on the level of public participation in the COVID-19 vaccination programme. “We are working hard to encourage people to get vaccinated so that travel restrictions can be eased,” he said, and added that those who are vaccinated could benefit from incentives, including relaxed social distancing requirements and the possibility of reduced quarantine periods for those travelling from low-risk areas in the future.

While there is no escaping the challenges that lie ahead, the FS said there are also plenty of reasons for optimism. For example, the trade sector, which showed a very strong performance during the first quarter of 2021, is expected to gain support from the revival of global demand during the rest of the year. Depending on speed and scale of economic recovery locally and globally, the FS expects the city’s economy will grow by 3.5% to 5.5% in real terms in 2021. At the same time the FS explained how the government would continue to stimulate the economy by investing in industries which have attractive development potential, in particular financial services and innovation and technology. Optimistically, the FS added that “fingers crossed”, China-US trade frictions would ease, which would also boost trade and economic activities.

香港特別行政區政府財政司司長陳茂波接受《Momentum》面對面訪問時，就廣泛議題發表真知灼見，他表示隨著香港迎來經濟和商業反彈，復甦步伐取決於本地、區域及國際對2019冠狀病毒病疫情的遏制情況。

財政司司長將2019年至2020年發生的2019冠狀病毒病疫情、中美貿易和地緣政治摩擦以及本地社會動盪統稱「前所未有的兩年重大事件」，他表示，政府目前主要重點是推行2019冠狀病毒病遏制措施，以期在安全可行的情況下，盡快對內地及國際社會重新開放香港邊境。他續稱：「香港作為一個細小而開放型的經濟體，依賴貿易、旅遊及與國際社會的互動，因此恢復跨境旅行對香港經濟及港人的繁榮富強至關重要。」

財政司司長表示：「我們的當務之急是遏制疫情，繼續推廣疫苗接種計劃，讓市民的生活及企業的營運重回正軌，盡快恢復香港與內地及世界其他地區之間的安全旅行。」一旦2019冠狀病毒病在香港得到控制，第一步就是對內地開放邊境，然後重啟與國際社會的旅行往來。例如，政府與新加坡就建立「航空旅遊氣泡」已達成共識，往來於香港與新加坡的旅客可進行無需檢疫隔離的旅行，惟旅客須遵守一套嚴格的健康協定。首批航班將於5月26日啟動。政府亦自4月下旬開始擴大「回港易」計劃，從中國內地或澳門回港的人士，只要符合指明的條件，就能在回港時免受兩週強制居家檢疫隔離。但財政司司長強調，重新開放邊境的時間表受到具高度傳染性的冠狀病毒突發疫情相關的不明朗因素所影響。是否放寬遏制措施亦取決於公眾對2019冠狀病毒病疫苗接種計劃的踴躍程度。他表示：「我們正在努力鼓勵港人接種疫苗，以便放寬旅行限制。」他補充道，接種疫苗的人可享受多項激勵措施，包括放寬保持社交距離的規定以及日後有可能縮短從低風險地區返港的人士的檢疫隔離期。

財政司司長稱，儘管無法迴避今後面臨的挑戰，但我們亦有許多保持樂觀的理由。例如，2021年第一季，貿易行業表現十分強勁，預期將於今年餘下時間受惠於全球需求復甦。根據本地及全球經濟復甦的速度及規模，財政司司長預期香港經濟將於2021年實質增長3.5%至5.5%。同時，財政司司長解釋政府將如何透過投資有巨大發展潛力的行業，尤其是金融服務業、創新行業及科技行業，以繼續刺激經濟增長。財政司司長樂觀補充道，如中美貿易摩擦有望緩和，這亦將促進貿易和經濟活動。

政治改革與社會穩定

財政司司長稱，由於《國家安全法》（《國安法》）的頒佈以及北京為恢復社會與政治穩定而對選舉制度進行的重大改革，政府現時更有能力提升治理效能，他補充道，多年的政治動盪打擊了政府的治理效能。他表示：「對本地及國際商界而言，香港的穩定與安全至為重要。」政府現時需竭力與國際商界進行溝通和接洽，指明香港並未喪失任何吸引力及競爭優勢。

Political Reforms and Social Stability

Crediting the enactment of the National Security Law (NSL) and major overhaul of the electoral system imposed by Beijing for restoring social and political stability, the FS says the government is now in a better position to enhance its effectiveness, adding that political turmoil had been a distraction to the government's effectiveness for a number of years. "For the local and international business community, the stability and security of Hong Kong is very important," he said. The government now needs to work hard to communicate and engage with the international business community that Hong Kong has not lost any of its attractions and competitive advantages.

The FS said with social and political stability restored, and the government's effectiveness enhanced, there are more opportunities to focus on deep-seated social issues including housing, the widening wealth gap, upward mobility solutions for Hong Kong's younger generation and better quality of employment. "If we don't have to waste our time and energy on political confrontation we can focus more on the economy and addressing real issues that we need to confront and tackle." However, the FS conceded that addressing deep-seated social and economic issues would not be easy and would require close collaboration between the government and the broader Hong Kong community.

Commenting on Hong Kong's removal from the Heritage Foundation's index of the "World's freest economies" rankings, which the city topped for more than two decades before Singapore took the top spot in 2020, the FS said he believed the decision made by the Washington-based think-tank was politically driven. "I believe the move was unjustified," he said, adding that the Heritage Foundation departed from their usual practice for compiling the index. Hong Kong and Macau were removed from appearing under their own names and instead listed with Mainland China. Refuting the Heritage Foundation claims, the FS said it is important to consider Hong Kong's economic freedoms and competitive strengths which include the Hong Kong dollar pegged to the US dollar; free flow of capital, goods and talent; the rule of law; freedom of movement; and an independent judiciary. Pointing out the NSL doesn't impede any of Hong Kong's competitive strengths, the FS outlined how the actions taken by the central government had put safeguards in place that strengthen Hong Kong's unique advantages offered through the "one country, two systems" arrangement. "With the NSL and electoral changes in place we can move on to use the unique 'one country, two systems' arrangement to compete with cities in the Greater Bay Area (GBA) for growth and expanding business opportunities," the FS said. Prime examples include sustainable finance, green economy products and solutions, wealth management, establishing and managing family offices, and IT development. "These business sectors offer huge opportunities and huge potential," he said. To take advantage of these opportunities on one hand Hong Kong should devote energy



財政司司長表示，隨著香港恢復社會與政治穩定，以及政府的治理效能提升，便有更多機會專注解決根深蒂固的社會問題，包括住房、日益擴大的貧富差距、為香港年輕一代提供向上流動機會以及提升就業質素。「若我們不必在政治對抗上耗費時間及精力，我們便可更專注經濟領域，解決我們極需應對及處理的真正問題。」然而，財政司司長承認，解決根深蒂固的社會及經濟問題並非易事，需要政府與香港各界緊密合作。

香港被剔出美國傳統基金會的「全球經濟自由度」指數，二十多年來香港一直名列榜首，於2020年被新加坡超越。財政司司長在談論此事時表示，他認為總部位於華盛頓的這個智庫作出該決定是出於政治偏見。他稱：「我認為此舉缺乏理據。」然後補充道，美國傳統基金會偏離了以往編製指數的一貫做法。香港及澳門不再以自身名義列示於指數中，而是與中國內地一併列示。財政司司長駁斥了美國傳統基金會的說法，認為香港的經濟自由及競爭優勢有目共睹，其中包括港元與美元掛鈎；資金、商品和人才自由流動；法治；遷徙自由；司法獨立。財政司司長指出，《國安法》不會削弱香港的任何競爭優勢，並概述中央政府採取的行動會如何實行保障措施，以透過「一國兩制」安排加強香港獨特優勢。財政司司長稱：「由於《國安法》的頒佈及選舉制度修訂，我們可更進一步，利用獨特的『一國兩制』安排，與大灣區的城市展開競爭，以發展及擴大商機。」主要的例子包括可持續金融、綠色經濟產品及解決方案、財富管理、建立及管理家族辦公室以及資訊科技發展。他表示：「這些商業行業蘊藏廣闊機遇及巨大潛力。」為利用這些機遇，香港一方面應致力為大灣區的發展作出貢獻，另一方面應利用可促進香港經濟及社會發展的進展及機遇。財政司司長稱：「我們務必要把握未來發展的主要方向及新趨勢，在關鍵領域策略性加強支援措施及資源配置。」

contributing to the development of the GBA and on the other hand capitalise on the development and opportunities that can contribute to Hong Kong's economic and social development. "It is important to grasp the major directions and new trends of future development to strategically enhance support measures and resources allocation in key areas," said the FS.

Fiscal Policy and Stimulus Initiatives

In spite of incurring a HK\$250 billion budget deficit in 2020-21 and facing an anticipated HK\$100 billion deficit in 2021-22, the FS says it is important to utilise Hong Kong's fiscal reserves to sustain Hong Kong's economy and relieve the burden of the people. The fiscal deficit resulted in a rapid decline in the government's fiscal reserves to about HK\$900 billion by the end of 2020-21, down from HK\$1.1 trillion the previous year. "The government has no hesitation in allocating our fiscal reserves wisely in areas that inject stimulus into the economy and relieve the hardship and pressure caused by the economic downturn and the epidemic," said the FS, adding that the government will remain alert and vigilant in its efforts to maintain financial stability.

With many businesses severely affected by a drop in consumer spending during the pandemic, costing the government about HK\$36 billion in expenditure, the issuance of consumption vouchers valued at HK\$5,000 distributed electronic to adult permanent residents and new arrivals would spur local spending and inject much needed impetus into the economy. "In view of the situation, we have adopted an expanding fiscal stance to both increase demand and to sustain the economy," the FS noted. In addition, to help lift the city out of its worst recession ever, the government will continue to invest in capital works projects and the estimated capital works expenditure for 2021-22 is HK\$77.7 billion. Public works projects are also expected to create employment opportunities and reduce Hong Kong's unemployment rate which reached a 17-year high of 7.0% between November 2020 and January 2021. In addition, HK\$6.6 billion has been earmarked to create about 30,000 jobs for a period of up to 12 months. "We will continue to work with the business community not only to find ways to ease their burden during the COVID pandemic, but also to create opportunities for growth in the future," the FS said.

Not the Time to Broaden Hong Kong's Tax Base

While the government needs to keep a steady eye on expenditure, the FS said despite the budget deficit, funding for education, social welfare and healthcare will not be cut. He also said that now is not the time to retool profits and salaries taxes. The FS announced in his annual budget the raise of the stamp duty on stock transfers from 0.1% to 0.13%. This comes at a time when the average daily turnover of the city's stock market has grown from below HK\$100 billion in 2019 to over HK\$200 billion in early 2021. While the stamp duty increase on stock transfers has drawn criticism, the FS said it should be noted

財政政策及刺激措施

儘管2020-21年度赤字預計達2,500億港元，而預期2021-22年赤字亦達1,000億港元，但財政司司長稱，香港有必要利用財政儲備，以維持香港的經濟發展及紓緩市民的經濟負擔。財政赤字令政府的財政儲備由上一年的1.1萬億港元急跌至2020-21年度末的約9,000億港元。財政司司長稱：「政府會毫不猶豫地善用財政儲備，以期刺激經濟，減輕市民因經濟下滑及疫情遭受的困難及壓力。」他補充道，政府將繼續警醒不怠，竭力維持金融穩定。

在疫情期間，許多企業受到消費支出驟跌的重創。政府將投入約360億港元，向成年永久性居民及新來港人士派發價值5,000港元的電子消費券，帶動本地消費，為經濟注入更多活力。財政司司長指出：「鑒於當前形勢，我們採取擴張性財政政策，以提升需求，維持經濟發展。」此外，為幫助香港擺脫史上最嚴重的經濟衰退，政府將繼續投資基建工程項目，2021-22年度預計基建工程支出為777億港元。香港失業率於2020年11月至2021年1月攀升至7.0%的17年高位，公共工程項目亦有望創造就業機會，降低香港失業率。此外，政府已撥款66億港元，創造約30,000個不超過12個月的有時限職位。財政司司長稱，「我們將繼續與商界合作，不僅想方法紓緩疫情期間企業的負擔，亦為它們日後的增長創造機會。」

擴闊香港稅基的時機未到

財政司司長表示，政府需要時刻留意支出狀況，儘管出現預算赤字，但不會削減對教育、社會福利及醫療保健領域的撥款。他還表示，現時並非重整利得稅及薪俸稅的時候，而他已在財政預算案宣佈將股票交易的印花稅稅率由0.1%上調至0.13%。香港股市的日均成交量由2019年的1,000億港元以下增長至2021年初的2,000億港元以上。財政司司長稱，儘管調升股票交易的印花稅稅率引發批評，但需注意的是，香港不徵收股息稅或資本利得稅。「沒有人喜歡多交稅，但我選擇了一個我認為對更廣大社會衝擊最小的領域。」



that Hong Kong doesn't apply tax on dividends or capital gains tax. "No one enjoys paying more taxes, but I have chosen an area that I believe will have the least impact on broader society," the FS said.

Providing Support and Relief for the Business Community

Given the persistence of the COVID-19 pandemic, the government has rolled out a series of counter-cyclical measures to help mitigate the severity of the impact on the Hong Kong business community. Costing over HK\$120 billion the FS said these measures seek to create a leverage effect to benefit people, workers as well as enterprises. Together with the banking sector, the Hong Kong Monetary Authority (HKMA) has extended the duration of the Pre-approved Principal Payment Holiday Scheme (PPHS). The scheme, which took effect in May last year, was extended by six months in November 2020 to April 2021 and, as the impact of COVID-19 pandemic lingers on, the HKMA has extended the PPHS by a further six months. At the end of March 2021, banks had granted over 62,000 loan extensions and other forms of relief, involving an aggregate amount of HK\$770 billion.

To further help SMEs to cope with economic and business challenges, the government-guaranteed 100% SME Financing Guarantee Scheme (SFGS) has been extended to the end of this year. In addition, the loan ceiling has been raised to HK\$6 million, and the repayment period extended. According to government figures, as at end March this year, the SFGS has already approved loans totalling HK\$48 billion to more than 22,000 enterprises which together employ over 270,000 employees. Under the 100% Personal Loan Guarantee Scheme (PLGS), the Government will provide 100% guarantee for concessionary low-interest loans taken out by eligible individual borrowers.

Strengthening the Financial Markets

As a leading international finance hub ranking high in areas such as stock market, asset management and banking, the FS says Hong Kong needs to create new areas of economic growth and market development, especially in areas that further strengthen the city's role as a bridge linking the Mainland with the international market. The FS highlighted the listing regime implemented by Hong Kong Exchanges and Clearing Limited (HKEX) as one of the successful examples of market reforms. Since April 2018 the HKEX has allowed qualifying pre-revenue biotech companies and new economy

為商界提供支持及紓困

鑒於2019冠狀病毒病疫情持續蔓延，政府已推出一系列逆周期措施，幫助減低疫情對香港企業的嚴重衝擊。財政司司長稱，這些措施將投入逾1,200億港元，力求發揮槓桿效應，惠及市民、勞工及企業。香港金融管理局（金管局）聯同銀行業延長「預先批核還息不還本」計劃的期限。該計劃於去年5月生效，於2020年11月延長六個月至2021年4月止。由於2019冠狀病毒病疫情陰霾不散，金管局將「預先批核還息不還本」計劃的期限再延長六個月。於2021年3月底，銀行已批准逾62,000筆貸款的延期及其他形式的紓困方案，涉及總額7,700億港元。

為進一步幫助中小企應對經濟及商業挑戰，政府百分百擔保的中小企融資擔保計劃已延期至今年年底。此外，貸款上限已調升至600萬港元，還款期亦延長。根據政府的數據，於今年3月底，中小企融資擔保計劃已批准向共僱用逾270,000名僱員的22,000多間企業發放總額達480億港元的貸款。政府亦推出百分百擔保個人特惠貸款計劃，由政府為合資格個人借款人就特惠低息貸款提供百分百擔保。

鞏固金融市場

財政司司長稱，作為在股市、資產管理及銀行業等領域高居前列的領先國際金融中心，香港需要創造「經濟增長及市場發展的新領域，尤其是在進一步發揮香港連接內地和國際市場的橋樑角色」。財政司司長強調香港交易及結算有限公司（香港交易所）實施的上市制度是市場改革的成功典範之一。從2018年4月開始，香港交易所首次容許尚無收益記錄的生物科技公司及具有非標準股權架構的新經濟公司來港集資。自新制度實行以來，截至2021年4月底，已有50間公司按照新制度上市，香港已成為生物科技公司的全球第二大集資地點。這些公司的首次公開招股（IPO）集資規模超過660億美元，約佔香港上市公司市值的四分之一。



companies with non-standard share structures to raise capital in Hong Kong for the first time. Since the launch of the new regime, and up to end-April 2021, 50 companies have listed under the new regime and Hong Kong has become the world's second-largest fund-raising venue for biotech companies. Between them they have raised more than US\$66 billion in initial public offering (IPO) funds, equivalent to about one-quarter of Hong Kong's listed companies' market capitalisation.

With special purpose acquisition companies, or SPACs, fast becoming a capital-raising trend, Hong Kong is among several Asian bourses considering allowing so-called blank-cheque companies to raise capital in the city. The FS said the government is looking into the opportunities that a SPAC regime would present to Hong Kong and how demand could be met for SPAC listing, with suitable investor protection safeguards in place. "As the government strives to develop Hong Kong into a broader and deeper fundraising platform, I am sure this is also the shared vision of the financial services industry," the FS said. He added, in achieving this shared goal, the government and financial regulators will carefully look into market development proposals and strike a balance between market development and investor protection.

Investing in Future Talent

As Hong Kong's business sectors and the wider community increasingly need talent with IT and digital skills to meet the needs of the current and future job market, the FS believes it is imperative to nurture local talent early. To cultivate local technology talent during secondary school years, the Office of the Government Chief Information Officer (OGCIO) has implemented the "IT Innovation Lab in Secondary Schools". In the three school years from 2020/21 to 2022/23, up to HK\$1 million will be provided to each publicly funded secondary school to organise IT-related activities and procure related IT equipment. To sow the seeds of interest as young as possible, the government has earmarked about HK\$200 million to launch a "Knowing More About IT" programme for primary schools. Funding of up to HK\$400,000 will be provided to each subsidised primary school in the coming three school years to enhance students' interest and knowledge in IT and its applications through extra-curricular activities.

While introducing the financial measures that assist Hong Kong's business and economic sectors, the FS believes appropriate funding also needs to be allocated to the city's social needs and the well-being of its citizens and visitors. Government arts expenditure will exceed HK\$5.7 billion this year while harbourfront enhancement initiatives will also continue. In his Budget, the FS also set aside HK\$500 million to enhance the city's country park amenities, including those used by hikers, an activity the FS enjoys when he has the time. **M**

— Chris Davis
Editor



由於特殊目的收購公司（簡稱SPAC）迅速成為集資趨勢，香港和另外幾個亞洲交易所都正在考慮是否允許所謂的空白支票公司在當地集資。財政司司長表示，政府正在研究SPAC制度將為香港帶來的機遇，以及如何滿足SPAC上市需求以及採取適當的保護投資者措施。財政司司長稱，「政府竭力將香港發展成覆蓋範圍更廣及更深的集資平台，我相信這亦是金融服務業的共同願景。」他補充道，為實現這一共同目標，政府及金融監管機構將認真研究市場發展建議，力求在市場發展與保護投資者之間取得平衡。

投資未來人才

鑒於香港商界及更廣大社群越來越需要掌握資訊科技及數碼技能的人才，以滿足現時及未來就業市場的需求，財政司司長認為必須盡早培養本地人才。為在中學階段培養本地科技人才，政府資訊科技總監辦公室已實行「中學IT創新實驗室」計劃。在2020/21至2022/23這三個學年，向公帑資助的每所中學提供最高100萬港元的資助，以舉辦與資訊科技相關的活動，以及購買相關資訊科技設備。為盡早播下興趣的種子，政府亦撥出約2億港元，用於在小學推行「奇趣IT識多啲」計劃。在未來三個學年，政府會向每所津貼小學提供最高400,000港元的資助，透過課外活動以加強小學生對資訊科技的興趣、認識及應用。

在推出支援香港商業及經濟行業的財政措施的同時，財政司司長認為亦需要投放合適的資源，以滿足香港的社會需求及保障市民和訪客的福祉。今年，政府投放在藝術方面的開支將超過57億港元，同時亦將繼續推行優化海濱措施。財政司司長亦在預算案中預留5億元改善香港的郊野公園設施，包括郊野遠足者使用的設施，郊野遠足亦是財政司司長在閒暇時樂此不疲的活動。 **M**

— Chris Davis
主編