

Letters | Hong Kong budget: hardly a bonus for the jobless or elderly

- While better than nothing, distributing stimulus vouchers on electronic payment platforms will do little to help senior citizens and those who use cash
- The preferential loan programme is not fit for purpose, either, as the pandemic is still ongoing and struggling recipients face five years of repayments



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Published: 7:00am, 26 Feb, 2021

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Published in SCMP (Letter to the Editor)
26 February 2021

In the 2021-22 budget announced on February 24, the Hong Kong government announced some measures to offset the negative effects brought by the coronavirus epidemic. However, some of the measures have left citizens disappointed.

One of the measures is a free HK\$5,000 (US\$650) stimulus voucher. These vouchers must be used on electronic payment platforms, and they will be distributed in HK\$1,000 tranches each month with the aim of encouraging local consumption. There are doubts about the effectiveness of the measure, though.

Electronic payments are not broadly popular in Hong Kong. It is hard to provide help for some types of people such as senior citizens with electronic payment stimulus vouchers. This means the actual number of people who use these stimulus vouchers will be lower than expected. A better way to help people is to distribute cash, not stimulus vouchers.

Besides the stimulus voucher measure, the finance secretary also announced a preferential loan programme for the unemployed that will be fully guaranteed by the government. The applicant's loan limit is six times their average monthly income while they were employed or HK\$80,000, whichever is lower, and only interest payments are required for the first 12 months.

After that, the principal and interest can be repaid in up to five years with a fixed annual interest rate of 1 per cent. If the applicant repays in full on time, the interest paid will be refunded in full.

This measure is not suitable for now as the pandemic has not ended yet. One year is not enough to eradicate the effects of the global outbreak. Applicants who are struggling need to bear the loan payments for the next five years.

This is not a wise measure. The Hong Kong government must show more concern about citizens' livelihood and collect more opinions from different communities to better formulate measures.

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