

Government further strengthens support for enterprises

To strengthen support for enterprises facing operational difficulties amid the COVID-19 outbreak, the Government will further enhance the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and the SME Export Marketing Fund (EMF). The Hong Kong Export Credit Insurance Corporation (HKECIC) has also launched a new round of measures to support the export trade of Hong Kong. All the new enhancement measures will be rolled out within this month to provide timely assistance to enterprises.

The Secretary for Commerce and Economic Development, Mr Edward Yau, said, "Hong Kong's economy is in a severe situation. The US-China trade conflict since 2018, the social incidents in the latter half of 2019 and the COVID-19 outbreak together pose unprecedented challenges to the business environment. Notwithstanding that the Government has since last year launched several rounds of relief measures and substantially raised funding support to help shore up affected enterprises, having regard to the rapidly deteriorating business environment, we consider it necessary to introduce further support measures to tide enterprises over this difficult time and get well prepared for long-term economic development. The new enhancements represent the Government's positive responses to views put forward recently by the business sector."

For the BUD Fund, the cumulative funding ceilings for each enterprise to undertake projects in the Mainland; and projects in other economies with which Hong Kong has signed Free Trade Agreements, are \$2 million respectively. The Government has decided to remove the two individual ceilings, so that enterprises can flexibly make use of the total funding of up to \$4 million to expand to new markets.

Due to the impact of the epidemic, virtual exhibitions have opened up a new avenue for business promotion. In this context, the Hong Kong Trade Development Council is organising Spring Virtual Expo in April, allowing enterprises to connect with worldwide suppliers and buyers more easily and efficiently. In view of this new development, enterprises participating in virtual exhibitions organised by Government-related organisations or reputable exhibition organisers with good track records will be eligible for funding support under the BUD Fund and the EMF.

In tandem, the HKECIC has immediately implemented a new round of support measures for one year to strengthen support for policyholders, in particular the Small Business Policy (SBP) holders, so as to provide greater protection to small and medium-sized exporters. The new measures include:

- Providing free pre-shipment cover on approved buyers for SBP holders in all HKECIC insured markets
- Increasing the credit limits of all buyers for SBP holders in all

- HKECIC-insured markets by 20 per cent, with a maximum of \$5 million
- Extending the premium payment period for SBP holders for one month
 - Providing an extra 20 per cent discount on premiums for SBP holders, so that each SBP holder can enjoy a total of 50 per cent discount on premiums
 - Waiving the annual policy fee of \$1,500 for all policyholders
 - Extending across-the-board the payment period to 120 days for each approved credit limit (instead of 60 to 90 days in general)
 - Waiving additional premium payments for changes to payment terms due to buyers' requests as a result of the pandemic situation
 - Handling expeditiously claims payments of \$1,000,000 or below, with such cases processed within five days upon receipt of relevant documents
 - Simplifying procedures and exercising flexibility in processing claims cases of payment difficulties
 - Providing 10 additional free buyer credit assessments to all policyholders

These new measures of the HKECIC will benefit about 2 600 policyholders, including approximately 1 250 SBP holders (i.e. policyholders with annual sales turnover less than \$50 million).

This morning (April 9), Mr Yau chaired the Trade and Industry Advisory Board video conference to brief members on the above new measures and exchange views with them on other issues of concern.

Details of the enhancement measures of the BUD Fund and the EMF are available on the Trade and Industry Department's website (www.smefund.tid.gov.hk). Information on the new measures of the HKECIC can be found on HKECIC's website (www.hkecic.com).