

# Government launches new scheme to subsidise local SMEs to participate in TDC's exhibitions

To further assist local small and medium enterprises (SMEs) in exploring markets and business opportunities, the Government will launch a one-off scheme on February 1, 2020 to subsidise local SMEs to participate in exhibitions organised by the Hong Kong Trade Development Council (TDC). The scheme will last for 6 months till July 31, 2020. Local SMEs will be subsidised 50 per cent of its participation fee per participation in TDC's exhibitions during the period, subject to a cap of \$10,000.

The Secretary for Commerce and Economic Development, Mr Edward Yau, said today (January 19), "Enterprises are facing pressure from challenges brought by external economic environment and current economic downturn, and SMEs' operations are in particularly hard hit. The exhibition sector can drive economic activities of other sectors such as export trade, product and service industries as well as tourism. However, many stakeholders of the exhibition sector have told us that the economic downturn has reduced the willingness of local SMEs to participate in exhibitions. The Government has all along been providing subsidies to SMEs for exploring markets. We have decided to expand the scope of assistance to local SMEs which participate in TDC's exhibitions, such that they can grasp immediate business opportunities by showcasing Hong Kong's quality services and products to buyers and potential business partners from around the world."

Mr Yau said that the scheme is expected to benefit over 5 000 local SMEs. SMEs which have obtained subsidy from the scheme, if eligible, can still apply for the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) or the SME Export Marketing Fund (EMF) for funding on a matching basis for the remaining exhibition-related expenses. The Government will work closely with the TDC to ensure that the scheme will be launched smoothly and swiftly in order to provide timely and targeted assistance for local SMEs.

Meanwhile, to assist enterprises in enhancing their competitiveness and developing the Mainland and overseas markets, a total of \$3 billion has been injected into the BUD Fund and the EMF to substantially increase the cumulative funding ceilings per enterprise and the ratio of initial payments, as well as to expand the geographical coverage of the BUD Fund to cover all economies with which Hong Kong has signed Free Trade Agreements (FTAs) starting from tomorrow (January 20).

"The Government has announced several rounds of support measures since last August, including increasing funding support and consolidating the existing SME centres managed by different government departments and agencies to provide one-stop information for SMEs. The abovementioned measures will more effectively and flexibly support enterprises in expanding markets and

enhancing their competitiveness," Mr Yau said.

Enhancements to the BUD Fund and the EMF include:

#### BUD Fund

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(1) the scope of the Association of Southeast Asian Nations (ASEAN) Programme under the BUD Fund will be expanded to become the FTA Programme, under which the geographical coverage will be extended from the 10 ASEAN countries to cover other economies with which Hong Kong has signed FTAs, including Australia, Chile, the four member states of the European Free Trade Association, Georgia, Macao, and New Zealand;

(2) the cumulative funding ceiling for each enterprise will be doubled from the current \$2 million to \$4 million, including increasing the cumulative funding ceiling under the Mainland Programme from \$1 million to \$2 million, and that under the FTA Programme from \$1 million to \$2 million; and

(3) the ratio of initial payment will be raised from the existing level of 25 per cent to up to 75 per cent of the approved government funding.

#### EMF

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(1) the cumulative funding ceiling per SME will be doubled from \$400,000 to \$800,000; and

(2) a new option will be provided for application for an initial payment of up to 75 per cent of the approved government funding.

A dedicated service team named "SME ReachOut" has also commenced operation starting from January 1 to support SMEs through face-to-face meetings to help identify funding schemes that suit them, while answering questions relating to applications. The goal is to enhance SMEs' understanding of the Government's funding schemes with a view to encouraging better utilisation of the support provided by the Government.

More details of the above enhancement measures are available on the Trade and Industry Department's website ([www.smefund.tid.gov.hk](http://www.smefund.tid.gov.hk)).