

Implementation of new round of SME measures in January 2020

To further strengthen its support of Hong Kong's small and medium enterprises (SMEs), the Government will implement a number of measures starting from next January, including the launch of the new "SME ReachOut" service, and enhancements to the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and the SME Export Marketing Fund (EMF).

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

As well, additional resources have been injected into the BUD Fund and the EMF to raise the cumulative funding ceiling and the ratio of initial payments, as well as to expand the geographical coverage of the BUD Fund starting from January 20 to help enhance the enterprises' competitiveness and support their exploration of Mainland and overseas markets.

The Secretary for Commerce and Economic Development, Mr Edward Yau, said, "Enterprises are facing the challenges of the external economic environment and pressure from the downward trend of the current economy. The Government has announced several rounds of support measures since August this year, including increasing funding support and consolidating the existing SME centres managed by different government department or agencies to provide one-stop information for SMEs. The measures to be launched will more effectively and flexibly support enterprises in expanding markets, while enhancing their competitiveness to help them capture new business opportunities."

Enhancements to the BUD Fund and the EMF include:

BUD Fund

(1) the scope of the Association of Southeast Asian Nations (ASEAN) Programme under the BUD Fund will be expanded to become the Free Trade Agreement (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 New Zealand, the four member states of the European Free Trade Association, Chile, Macao, Georgia and Australia;

(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 payments 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 SMEs to apply for an initial payment of up to 75 per cent of the approved government funding.

An overview of the enhancement measures is at the Appendix.

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