

# LCQ15: Distance Business Programme

Following is a question by the Hon Jimmy Ng and a written reply by the Secretary for Innovation and Technology, Mr Alfred Sit, in the Legislative Council today (December 16):

Question:

The Government has launched the Distance Business Programme (the Programme) under the Anti-epidemic Fund, with an aim to provide, through a fast-track processing approach, funding support for enterprises to adopt information technology solutions for developing distance business during the epidemic. Each enterprise can submit up to two applications and may receive funding of up to \$300,000 in total. Application for the Programme closed on October 31 this year. In this connection, will the Government inform this Council:

(1) among the 38 572 applications received under the Programme, of the respective up-to-date numbers of those approved, the vetting and approval of which is still in progress, and rejected; the total amount of funding granted, and the average amount of funding for each successful application; of the number of enterprises which have both of their two applications approved;

(2) of the number of enterprises which withdrew from the Programme after their applications had been approved; whether the authorities have taken the initiative to look into the reasons for their withdrawal and provide them with other support; if so, of the details;

(3) given the unstable epidemic situation, whether the authorities will consider re-opening the Programme for application and allowing those enterprises which have submitted two applications to submit new applications; if so, of the details; if not, the reasons for that;

(4) whether the authorities will consider regularising the Programme and increasing the total amount of funding that each enterprise may be granted; if so, of the details; if not, the reasons for that;

(5) whether the Secretariat of the Programme has honoured the performance pledge that the applicants will be informed of the relevant outcome within about 10 working days; if not, of the average time taken for vetting and approving each application; and

(6) as it has been reported that it is difficult for calls to the Programme's enquiry hotline to get through, whether the authorities have looked into this issue and make improvement accordingly; if so, of the details?

Reply:

President,

The Government has launched the Distance Business Programme (the Programme) under the Anti-epidemic Fund to support enterprises to continue their business and provide services during the epidemic through the adoption of information technology solutions. The Innovation and Technology Commission (ITC) is responsible for implementing the Programme, and the Hong Kong Productivity Council is the Secretariat of the Programme. Application was open from May 18 to October 31, 2020. The response was overwhelming with 38 572 applications received in total. Around 95 per cent of the applications came from small and medium-sized enterprises.

Our reply to the various parts of the question is as follows:

(1) Of the 38 572 applications received, nearly 10 000 were submitted in the last week of October. As at December 15, 28 038 applications have been processed, of which 25 930 were approved (including 3 010 enterprises with both of their applications approved), and 2 108 were rejected. We are processing the remaining applications. After excluding cases in which the enterprises did not accept the application results or provide relevant documents after their applications had been approved, the total funding involved is around \$1.4 billion, and the average approved funding amount is about \$60,000.

(2) As at December 15, 3 416 enterprises whose applications were approved did not accept the application results, or were considered to have withdrawn from the Programme as they did not submit requisite documents to the Secretariat before the deadline. As enterprises can decide whether to accept the approved solutions according to their circumstances, we have not kept track of the reasons why individual enterprises withdrew from the Programme.

(3) and (4) The Programme is a time-limited initiative introduced under the Anti-epidemic Fund. We do not plan to accept applications again or increase the funding ceiling for each enterprise. That said, the Technology Voucher Programme (TVP), a regular programme under the Innovation and Technology Fund, provides subsidies for enterprises to use technological services and solutions to improve productivity, or upgrade or transform their business processes.

Having regard to the operational experience and the industry's views, the ITC has enhanced the TVP earlier this year. At present, each eligible enterprise can receive a cumulative funding of up to \$600,000 to carry out a maximum of six projects. Each approved project can be funded up to three-quarters of the project cost, which means that the enterprise only has to contribute no less than a quarter of the project cost. We welcome applications from enterprises.

(5) and (6) The original target of the Programme was to provide funding support for around 3 000 enterprises over a half-year application period. Hence, we anticipated that the Secretariat could complete the vetting of an application within ten working days if all the required information and documents were submitted. In fact, the actual processing time depends primarily on the number of applications received, whether the information submitted by the applicant is complete, as well as the complexity of the

projects. Since the launch of the Programme on May 18, 5 200 applications were received in the first week, and the response from enterprises has been unexpectedly overwhelming. It takes time for the Secretariat to process the large volume of applications, and the Secretariat has then increased its manpower substantially to expedite the vetting process. Depending on the above factors, the time required for processing each application may vary and thus cannot be generalised. With more manpower, the time for handling telephone enquiries has been considerably shortened, and most of the calls can be answered immediately or within one day.