

LCQ17: Loan schemes launched for tour coach trade

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Transport and Logistics, Mr Lam Sai-hung, in the Legislative Council today (December 13):

Question:

On April 29 this year, the Government launched the Dedicated 100% Loan Guarantee Scheme (DLGS) for Travel Sector and the DLGS for Cross-boundary Passenger Transport Trade to support the travel sector and cross-boundary passenger transport trade to resume their services as soon as possible after the COVID-19 epidemic. However, some operators of local tour coaches as well as cross-boundary coaches and hire cars have relayed that the vetting and approval of applications under the schemes concerned has been very slow, and the progress of their resumption of business has been affected due to the prolonged delay in loan receipt. In this connection, will the Government inform this Council:

(1) of the following information on (a) the DLGS for Travel Sector and (b) the DLGS for Cross-boundary Passenger Transport Trade since their launch: (i) the respective numbers of applications received, approved, rejected and being processed by the lending institutions participating in the vetting and approval of loans, together with a breakdown by local tour coach as well as cross-boundary coach and hire car, and their percentages in the total number of eligible vehicles; (ii) the average processing time for approved applications; and (iii) the reasons for those applications being rejected;

(2) as it is learnt that only 12 lending institutions currently participate in the aforesaid dedicated schemes and these institutions solely process the relevant applications submitted by their existing customers, whether the Government knows, among the approved applications, the number of those in which the applicants are new customers of these lending institutions; and

(3) whether it will motivate the lending institutions participating in the aforesaid dedicated schemes to expedite the vetting and approval procedures of the relevant schemes and proactively assist the sector and trade concerned in resolving the cash flow problem; if so, of the details; if not, the reasons for that?

Reply:

President,

In consultation with the Hong Kong Mortgage Corporation Insurance Limited (HKMCI), which is responsible for the administration of the two dedicated schemes, and the Culture, Sports and Tourism Bureau, I would like to provide a consolidated reply to the question raised by the Hon Frankie

Yick as follows:

The Financial Secretary proposed in his 2023-24 Budget to launch 100% loan guarantee schemes for the cross-boundary passenger transport trade and the tourism sector to facilitate their speedy recovery. The objective of the Dedicated 100% Loan Guarantee Scheme for Cross-boundary Passenger Transport Trade is to allow eligible operators/registered vehicle owners/ferry owners of cross-boundary passenger transport to apply for the loan for the purpose of vehicle/ferry repair and maintenance, buying insurance, etc, with a view to resuming services as soon as possible. The Dedicated 100% Loan Guarantee Scheme for Travel Sector aims at assisting licensed travel agents and local tour coach registered owners to resolve short-term funding difficulties so that they can hire staff as soon as practicable and accelerate operational capability enhancement, thereby complementing the pace of resumption of inbound and outbound tourism activities. The two dedicated schemes were launched on April 29, 2023, with the application period till April 28, 2024.

Since the launch of the two aforesaid dedicated schemes to November 30 this year, the HKMCI received a total of 237 loan applications from the participating lending institutions, of which 195 (82 per cent) have been approved, 29 (12 per cent) are under processing, the remaining 13 (6 per cent) are overdue (with no further feedback from the applicants) or withdrawn by the applicants. The HKMCI and the lending institutions have been processing the applications expeditiously. Insofar as the approved loan cases are concerned, it takes an average of two to three weeks for the HKMCI's approval of the applications submitted by the lending institutions. Some of the cases may need more time for processing, mostly for the reasons that applicants have to submit supplementary information and confirm or correct their application information. For some applications which may cover multiple vehicles, including local tour coaches, cross-boundary coaches and cross-boundary hire cars, relatively longer processing time is needed to handle a larger volume of documents submitted by the applicants. The application situation is as follows:

(As at November 30, 2023)	Dedicated 100% Loan Guarantee Scheme for Travel Sector		Dedicated 100% Loan Guarantee Scheme for Cross-boundary Passenger Transport Trade	
	Licensed travel agents	Owners of local tour coaches	Owners of cross-boundary coaches	Owners of cross-boundary hire cars
Number of applications received	121	103	9	4
Number of applications approved	102	86	6	1

Number of vehicles involved in the approved applications (percentages in the total number of eligible vehicles)	N.A	516 (16.7%)	27 (1.8%)	5 (0.8%)
Average number of working days for each approved application processed (from the day the application is submitted to the HKMCI by the lending institution to the day the application is finally approved)	6	18	19	29
Number of applications under processing	10	15	2	2
Number of overdue applications (with no further feedback from the applicants) or number of applications withdrawn by the applicants	9	2	1	1
Number of applications not approved	0	0	0	0

Currently, there are a total 12 lending institutions participating in the two dedicated schemes, covering major banks serving local small and medium enterprises. Individuals may contact the participating lending institutions of the schemes for appropriate support as necessary. The HKMCI noted that there are lending institutions assisting new customers who opened their accounts only this year in processing the loan applications under the schemes. However, the HKMCI does not have the relevant statistics on whether applicants are new customers of the lending institutions.