

## LCQ17: Technology Voucher Programme

Following is a question by the Hon Robert Lee and a written reply by the Secretary for Innovation, Technology and Industry, Professor Sun Dong, in the Legislative Council today (March 13):

Question:

The Government launched enhancement measures for the Technology Voucher Programme (TVP) in April 2020, including increasing the funding ceiling and the maximum number of approved projects. Nonetheless, it is learnt that at present, many enterprises, especially small and medium-sized financial intermediaries, still encounter many difficulties in making applications under TVP. In this connection, will the Government inform this Council:

(1) in respect of TVP applicants from the financial services industry, of (i) the number of applications received and its proportion to the total number of TVP applications, (ii) the average vetting and approval time per application, (iii) the success rate of applications, (iv) the average amount of funding applied for per application, and (v) the average amount of subsidy approved per application, in each of the past three years;

(2) as many members of the financial services industry have relayed that they face problems in making applications under TVP as regards its complicated procedures, long vetting and approval time, as well as the small amount of approved subsidy, whether the authorities will consider further streamlining the application procedures of TVP, expediting the vetting and approval time, and increasing the amount of approved subsidy; if so, of the details; if not, the reasons for that;

(3) since the launch of the enhancement measures, how TVP has been enhanced in terms of the success rate of applications, flexibility in vetting and approval, etc.; and

(4) given that while the Government has launched the four-in-one integrated services to provide enterprises with consolidated and comprehensive information of various government funding schemes (including TVP) as well as consultation services, many members of the industry have relayed that they still have no in-depth understanding of such services, of the authorities' plans in place to step up publicity and promotion to help the industry grasp the details of such services, so as to increase the success rate of applications under TVP?

Reply:

President,

The Technology Voucher Programme (TVP) under the Innovation and Technology Fund administered by the Innovation and Technology Commission

(ITC), aims to support local enterprises/organisations in using technological services and solutions to improve productivity, or upgrade or transform their business processes. Having consulted the Commerce and Economic Development Bureau (CEDB), our reply to various parts of the question is as follows:

(1) In the past 3 years, statistics on applications relevant to the "Banking, Insurance and Financial Services Sector" under TVP are as below:

The annual number of applications received, and their proportion to the total number of applications received

	Number of applications received under "Banking, Insurance and Financial Services Sector"	Proportion to the total number of applications received under the TVP
2021	178	3.14 per cent
2022	266	2.04 per cent
2023	252	1.54 per cent

The average processing time for each application is around 25 working days upon receipt of full information and necessary supporting documents, with the application success rate of around 98 per cent. The average requested funding amount for each application is \$236,000, and the average approved funding amount for each application is \$171,000.

(2)&(3) ITC attaches great importance to the feedbacks on the TVP from the industry, and reviews its funding arrangement and introduces enhancement measures from time to time to encourage and facilitate the utilisation of TVP by the industries. Since the launch of TVP in 2016, ITC has implemented a series of enhancement measures in a timely manner having regard to its operational experience and the feedbacks from the industries. These include, from April 2020 onwards, the cumulative funding ceiling of each enterprise/organisation has been increased from the initial \$200,000 to \$600,000, whereas the maximum number of projects funded has been increased from three to six. The Government funding ratio has also been raised from two-thirds to three-quarters.

Following ITC's introduction of various enhancement measures in April 2020, there was a substantial increase in the number of applications from 2 641 in 2019-20 to 7 028 in 2020-21. As the increase far exceeded ITC's manpower capacity, to expedite the processing of applications, ITC appointed the Hong Kong Productivity Council (HKPC) as the secretariat of TVP on June 8, 2021, making use of HKPC's human resources and rich experience in order to enhance the efficiency in processing applications.

With the concerted efforts of ITC and HKPC, in 2022 and 2023, 12 387 and 10 906 applications were approved respectively. Compared with the 1 536 and 3 787 applications approved in 2020 and 2021 respectively, there was a significant increase in the processing capacity. During the period from 2020 to 2023, the success rate of TVP applications maintained at a level of over

97 per cent.

Furthermore, ITC and HKPC introduced an electronic procurement platform in October 2022 to offer enterprises/organisations a brand new and convenient procurement means in addition to the traditional channel, which allows applicants to obtain quotations of competitive prices in a completely open, fair and transparent manner. At the same time, the platform provides opportunities for more service providers to participate in the TVP projects by way of fair competition. Procurement conducted through the aforementioned electronic platform is not subject to the minimum requirement on number of quotations, thereby increasing the flexibility of application assessment.

ITC will continue to closely monitor the implementation of the TVP and the feedbacks from the industries and introduce enhancements in a timely manner in order to assist more enterprises in upgrading and transformation.

(4) According to information provided by CEDB, to raise the awareness of small and medium enterprises (SMEs) of the Government's various support measures, the Government has consolidated the services of the four SME centres in October 2019, namely the "Support and Consultation Centre for SMEs" (SUCCESS) under the Trade and Industry Department (TID), the "SME Centre" under the Hong Kong Trade Development Council, the "SME One" under HKPC and the "TecONE" under Hong Kong Science and Technology Parks Corporation, to provide "four-in-one" integrated services, so that SMEs can receive information on doing business, funding schemes and support services as well as consultation and referral services in any one of the aforementioned centres. As at end-January 2024, the four SME centres have handled over 200 000 enquiries. TID also launched a one-stop web portal "SME Link" in June 2022, which allows SMEs to access information, including that on government funding schemes (including TVP), on a single online platform.

In addition, "SME ReachOut", operated by the Government through HKPC, commenced operation in January 2020 to help SMEs identify suitable government funding schemes and answer questions related to applications, and organise or participate in various activities to promote government funding schemes. The Financial Secretary announced in the 2023-24 Budget that \$100 million would be allocated to HKPC to gradually enhance the services of "SME ReachOut". These include arranging visits to more chambers of commerce, commercial and industrial buildings and co-working spaces, as well as increasing the publicity in social media, and providing more one-on-one consultation sessions. As at end-January 2024, "SME ReachOut" has handled over 20 400 enquiries, organised or participated in 10 exhibitions and over 50 seminars or webinars, as well as conducted over 210 promotional activities. SMEs can obtain information about TVP through "SME ReachOut".