

LCQ8: Assisting small and medium enterprises in business development on the Mainland

Following is a question by the Hon Maggie Chan and a written reply by the Secretary for Commerce and Economic Development, Mr Algernon Yau, in the Legislative Council today (November 1):

Question:

There are views that the Government should help more small and medium enterprises (SMEs) in Hong Kong collaborate with Mainland enterprises mutually, facilitate the optimization of measures adopted by Mainland authorities at various levels to assist Hong Kong businessmen, and provide one-stop support to help SMEs develop their businesses on the Mainland. In this connection, will the Government inform this Council:

(1) whether it has compiled statistics on the current number of branch offices established by Hong Kong SMEs on the Mainland and the major industries such SMEs engage in;

(2) whether it has conducted studies on the major projects invested by Hong Kong SMEs on the Mainland, the total amount of investment, as well as the scale and characteristics of such projects;

(3) whether regular official exchanges have been conducted with the Mainland Government regarding the policies to support Hong Kong SMEs, with a view to assisting Hong Kong SMEs in promoting "Brand Hong Kong" in the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area; if so, of the implementation situation of the relevant policies; and

(4) given that Biz Expands Easy launched by the Hong Kong Productivity Council is a one-stop integrated platform providing consolidated information on various government funding schemes, whether the Government has measures in place to promote the online platform, so as to help SMEs apply for suitable funding schemes to develop their businesses on the Mainland; if so, whether it has assessed the effectiveness of such measures?

Reply:

President,

Having consulted the Constitutional and Mainland Affairs Bureau and the Innovation, Technology and Industry Bureau, the consolidated reply to the four parts of the question is set out below:

The Mainland Offices of the Government of the Hong Kong Special

Administrative Region (HKSAR) have been actively serving as an important bridge between Hong Kong and the Mainland, including enhancing communication and liaison with their Mainland counterparts, representing and promoting Hong Kong's commercial interests, as well as providing information to the Hong Kong business sector on the latest laws and regulations, policies and significant regional developments on the Mainland through various channels including delivering public speeches, giving media interviews, conducting briefings, issuing information circulars, newsletters and press releases, etc. The Government of the HKSAR does not have any data on the establishment of offices and investment situation of Hong Kong enterprises on the Mainland.

To help drive the harmonisation of rules in different sectors in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and improve product and service quality, the Governments of Guangdong, Hong Kong and Macao strive to develop the GBA Standards for different products and services for voluntary adoption by the trade and, on April 24, 2023, signed a Memorandum of Understanding on jointly promoting the development of the GBA Standards and announced the first batch of a total of 110 GBA Standards. The Guangdong provincial authorities recently issued the guidelines on the formulation of a new batch of GBA Standards, and are inviting applications from the trade in the three places. The Trade and Industry Department (TID) will continue to liaise with relevant authorities of Guangdong Province and Macao, and co-ordinate within the Government of the HKSAR to jointly take the work forward.

For promoting Hong Kong brands, we continue to provide funding support to enterprises under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund). Since the launch of the BUD Fund in June 2012 and up to end September 2023, over 5 100 applications targeting the Mainland market had been approved, involving funding of around \$3.1 billion which accounts for about 75 per cent of the total funding approved under the BUD Fund.

The Chief Executive announced in the 2023 Policy Address a range of measures to support SMEs in developing electronic commerce (e-commerce) business. These include launching "E-commerce Easy" under the BUD Fund to enable each enterprise to make use of \$1 million for the implementation of e-commerce projects within the cumulative funding ceiling of \$7 million; organising Hong Kong Shopping Festivals on e-commerce platforms; as well as strengthening the provision of information to SMEs on conducting e-commerce on the Mainland, to be led by the Support and Consultation Centre for SMEs (SUCCESS) under the TID with the co-operation of the other three SME centres (including the SME Centre under the Hong Kong Trade Development Council, the SME One under the Hong Kong Productivity Council (HKPC), and the TecONE under the Hong Kong Science and Technology Parks Corporation), with a view to assisting SMEs in leveraging e-commerce to promote awareness of Hong Kong brands for developing the Mainland domestic sales market.

Since the launch of the Biz Expands Easy (BEE) platform by the HKPC in September 2022 and up to mid October 2023, there have been more than 460 000 views. The HKPC also launched the mobile application "BEE@HKPC" in end March 2023 to facilitate SMEs to receive information on Government funding schemes. The HKPC has been working closely with relevant Government departments to

promote the BEE platform in relevant media, including the websites of the Innovation and Technology Fund, the TID's "SME Link" and SUCCESS, as well as that of Invest Hong Kong, to strengthen the promotion of support measures for SMEs, including on applying for suitable funding schemes to develop business on the Mainland.