

LCQ8: SME Export Marketing Fund

Following is a question by the Hon Jimmy Ng and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (July 14):

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Question:

The SME Export Marketing Fund (EMF) provides financial support to small and medium enterprises (SMEs) to encourage their participation in export promotion activities, thereby assisting them in expanding their markets outside Hong Kong. To support enterprises in conducting local market promotion activities and making full use of both online and offline avenues to conduct promotion activities, the Government has, since April 30 this year, expanded the funding scope of the EMF to include local exhibitions and virtual exhibitions targeting the local market, and allowed applications from non-listed enterprises other than SMEs (collectively referred to as enhancement measures), for a period of two years. In this connection, will the Government inform this Council:

(1) of the details of the relevant publicity efforts targeting the industrial and commercial sectors made by the authorities since the launch of the enhancement measures, and the manpower and expenditure involved;

(2) of the respective numbers of applications (a) received and (b) approved by the authorities since the launch of the enhancement measures which (i) involved the aforesaid exhibitions and virtual exhibitions and (ii) were submitted by non-listed enterprises other than SMEs, and the average amount of funding granted per application for each type of applications;

(3) as the authorities pointed out a few months ago that it was unlikely that exhibitions outside Hong Kong could fully resume within a short period of time, and that virtual exhibitions had become increasingly popular, whether the authorities will extend the implementation period of the enhancement measures; if so, of the details; if not, the reasons for that; and

(4) as the funding ceiling per EMF application is currently pitched at 50 per cent of the total approved expenditure incurred by the applicant enterprise for the relevant activity or \$100,000, whichever is the less, whether the authorities will raise such funding ceiling; if so, of the details; if not, the reasons for that?

Reply:

President,

Established in 2001, the SME Export Marketing Fund (EMF) aims to provide funding support to encourage small and medium enterprises (SMEs) to conduct export promotion activities, such as participation in exhibitions and

business missions outside Hong Kong, to develop such markets. To support enterprises in coping with the present economic challenges, the scope of the EMF has been expanded since April 30, 2021 to cover large-scale exhibitions as well as online exhibitions targeting the local market, and the eligibility has been relaxed to cover non-SMEs, for a period of two years.

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

(1) The Trade and Industry Department (TID) promotes the latest enhancement measures of the EMF to enterprises through various channels, including disseminating the key information on the EMF website, notifying trade and industrial organisations/trade associations via emails, organising seminars, and sending representatives to attend the physical or online seminars organised by trade and industrial organisations/trade associations.

The TID also disseminates information on the latest enhancement measures of the EMF through the four consolidated SME centres (i.e. the Support and Consultation Centre for SMEs of the TID, the SME Centre of the Hong Kong Trade Development Council (HKTDC), SME One of the Hong Kong Productivity Council and TecONE of the Hong Kong Science and Technology Parks Corporation) and the SME ReachOut team.

The Commerce and Economic Development Bureau also engaged Hong Kong Economic Times from August 2020 to April 2021 to launch a promotion campaign, which includes provision of information about the EMF through plain and easily comprehensible information (info-packs), topical articles and sharing of successful cases through an online platform.

The TID will continue to encourage enterprises through various promotion channels to make better use of the funding support provided by the Government. The manpower and expenditure for the work mentioned above have been subsumed under the overall estimated expenditure of the TID, and cannot be quantified separately.

(2) The number of applications received by the TID and relevant information in relation to the expansion of funding scope covered by the enhancement measures during the period from April 30 to June 30, 2021 are as follows:

	Exhibitions targeting the local market	Online exhibitions	Applications submitted by non-SMEs
Number of applications received (Note)	2 278	67	85
Number of applications being processed	1 582	53	47
Number of applications approved	667	13	38
Number of applications rejected	29	1	0

Average amount of grants for applications approved	\$25,130	\$2,120	\$49,780
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(3) As the global pandemic lingers on, enterprises have been facing difficulties in conducting export promotions outside Hong Kong. The enhancement measures, effective for two years, aim to assist enterprises in switching to conduct promotions targeting the local market during the pandemic, with a view to exploring more local business opportunities and utilising digital technologies in business development. The Government will closely monitor the market situation and needs of enterprises, and review the operation of the EMF with a view to providing enterprises with due support.

On the other hand, the Government established the \$1,020 million Convention and Exhibition Industry Subsidy Scheme (the Scheme) under the Anti-epidemic Fund to provide subsidies to exhibitors of exhibitions and participants of major conventions organised by the HKTDC, as well as organisers of exhibitions and international conventions at the Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo, and urges the organisers to share the subsidies with participants. The Government has extended the Scheme twice to June 30, 2022 to benefit more convention and exhibition activities. The Government has also made special arrangement so that eligible enterprises may benefit from the subsidies under both the Scheme and the EMF.

(4) The EMF currently provides funding support to enterprises on a matching basis. The maximum amount of funding support for each successful application is 50 per cent of the total approved expenditure incurred by the applicant enterprise or \$100,000, whichever the less. The TID has raised the funding ceiling per application from \$50,000 to \$100,000 since August 2018. As at end-June 2021, the average grant amount for applications approved was \$22,170. Approved applications with grant amount reaching \$100,000 accounted for only three per cent of the total number of applications approved, showing that the current funding ceiling can meet the needs of the vast majority of enterprises. The Government will monitor the usage and review the EMF as appropriate.

Note: Excluding applications withdrawn by enterprises.