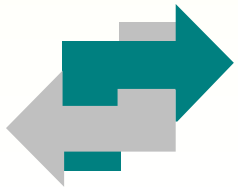


Support Measures for SMEs



Trade and Industry Department

SMEs in Hong Kong



- Manufacturing firms: < 100 employees
- Non-manufacturing firms: < 50 employees
- About 266 000 SMEs in Hong Kong
 - 98% of the business establishments
 - 49% (1.2 million people) of the private sector workforce

SUCCESS

Free and practical business information and consultation services to SMEs



SUCCESS

Business Information Services

- SUCCESS' Website (www.success.tid.gov.hk)
- E-newsletters and e-mail alerts
- SME newsletter “SME Pulse”
- Reference library
- Business electronic databases
- Exhibitions and product/information display

SUCCESS

Consultation Services



- “Meet-the-Advisors”
Business Advisory Service



- SME Mentorship Programme

SUCCESS

Activities



■ Workshops



■ Company Visits



■ Seminars

SME Funding Schemes



- SME Loan Guarantee Scheme (SGS)
- SME Export Marketing Fund (EMF)
- SME Development Fund (SDF)

SME Loan Guarantee Scheme (SGS)

SME Loan Guarantee Scheme

- Helps SMEs secure loans from participating lending institutions (PLIs)
- Amount of guarantee: 50% of the approved loan
- Types of guarantees:
 - (a) Guarantee for Business Installations and Equipment (BIE) Loans
 - (b) Guarantee for Working Capital Loans (WCL)

Guarantee Ceiling


	<u>Before Mar 08</u>	<u>Mar 08</u>	<u>Nov 08</u>
Business Installations and Equipment Loans	\$ 2 million	\$ 5 million	\$ 6 million (for either BIE or WCL or both)
Working Capital Loans		\$ 1 million	

- If an SME has fully repaid loan(s) backed up by the guarantee, it is eligible for the respective guarantee amount one more time.

Guarantee Period

Business Installations and Equipment Loans	5 years	
Working Capital Loans	2 years	→ 5 years

Applications Approved under Enhanced SGS since 6 November 2008



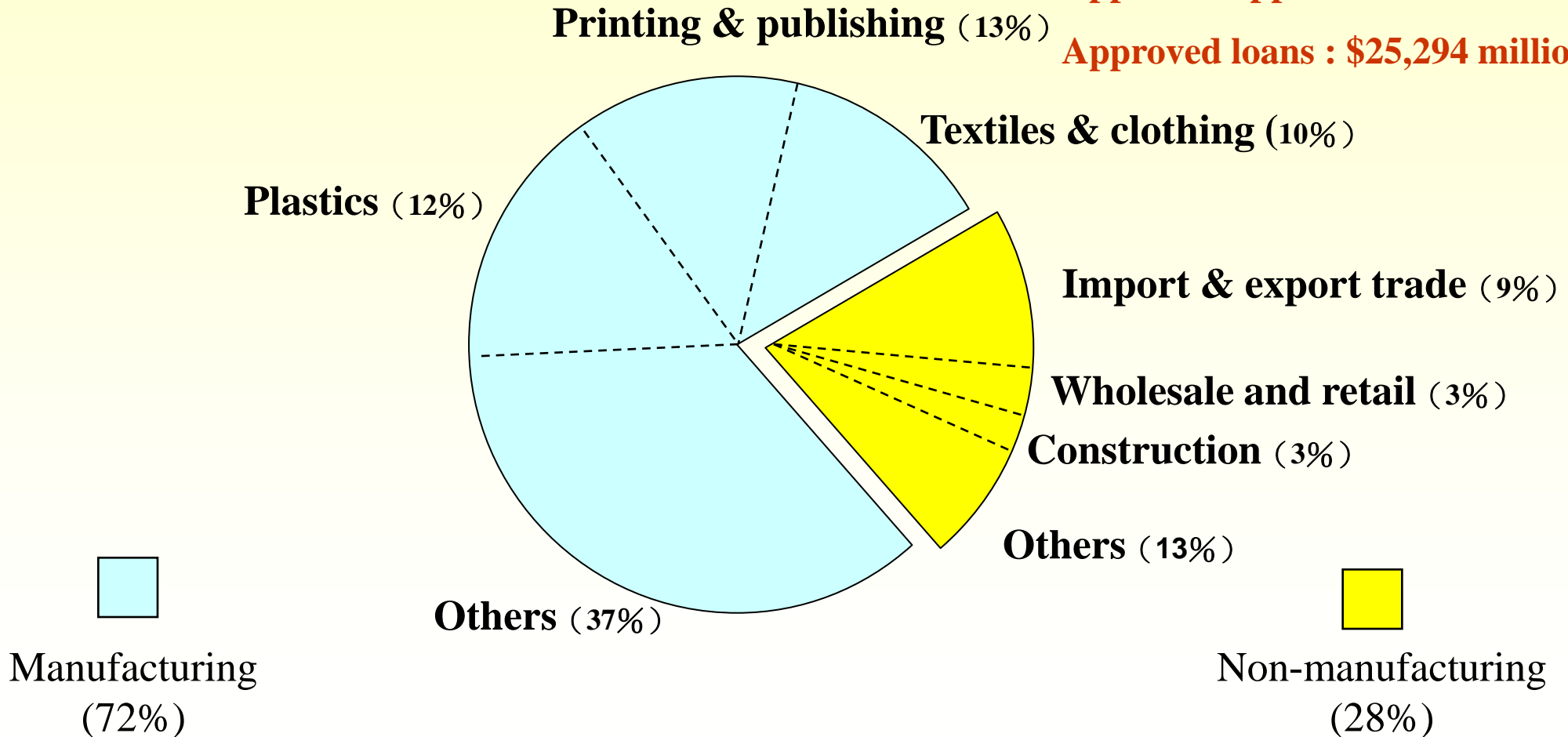
- Up to 20 March 2009, 861 applications have been approved involving \$2,434 million of loan facilities.

SME Beneficiaries (20 March 2009)

SME beneficiaries: 11 377

Approved applications: 21 396

Approved loans : \$25,294 million



Special Loan Guarantee Scheme (SpGS)

Guiding Principles



- Market driven
- Risk of default to be shared between participating lending institutions and the Government
- A separate and time-limited scheme

Special Loan Guarantee Scheme



- The Government's total loan guarantee commitment is \$100 billion
- 70% loan guarantee (total loans \$142 billion)
- Maximum amount of loan: \$6 million
(Government guarantee \$4.2 million)
- Within this limit, revolving credit line up to 50%

Special Loan Guarantee Scheme (cont'd)

- All companies registered and with substantive business in Hong Kong (except listed companies) can apply
- Application period: Six months (from 15 December 2008 to 14 June 2009)
- Guarantee period: Maximum 36 months, or up to 30 June 2012 (whichever is the earlier)
- A grace period of 6 months may be allowed, during which may repay interest only

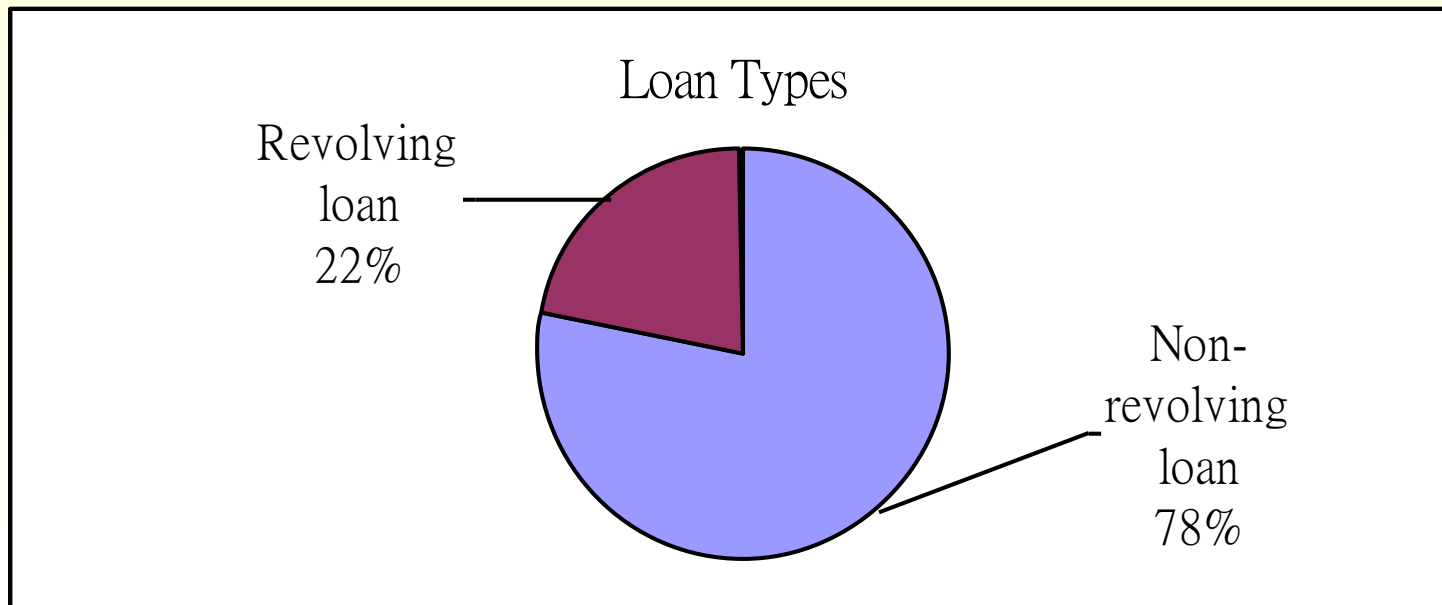
Safeguards against Abuse



- Personal guarantee by owner or shareholders
- Companies must have been in operation for at least one year as at 15 December 2008
- Companies must have no outstanding default in any lending institutions
- The loan should not be used for repaying, restructuring or repackaging other loans

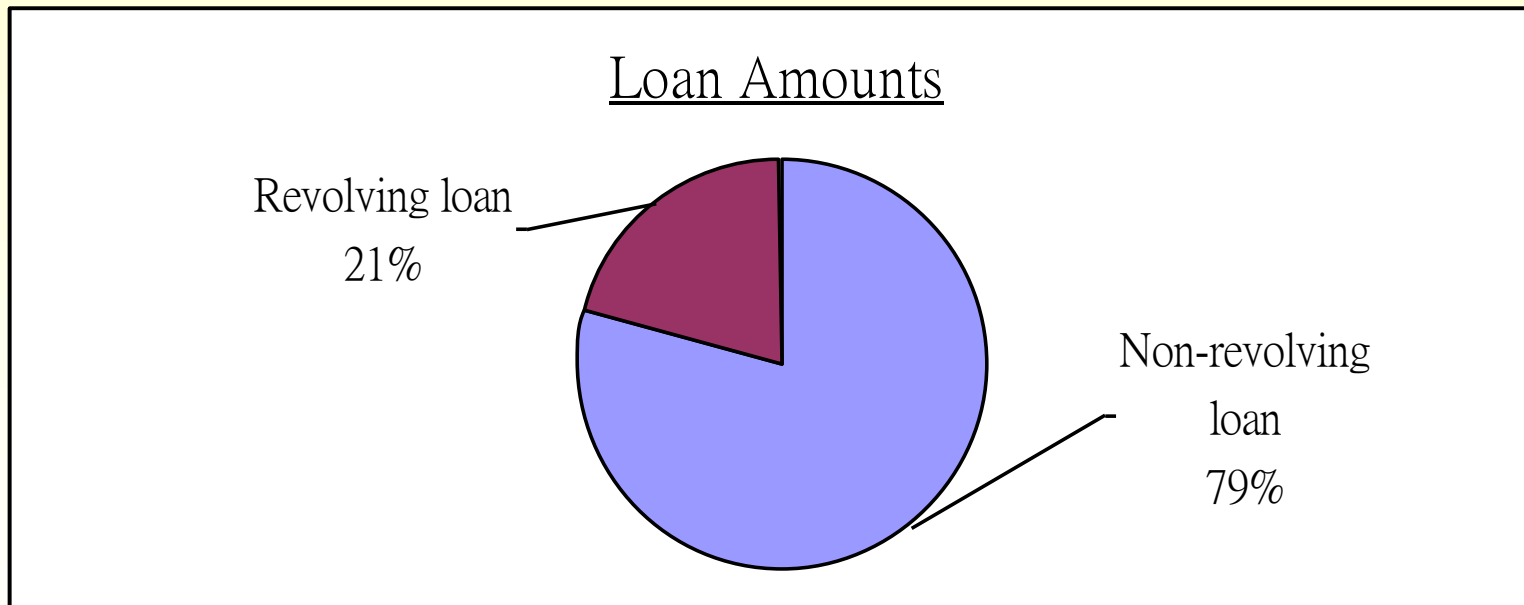
Number of Applications

- Number of applications received after the implementation on 15 December 2008 : 4,771
(as at 20 March 2009)



Amount of Loan Approved

- The total amount of loan facilities amounted to \$8.07 billion (as at 20 March 2009)





SME Export Marketing Fund (EMF)

Scope



- Overseas trade fairs/exhibitions and business missions
- Local trade fairs/exhibitions which are export-oriented
- Advertisements on printed trade publications targeting export markets
- Advertisements on websites of exhibition organisers

Amount of Grant

- 50% of approved expenses

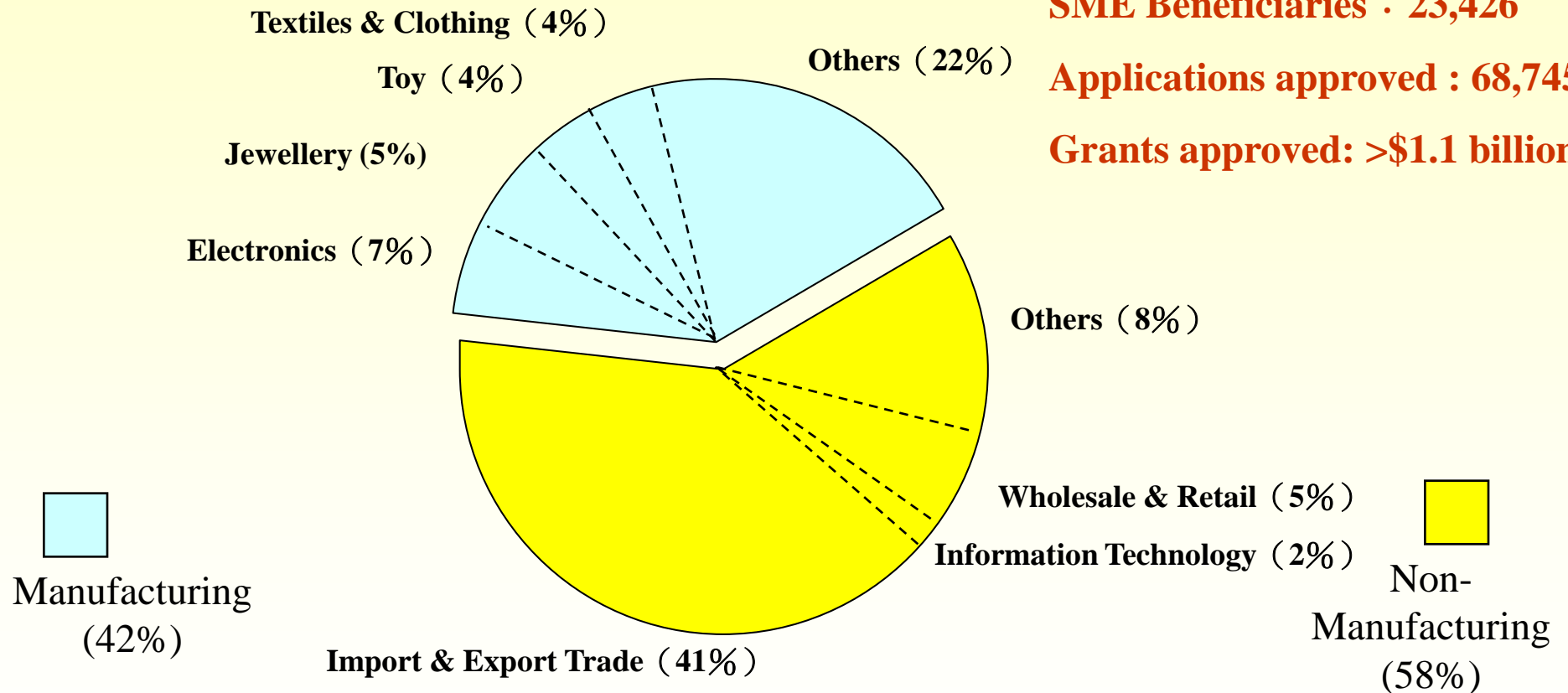
	<u>Before Mar 2008</u>	<u>Mar 2008</u>	<u>Nov 2008</u>
Maximum grant for each application	\$30,000 →	\$30,000 →	\$50,000
Maximum cumulative grant per SME	\$80,000 →	\$100,000 →	\$150,000

SME Beneficiaries (20 March 2009)

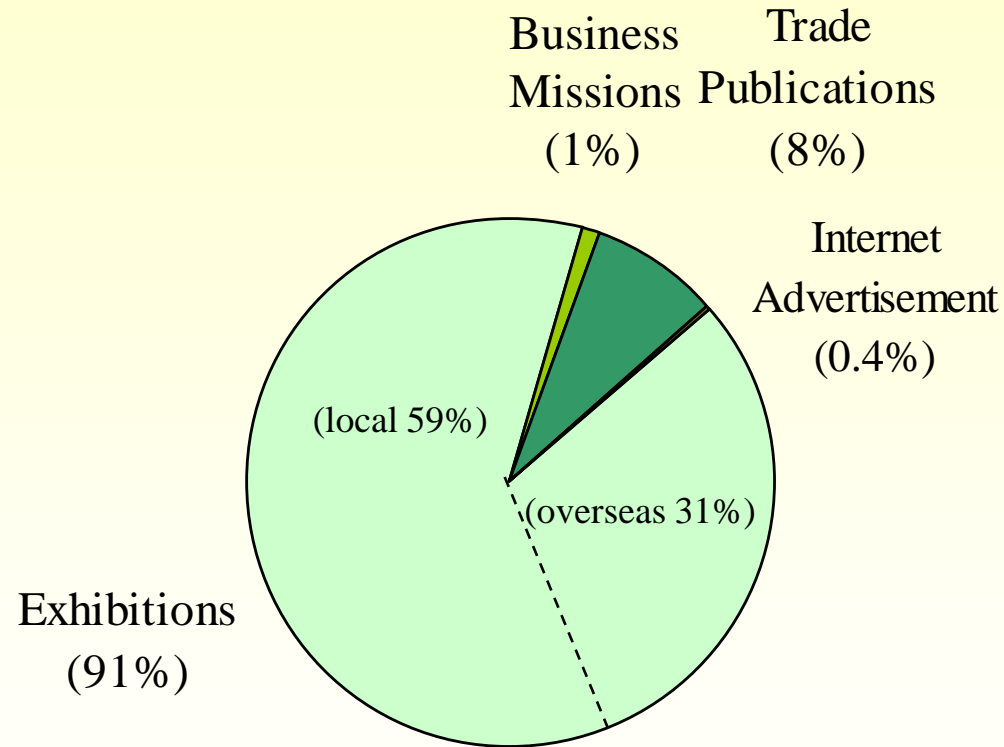
SME Beneficiaries : 23,426

Applications approved : 68,745

Grants approved: >\$1.1 billion



Distribution of Fund (20 March 2009)





SME Development Fund (SDF)

SME Development Fund



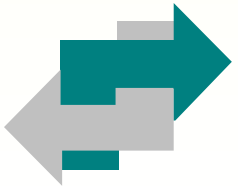
- Provides funding support to non-profit-distributing support organisations to implement projects to enhance competitiveness of SMEs
- Project deliverables include conferences, seminars, workshops, award schemes, codes of best practices, databases, exhibitions, etc
- Maximum grant per project: \$2 million or 90% of project cost, whichever is the less
- Approved applications: 122

Enquiries



General Hotline	:	2398 5125
EMF	:	2398 5127
SDF	:	2398 5128
SGS	:	2398 5129
SpGS	:	2398 5132
Website	:	www.smefund.tid.gov.hk

Thank you!



Trade and Industry Department