

**立法會**  
**Legislative Council**

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

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**Council meeting of 12 November 2008**

**Proposed amendments to motion on  
“Supporting small and medium enterprises  
to tide over the financial tsunami”**

Further to LC Paper No. CB(3) 102/08-09 issued on 30 October 2008, four Members (Hon James TO Kun-sun, Hon CHAN Tanya, Hon WONG Ting-kwong and Hon Jeffrey LAM Kin-fung) have respectively given notice of their intention to move separate amendments to Hon Vincent FANG Kang’s motion on “Supporting small and medium enterprises to tide over the financial tsunami” scheduled for the Council meeting of 12 November 2008. As directed by the President, the respective proposed amendments will be printed in the terms in which they were handed in on the Agenda of the Council.

2. To assist Members in debating the above motion and amendments, I set out below the procedure to be followed during the debate:

- (a) Hon Vincent FANG Kang moves his motion;
- (b) the President proposes the question on Hon Vincent FANG Kang’s motion, and orders a joint debate;
- (c) the President calls on the four Members, who intend to move amendments, to speak in the following order, but no amendment is to be moved at this stage:
  - (i) Hon James TO Kun-sun;
  - (ii) Hon CHAN Tanya;
  - (iii) Hon WONG Ting-kwong; and
  - (iv) Hon Jeffrey LAM Kin-fung;

- (d) the President calls upon the designated public officer(s) to speak;
- (e) joint debate on the motion and the amendments follows thereafter;
- (f) the President gives leave to Hon Vincent FANG Kang to speak for the second time on the amendments;
- (g) the President calls upon the designated public officer(s) again to speak;
- (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the four Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon James TO Kun-sun to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon James TO Kun-sun's amendment;
- (i) after Hon James TO Kun-sun's amendment has been voted upon, the President deals with the other three amendments; and
- (j) after all amendments have been dealt with, the President calls upon Hon Vincent FANG Kang to reply. Thereafter, the President puts to vote the question on Hon Vincent FANG Kang's motion, or his motion as amended, as the case may be.

3. For Members' ease of reference, the terms of the original motion and of the motion, if amended, are set out in the **Appendix**.

( Mrs Justina LAM )  
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on  
“Supporting small and medium enterprises  
to tide over the financial tsunami”  
to be held at the Legislative Council meeting  
of Wednesday, 12 November 2008**

**1. Hon Vincent FANG Kang’s original motion**

“That, being struck by the global financial tsunami, many small and medium enterprises (SMEs) and small shop operators in Hong Kong have to face diminishing consumers’ confidence and shrinking business turnover, as well as the banks’ recent substantial tightening of credit and delayed reimbursement of payment for customers’ purchases, resulting in many SMEs and small shop operators which have been operating soundly and steadily being pushed to the brink of collapse; and in particular, for those non-exporting local consumption industries not supported by government policy, including the wholesale, retail, catering and service industries which employ over 1.2 million of the local workforce, should they close down because of the banks’ tightening of credit, a severe domino effect will definitely be triggered; hence this Council urges the Government to provide SMEs with more appropriate support, so as to enable them to tide over this difficult period; and the relevant measures should include:

- (a) establishing an inter-departmental task force on sustainable development for supporting SMEs and revitalizing the economy to take charge of the study and implementation of policies on supporting SMEs, as well as the formulation of measures to stimulate the economy, so as to enable SMEs to sustain their business;
- (b) in addition to the existing ‘SME Funding Schemes’ which primarily aim at supporting export enterprises, formulating long-term plans to support the development of the industries engaging in local consumption, including the wholesale, retail, catering and service industries;
- (c) strengthening the liaison between the Government and the banks with a view to encouraging the banks to provide robust credit facilities and credit card payment services to enterprises which have been operating soundly and steadily, so that they can continue their operation;
- (d) providing guarantee for SMEs’ trust receipts and accounts receivables by the Government, so as to enable them to continue utilizing the relevant financing arrangements;
- (e) increasing the loan guarantee provided by the Government under the ‘SME Loan Guarantee Scheme’ from the current 50% to 70% or above;

- (f) extending the insurance coverage of the Hong Kong Export Credit Insurance Corporation to include local sales enterprises;
- (g) waiving the rentals of all food markets, government markets and shopping arcades for one quarter and waiving the hawkers' licence fees for one year to reduce the operational expenses of staple food operators, so as to curb inflation; and
- (h) holding over SMEs' provisional payment of profits tax for one year."

## 2. Motion as amended by Hon James TO Kun-sun

"That, *in anticipation of* being struck by the global financial tsunami, *the Hong Kong economy is about to enter into recession; and* many small and medium enterprises (SMEs) and small shop operators in Hong Kong have to face diminishing consumers' confidence and shrinking business turnover, as well as the banks' recent substantial tightening of credit and delayed reimbursement of payment for customers' purchases, resulting in many SMEs and small shop operators which have been operating soundly and steadily being pushed to the brink of collapse; and in particular, for those non-exporting local consumption industries not supported by government policy, including the wholesale, retail, catering and service industries which employ over 1.2 million of the local workforce, should they close down because of the banks' tightening of credit, a severe domino effect will definitely be triggered; hence this Council urges the Government to provide SMEs with more appropriate support, so as to enable them to tide over this difficult period; and the relevant measures should include:

- (a) establishing an inter-departmental task force on sustainable development for supporting SMEs and revitalizing the economy to take charge of the study and implementation of policies on supporting SMEs, as well as the formulation of measures to stimulate the economy, so as to enable SMEs to sustain their business;
- (b) in addition to the existing 'SME Funding Schemes' which primarily aim at supporting export enterprises, formulating long-term plans to support the development of the industries engaging in local consumption, including the wholesale, retail, catering and service industries;
- (c) strengthening the liaison between the Government and the banks with a view to encouraging the banks to provide robust credit facilities and credit card payment services to enterprises which have been operating soundly and steadily, so that they can continue their operation;
- (d) ~~providing guarantee for SMEs' trust receipts and accounts receivables by the Government, so as to enable them to continue utilizing the relevant financing arrangements;~~
- (e) ~~increasing the loan guarantee provided by the Government under the 'SME Loan Guarantee Scheme' from the current 50% to 70% or above;~~

- (f) ~~extending the insurance coverage of the Hong Kong Export Credit Insurance Corporation to include local sales enterprises;~~
- (g) waiving the rentals of all food markets, government markets and shopping arcades for one quarter and waiving the hawkers' licence fees for one year to reduce the operational expenses of staple food operators, so as to curb inflation; ~~and~~
- (h)(e) holding over SMEs' provisional payment of profits tax for one year;
- (f) *formulating performance pledges to streamline procedures of government departments for making payments to SMEs which have been awarded government outsourced contracts so that payments will be settled within 30 days upon receipt of demand notes; and*
- (g) *repealing the provision that requires SMEs to pay deposits when they bid for government contracts."*

Note: Hon James TO Kun-sun's amendment is marked in *bold and italic type* or with deletion line.

### **3. Motion as amended by Hon CHAN Tanya**

"That, *small and medium enterprises (SMEs), which employ a large number of workers, are the important pillars of Hong Kong economy, and* being struck by the global financial tsunami, many ~~small and medium enterprises (SMEs)~~ *SMEs* and small shop operators in Hong Kong have to face diminishing consumers' confidence and shrinking business turnover, as well as the banks' recent substantial tightening of credit and delayed reimbursement of payment for customers' purchases, resulting in many SMEs and small shop operators which have been operating soundly and steadily being pushed to the brink of collapse; and in particular, for those non-exporting local consumption industries not supported by government policy, including the wholesale, retail, catering and service industries which employ over 1.2 million of the local workforce, should they close down because of the banks' tightening of credit, a severe domino effect will definitely be triggered; hence this Council urges the Government to provide SMEs with more appropriate support, so as to enable them to tide over this difficult period; and the relevant measures should include:

- (a) establishing an inter-departmental task force on sustainable development for supporting SMEs and revitalizing the economy to take charge of the study and implementation of policies on supporting SMEs, as well as the formulation of measures to stimulate the economy, so as to enable SMEs to sustain their business;
- (b) in addition to the existing 'SME Funding Schemes' which primarily aim at supporting export enterprises, formulating long-term plans to support the

development of the industries engaging in local consumption, including the wholesale, retail, catering and service industries;

- (c) strengthening the liaison between the Government and the banks with a view to encouraging the banks to provide robust credit facilities and credit card payment services to enterprises which have been operating soundly and steadily, so that they can continue their operation;
- (d) providing guarantee for SMEs' trust receipts and accounts receivables by the Government, so as to enable them to continue utilizing the relevant financing arrangements;
- (e) increasing the loan guarantee provided by the Government under the 'SME Loan Guarantee Scheme' from the current 50% to 70% or above;
- (f) extending the insurance coverage of the Hong Kong Export Credit Insurance Corporation to include local sales enterprises;
- (g) waiving the rentals of all food markets, government markets and shopping arcades for one quarter and waiving the hawkers' licence fees for one year to reduce the operational expenses of staple food operators, so as to curb inflation; ~~and~~
- (h) holding over SMEs' provisional payment of profits tax for one year;
- (i) *discussing with the Central Government and governments of those provinces and municipalities where there is a relatively large number of factories set up by Hong Kong SMEs, with a view to encouraging them to provide more support and concessions to SMEs;*
- (j) *providing more support for SMEs, including consultancy services and designated loan schemes, so as to assist them in complying with newly passed legislation and regulations amid the difficult business environment; and*
- (k) *further extending the scope of assistance provided under the SME Export Marketing Fund to enable SMEs to launch various types of promotional campaigns with greater flexibility."*

Note: Hon CHAN Tanya's amendment is marked in *bold and italic type* or with deletion line.

#### **4. Motion as amended by Hon WONG Ting-kwong**

"That, ~~being~~ *the small and medium enterprises (SMEs) which account for over 90% of Hong Kong's enterprises are severely* struck by the global financial tsunami, many ~~small and medium enterprises (SMEs),~~ *Hong Kong's SMEs, including manufacturers operating in the Mainland* and small shop operators ~~in Hong Kong,~~

have to face diminishing consumers' confidence and shrinking business turnover, as well as the banks' recent substantial tightening of credit and ~~delayed reimbursement of payment for customers' purchases~~ **delay of settlement period for credit cards**, resulting in many SMEs and small shop operators which have been operating soundly and steadily being pushed to the brink of collapse; ~~and in particular, for those non-exporting local consumption industries not supported by government policy,~~ including the wholesale, retail, catering and service industries which employ over 1.2 million of the local workforce, should they close down because of the banks' tightening of credit, a severe domino effect will definitely be triggered, **causing an unemployment crisis**; hence this Council urges the Government to provide SMEs with ~~more appropriate~~ support, so as to enable them to tide over this difficult period; and the relevant measures should include:

- (a) establishing an inter-departmental task force on sustainable development for supporting SMEs and revitalizing the economy to take charge of the study and implementation of policies on supporting SMEs, as well as the formulation of measures to stimulate the economy, so as to enable SMEs to sustain their business;
- (b) in addition to the existing 'SME Funding Schemes' ~~which primarily aim at supporting export enterprises,~~ formulating long-term plans to support the development of the industries engaging in local consumption, including the wholesale, retail, catering and service industries;
- (c) strengthening the liaison between the Government and the banks with a view to encouraging the banks to ~~provide robust~~ **maintain the original** credit facilities and credit card payment services to enterprises which have been operating soundly and steadily, so that they can continue their operation;
- (d) providing guarantee for SMEs' trust receipts and accounts receivables by the Government, so as to enable them to continue utilizing the relevant financing arrangements;
- (e) increasing the loan guarantee provided by the Government under the 'SME Loan Guarantee Scheme' from the current 50% to 70% or above;
- (f) **drawing reference from the practice adopted during the SARS outbreak in 2003 for the Government to provide 100% credit guarantee for industries with difficulties;**
- (g) **further** extending the insurance coverage **and scale** of the Hong Kong Export Credit Insurance Corporation ~~to include local sales enterprises;~~
- ~~(g)~~(h) waiving the rentals of all food markets, government markets and shopping arcades for one quarter and waiving the hawkers' licence fees for one year to reduce the operational expenses of staple food operators, so as to ~~curb~~ **inflation;** and **relieve the pressure on shop operators and the public;**
- ~~(h)~~(i) holding over SMEs' provisional payment of profits tax for one year; **and**

- (j) *reflecting to the Mainland Government to urge mainland banks to provide Hong Kong's SMEs with the same credit terms and interest rates as those granted to mainland enterprises, extend the domestic sales of Hong Kong's SMEs in the mainland market, reduce tax and tariff, and hold over the implementation of certain provisions of the 'Labour Contract Law'.*"

Note: Hon WONG Ting-kwong's amendment is marked in *bold and italic type* or with deletion line.

## 5. Motion as amended by Hon Jeffrey LAM Kin-fung

"That, *Hong Kong* being struck by the global financial tsunami, ~~many small and medium enterprises (SMEs)~~ *industrial and commercial enterprises* and small shop operators ~~in Hong Kong~~ have to face diminishing consumers' confidence and shrinking business turnover, as well as the banks' recent substantial tightening of credit and delayed reimbursement of payment for customers' purchases, resulting in many ~~SMEs~~ *small and medium enterprises (SMEs)* and small shop operators which have been operating soundly and steadily being pushed to the brink of collapse; and ~~in particular~~ *among them*, for those non-exporting local consumption industries ~~not supported by government policy~~, including the wholesale, retail, catering and service industries which employ over 1.2 million of the local workforce, should they close down because of the banks' tightening of credit, a severe domino effect will definitely be triggered; hence this Council urges the Government to provide SMEs with more appropriate support, so as to enable them to tide over this difficult period; and the relevant measures should include:

- (a) establishing an inter-departmental task force on sustainable development for supporting SMEs and revitalizing the economy to take charge of the study and implementation of policies on supporting SMEs, as well as the formulation of measures to stimulate the economy, so as to enable SMEs to sustain their business;
- (b) *proposing*, in addition to the existing 'SME Funding Schemes' ~~which primarily aim at supporting export enterprises, formulating~~ *formulation of* long-term plans to support the development of the industries engaging in local consumption, including the wholesale, retail, catering and service industries;
- (c) strengthening the liaison between the Government and the banks with a view to encouraging the banks to provide robust credit facilities and credit card payment services to enterprises which have been operating soundly and steadily, so that they can continue their operation;
- (d) *following the approach of the United Kingdom whereby the Government injects funds into banks and designates such funds as loans for enterprises;* providing guarantee for ~~SMEs~~ *enterprises'* trust receipts and accounts receivables by the Government, so as to enable them to continue utilizing the relevant financing arrangements;

- (e) increasing the loan guarantee provided by the Government under the ‘SME Loan Guarantee Scheme’ from the current 50% to 70% or above;
- (f) extending the insurance coverage of the Hong Kong Export Credit Insurance Corporation to include ~~local sales enterprises~~ ***non-export loans, so as to enable more suppliers and service industries to benefit from it;***
- (g) ***reducing various types of business license fees across the board,*** waiving the rentals of all food markets, government markets and shopping arcades for one quarter and waiving the hawkers’ licence fees for one year to reduce the operational expenses of staple food operators, so as to curb inflation; and
- (h) holding over SMEs’ provisional payment of profits tax for one year.”

Note: Hon Jeffrey LAM Kin-fung’s amendment is marked in ***bold and italic type*** or with deletion line.