

立法會
Legislative Council

LC Paper No. CB(3) 132/08-09

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Tel : 2869 9205

Date : 10 November 2008

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

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) 123/08-09 issued on 7 November 2008, Members are invited to note that the President has given permission for Hon Miriam LAU Kin-yea to move an amendment to Hon WONG Ting-kwong’s amendment (i.e. the third amendment to the motion). The terms of the motion as amended by the two Members are set out in the **Appendix**.

2. As directed by the President, Hon Miriam LAU Kin-yea’s amendment will be printed in the terms in which it was handed in on the Agenda of the Council.

(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**

Motion as amended by Hon WONG Ting-kwong and Hon Miriam LAU Kin-ye

“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 to launch a series of new relief measures, including reducing government fees and charges, providing 100% credit guarantee for industries with difficulties by the Government and extending the period for credit applications by at least one year, and allowing revolving loans for enterprises, at the same time, broadening the definitions of SMEs under the SME Funding Schemes to cover more enterprises and small shop operators, and striving for the Central Government to further expand the Individual Visit Scheme at an early date so as to attract more mainland tourists to spend money in Hong Kong;*
- (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.

Hon Miriam LAU Kin-ye's amendment is marked in single underline.