

**For Information
on 13 January 2009**

Legislative Council Panel on Commerce and Industry

**Progress update on the support measures for small and medium
enterprises (SMEs) arising from the global financial turmoil**

Supplementary note

Further to the paper No. CB(1)520/08-09(03), this note provides supplementary information on the number of loan applications received by the participating lending institutions (PLIs) under the enhanced SME Loan Guarantee Scheme up to 4 January 2009 (**Annex I**), as well as the number of loan applications received under the Special Loan Guarantee Scheme from 15 December 2008 to 4 January 2009 (**Annex II**).

**Commerce and Economic Development Bureau
Trade and Industry Department
January 2009**

Annex I

Statistics from PLIs on Loan Applications under the Enhanced SME Loan Guarantee Scheme (SGS)

	From 6 November to 4 Jan 2009¹
No. of loan applications received ²	2 106 (1 034 written and 1 072 verbal)
No. of applications forwarded to TID for processing	524
No. of applications withdrawn by the applicants	306
No. of loan applications rejected	205
No. of applications being processed by the PLIs ³	1 071

Reasons for rejection:

1. The applicants have not provided sufficient documents to facilitate assessment	31
2. The applicants do not meet the eligibility criteria for SGS, i.e. the applicants are not registered in Hong Kong or do not fall within the definition of SME	17
3. The applicants have outstanding default ⁴	9
4. The applicants' financial status is too weak	110
5. The applicant cannot demonstrate a reasonable prospect of their businesses	25
6. Others	13
Total	205

¹ Figures provided by all 31 PLIs. To maintain consistency and better reflect the up-to-date position of the applications received by the PLIs, we have modified the survey methodology and asked the PLIs to provide the up-to-date cumulative figures on the number of applications received since implementation of the enhancement measures on 6 November 2008, instead of providing the number of applications received in the two-week period. As some PLIs have transferred some of the applications under SGS to the newly launched SpGS, the cumulative number of applications received from 6 November 2008 to 4 January 2009 has decreased compared with the figures reported in the previous paper.

² This refers to the number of formal applications (i.e. excluding general enquiries), including written applications and applications lodged verbally with frontline staff at PLI branches.

³ Including some oral applications awaiting borrowers' applications in writing.

⁴ "Default" is defined as failure to make repayment in accordance with the terms and conditions of the approved credit facilities with a lapse of more than 60 days after the due date.

Annex II

Statistics from PLIs on Loan Applications under the Special Loan Guarantee Scheme (SpGS)

	From 15 Dec 2008 to 4 Jan 2009 ⁵
No. of loan applications received ⁶	2 356 (1 196 written and 1 160 verbal)
No. of applications forwarded to TID for processing	178
No. of applications withdrawn by the applicants	41
No. of loan applications rejected	136
No. of applications being processed by the PLIs ⁷	2 001

Reasons for rejection:

1. The applicants have not provided sufficient documents to facilitate assessment	12
2. The applicants do not meet the eligibility criteria for SpGS, i.e. the applicants are not registered in Hong Kong or are listed companies	14
3. The applicants have outstanding default ⁸	8
4. The applicants' financial status is too weak	87
5. The applicant cannot demonstrate a reasonable prospect of their businesses	5
6. Others	10
Total	136

⁵ Figures provided by all 20 PLIs which have joined SpGS as at 4.1.2009.

⁶ This refers to the number of formal applications (i.e. excluding general enquiries), including written applications and applications lodged verbally with frontline staff at PLI branches.

⁷ Including some oral applications awaiting borrowers' applications in writing.

⁸ "Default" is defined as failure to make repayment in accordance with the terms and conditions of the approved credit facilities with a lapse of more than 60 days after the due date.