

香港特別行政區政府
商務及經濟發展局
工商及旅遊科



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17 November 2008

Ms Yue Tin-po
Clerk to Panel on Commerce and Industry
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong
[Fax No. : 2185 7845]

Dear Ms Yue,

**Legislative Council Panel on Commerce and Industry
Meeting on 18 November 2008**

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

I refer to your letter of 12 November 2008. Please note that the following officers will attend the item:-

1. Mr Gregory SO, Acting Secretary for Commerce and Economic Development; and
2. Miss Vivian LAU, Acting Director-General of Trade and Industry

Since the matter has only been discussed in depth on 12 November 2008, we understand the Chairman has decided to allocate 15 minutes to this item at tomorrow's meeting. The latest progress regarding support for SMEs is as follows:-

Special Loan Guarantee Scheme for Small and Medium Enterprises

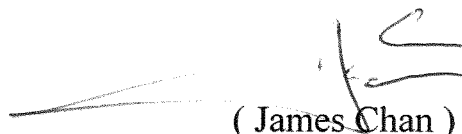
With the support from Members, the Finance Committee approved on 14 November the Special Loan Guarantee Scheme for Small and Medium Enterprises (SpGS). Upon completion of the necessary procedures and legal documentation, the SpGS is expected to come into operation in December 2008.

We are following up with the Hong Kong Monetary Authority and the Hong Kong Association of Banks regarding Members' concerns on lending institutions' readiness to grant loans to SMEs under the SpGS, the time and procedures required for processing loan applications, and the interest rates to be applied to approved loans.

Concerns of Hong Kong enterprises operating in the Mainland

We have all along been maintaining close contact with relevant Mainland authorities at the Central and provincial/municipal levels, reflecting the difficulties and concerns of Hong Kong enterprises operating in the Mainland, and recommending measures to assist them. We are most encouraged to learn that the response has been positive. In fact, over the past two weeks, the Central People's Government, Guangdong Provincial Government, as well as the municipal governments, such as Dongguan and Shenzhen, have all announced plans to support Hong Kong enterprises in the Mainland. An example is the revision of export tax rebates for a number of products. We will continue to liaise with relevant authorities on the details of their measures.

Yours sincerely,



(James Chan)

for Secretary for Commerce and
Economic Development