

**Supplementary Information on**  
**FCR(2012-13)22 : “Dedicated Fund on Branding, Upgrading and Domestic Sales”**  
**for the FC Meeting on 11 May 2012**

As requested by the FC Chairman at the pre-meeting briefing with the Administration on 9 May 2012, supplementary information on the above FCai is appended below.

2. As set out in the FCai, subject to the funding balance, it is proposed that the dedicated fund on branding, upgrading and domestic sales (the BUD fund) will be open for applications for five years, which may be reviewed and extended if necessary.

3. Assuming that the Government launches the BUD fund in June 2012 and that the BUD fund is open for applications for five years, the application period would run up to June 2017 (in 2017-18). Funding to approved projects would be disbursed in a phased approach: for projects undertaken by enterprises, payment(s) (except for initial payment) would be effected on a reimbursement basis upon the acceptance of the required progress / final reports and audited accounts by the Government; for projects undertaken by non-profit-distributing organisations, payment(s) (except for initial payment) would be effected upon the acceptance of progress report(s) and audited accounts. Given that the maximum duration of approved projects of enterprises and non-profit-distributing organisations is 24 months and 36 months respectively, part of the estimated Government’s funding for approved projects undertaken by enterprises (\$500 million) and by non-profit-distributing organisations (\$440 million) would be disbursed beyond 2017-18 up to 2019-20.

4. The Hong Kong Productivity Council (HKPC), being the secretariat of the enterprise part of the BUD fund, would also need to continue to provide services, including programme management and administration and monitoring of implementation progress of approved projects undertaken by enterprises, up to 2019-20. Therefore, part of the estimated Government’s funding to the HKPC for the provision of secretariat services (\$56 million) and for other expenses (\$4 million) would also be disbursed beyond 2017-18 up to 2019-20. It follows that part of HKPC’s estimated contribution to the enterprise part of the BUD fund in terms of professional manpower support, etc (\$16.5 million) would also be made in 2018-19 and 2019-20.

Commerce and Economic Development Bureau  
Trade and Industry Department  
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