

**For Information
on 19 May 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**

This paper reports the latest position of the SME Loan Guarantee Scheme and the Special Loan Guarantee Scheme.

SME Loan Guarantee Scheme (SGS)

2. The enhancement measures for SGS were implemented on 6 November 2008. As at 11 May 2009, 36 participating lending institutions (PLIs) have joined the SGS. 1,201 loan applications were submitted to the Trade and Industry Department (TID), of which 1,020 have been approved¹, involving a total loan amount of about \$3.1 billion.

Special Loan Guarantee Scheme (SpGS)

3. The SpGS was launched on 15 December 2008. As at 11 May 2009, 40 PLIs have joined the scheme. 8,297 loan applications were submitted to TID, of which 7,591 have been approved¹, involving a total loan amount of about \$14.3 billion. Detailed statistics of the applications approved (by industries, loan types and number of employees) are at **Annex I**. No default claims have been received during the period.

Overall Position

4. As at 11 May 2009, TID has received 9,498 loan applications from the PLIs under the two schemes, of which 8,611 applications have been approved, involving a total loan amount of about \$17.4 billion.

5. We also provide, at **Annex II**, a summary of the statistics provided by the PLIs on the loan applications received under both schemes as at 26 April 2009².

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

¹ All approved within 3 working days after all necessary documentations are provided.

² The figures in this table are compiled once every two weeks. It involves collating information from all the branch offices of the PLIs. Hence, the figures are not as up-to-date as those in paragraphs 2 to 4, as well as those in Annex I.

Statistics of the SpGS
(as at 11 May 2009)

Breakdown by industries

	No. of applications approved	Percentage
Manufacturing		
Bags and garment accessories	116	1.5
Chemical and biotechnology	28	0.4
Electronics	234	3.1
Food and beverage	60	0.8
Footwear	44	0.6
Furniture	46	0.6
Industrial machinery	27	0.4
Jewellery	92	1.2
Medical and optical devices	25	0.3
Metal products	268	3.5
Plastics	194	2.6
Printing and publishing	257	3.4
Stationery and paper products	79	1.0
Textiles and clothing	634	8.3
Toys	164	2.2
Watches and clocks	74	1.0
Other manufacturing industry	160	2.1
Sub-total	2,502	33.0
Non-manufacturing		
Car trading	17	0.2
Construction	222	2.9
Engineering	128	1.7
Hotel and tourism	60	0.8
Import & export	2,271	29.9
Information technology	60	0.8

	No. of applications approved	Percentage
Interior design and decoration	85	1.1
Personal care services	37	0.5
Professional services	283	3.7
Real estate	39	0.5
Restaurants	116	1.5
Telecommunication	23	0.3
Trading	462	6.1
Transportation / logistics	227	3.0
Wholesale and retail	893	11.8
Other non-manufacturing industries	166	2.2
Sub-total	5,089	67.0
Total	7,591	100

Breakdown by loan types

	Non-revolving Loan	Revolving Loan	Total
No. of applications approved	5,761	1,830	7,591
Amount of loans involved (\$ million)	10,927	3,337	14,264

Breakdown by number of employees

No. of employees in Hong Kong	No. of approved cases
1-10	4,782
11-20	1,388
21-49	954
50-99	306
100 or above	161
Total	7,591

Annex II

Loan Application Statistics of SGS and SpGS Provided by PLIs (collated once every two weeks from all branches of PLIs³)

	SGS (From 6 Nov 2008 to 26 Apr 2009)	SpGS (From 15 Dec 2008 to 26 Apr 2009)	Total
No. of applications received by the PLIs	2,681	13,566	16,247
No. of applications being processed by the PLIs	188	2,653	2,841
No. of applications withdrawn by the applicants	915 ⁴	1,233	2,148
No. of loan applications rejected by PLIs	428	2,360	2,788
No. of applications forwarded to TID for processing	1,150	7,320	8,470
No. of applications approved by TID (amount of loan involved)	974 (\$2.9 billion)	6,601 (\$12.4 billion)	7,575 (\$15.3 billion)
No. of applications rejected by TID	2 ⁵	13 ⁶	15

³ The statistics in this Annex are collated from all the branches of the PLIs. Hence, the figures are not as up-to-date as those in Annex I.

⁴ Most of the cases are withdrawn to apply for SpGS.

⁵ The applicants have exceeded the maximum guarantee ceiling.

⁶ Three companies (one of which has lodged two applications) are in operation for less than one year; three companies have outstanding default with the Government, and six companies have exceeded the guarantee ceiling.

Reasons for rejection by PLIs

	SGS (From 6 Nov 2008 to 26 Apr 2009)	SpGS (From 15 Dec 2008 to 26 Apr 2009)	Sub-total
1. The applicants have not provided sufficient documents to facilitate assessment	72	280	352
2. The applicants do not meet the eligibility criteria for the schemes	26	98	124
3. The applicants have outstanding default	19	48	67
4. The applicants' financial status is too weak	241	1,648	1,889
5. The applicant cannot demonstrate a reasonable prospect of their businesses	52	213	265
6. Others ⁷	18	73	91
Total	428	2,360	2,788

⁷ Applicants have high credit risk, fluctuated sales or relatively short operation history, etc.