

立法會
Legislative Council

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Tel : 3919 3300

Date : 6 December 2012

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 19 December 2012

**Motion on
“Small and Medium Enterprises Financing Guarantee Scheme”**

Hon CHUNG Kwok-pan has given notice to move the attached motion on “Small and Medium Enterprises Financing Guarantee Scheme” at the Council meeting of 19 December 2012. The President has directed that “it be printed in the terms in which it was handed in” on the Agenda of the Council.

(Odelia LEUNG)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion on
“Small and Medium Enterprises Financing Guarantee Scheme”
to be moved by Hon CHUNG Kwok-pan
at the Council meeting of 19 December 2012**

Wording of the Motion

That, with the uncertain external economy and the slowdown in the Mainland’s economic growth, the Hong Kong economy may have downside risks in the future, making the prospects for the operation of small and medium enterprises (‘SMEs’) difficult; the Hong Kong Mortgage Corporation Limited, with the support of the SAR Government, introduced the Special Concessionary Measures under the Small and Medium Enterprises Financing Guarantee Scheme (‘the Scheme’) in late May this year to provide 80% guarantee coverage to SMEs at a concessionary level of guarantee fee, with the application period of nine months; under the Scheme, banks only need to bear 20% of the risks, but the interest rates levied are on a par with the interest rates of ordinary commercial loans, being as high as 5% to 6%; under the quantitative easing policy of the United States, the Hong Kong Interbank Offered Rate for a period of one year is as low as 0.86%, and banks’ property mortgage rates are also as low as some 2%, reflecting that the interest rates under the Scheme are unreasonable, and the Scheme is unable to really help SMEs tide over financing difficulties; in this connection, this Council urges the Government to:

- (1) negotiate with banks to lower the interest rates under the Scheme, so as to alleviate the loan burden on SMEs;
- (2) extend the application period of the Scheme, relax the application restrictions and lower the approval threshold; and
- (3) make assessments having regard to the future economic development, and regularly review the needs of implementing the Scheme and its adequacy, so as to assist SMEs in resolving capital flow problems.