

ITEM FOR FINANCE COMMITTEE

HEAD 181 – TRADE AND INDUSTRY DEPARTMENT

Subhead 700 General non-recurrent

Item 524 SME Export Marketing and Development Funds

Item 836 Dedicated Fund on Branding, Upgrading and Domestic Sales

Members are invited to approve the following changes to Head 181 Trade and Industry Department Subhead 700 General non-recurrent –

Item 524 SME Export Marketing and Development Funds

- (a) increase the approved commitment from \$5.25 billion by \$1 billion to \$6.25 billion and rename the item as Export Marketing and Trade and Industrial Organisation Support Fund; and

Item 836 Dedicated Fund on Branding, Upgrading and Domestic Sales

- (b) increase the approved commitment from \$1 billion by \$1.5 billion to \$2.5 billion and extend the coverage of the funding support to markets within the Association of Southeast Asian Nations.

/PROBLEM

PROBLEM

The Belt and Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Bay Area (Bay Area) Development Plan will bring about tremendous business opportunities to Hong Kong enterprises. With the shifting of global economic gravity to Asia and developing economies, the HKSAR Government concluded in November 2017 a Free Trade Agreement with the Association of Southeast Asian Nations (ASEAN)¹, which will also help Hong Kong enterprises tap these fast-growing markets. We need to increase the commitments of the SME Export Marketing and Development Funds (EMDF) and the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to maintain the operation of the funding schemes and to implement enhancement measures, so as to assist Hong Kong enterprises in capturing these economic opportunities.

PROPOSAL

2. The Director-General of Trade and Industry (DGTI), supported by the Secretary for Commerce and Economic Development, proposes to –

- (a) increase the approved commitment of the EMDF from \$5.25 billion by \$1 billion to \$6.25 billion and rename the EMDF as Export Marketing and Trade and Industrial Organisation Support Fund (EMTSF); and
- (b) increase the approved commitment of the BUD Fund from \$1 billion by \$1.5 billion to \$2.5 billion and extend the coverage of the Fund so that it can provide financial support to assist Hong Kong enterprises in exploring and developing the Mainland and ASEAN markets, through developing brands, upgrading and restructuring their operation and promoting sales in these markets.

JUSTIFICATION

EMDF

3. Currently, there are two schemes under the EMDF, namely the SME Export Marketing Fund (EMF) and the SME Development Fund (SDF). As of end March 2018, 75% of the approved commitment has been used. Apart from sustaining the operation of the EMDF, we need to step up our support vide enhancement measures as set out below in assisting enterprises to capture economic opportunities arising from the growing markets.

/EMF

¹ ASEAN comprises Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam.

EMF

4. The EMF provides financial assistance to encourage small and medium enterprises (SMEs) expand their market outside Hong Kong through participation in export promotion activities. Since its launch in 2001, it has been well received by SMEs. The cumulative funding ceiling per SME was last increased from \$150,000 to \$200,000 in 2013 to encourage SMEs to explore new markets, together with a condition of use for the last \$50,000 of the grants.

5. The trade has been requesting the Government from time to time to strengthen its support for SMEs in export promotion, including raising the cumulative funding ceiling per SME and the grant ceiling per application under the EMF. There are also views that the condition of use for the last \$50,000 of the grants² has constrained SMEs from making the best use of the grants. We have reviewed the operation of the EMF and see a case to increase the cumulative funding ceiling of the EMF from \$200,000 to \$400,000, increase the grant ceiling per application from \$50,000 to \$100,000, and remove the condition of use of the last \$50,000 of the grants, so as to step up our support for SMEs in exploring new markets and new business opportunities. DGTI will, in line with the principles of the EMF, review and adjust the funding ceiling and scope of the EMF from time to time in accordance with the changing market and economic situation, so as to cater for the needs of SMEs.

SDF

6. The SDF, launched in 2001, provides financial support to non-profit-distributing organisations to implement projects which aim at enhancing the competitiveness of SMEs. The Fund has been successful in supporting projects which benefited a wide range of industries.

7. In reviewing the operation of the funding schemes, we note that the SDF and the Organisation Support Programme under the BUD Fund (BUD(OSP)) have similar ambits (i.e. providing financial support to non-profit-distributing organisations for implementing projects for enhancing the competitiveness of industries in Hong Kong). The SDF aims to enhance the competitiveness of Hong Kong SMEs with no geographical restrictions, while the BUD(OSP) aims to support non-profit-distributing organisations in implementing projects that assist Hong Kong enterprises in general or in specific sectors in developing the Mainland

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² The condition of use, first introduced in June 2013, required that the last \$50,000 of the grants be only used for participation in new export promotion activities not funded by the EMF grants received by the applicant SME before. The condition of use was relaxed in September 2015 to allow the last \$50,000 of the grants to be used for participation in repeated export promotion activities so long as the activities concerned have not been funded by the first \$150,000 of the grants received by the applicant.

market through branding, upgrading and restructuring business operations, and promoting domestic sales. Both schemes are administered by the Trade and Industry Department (TID) and are the same in terms of other operational details including funding ceiling, project period, vetting and monitoring mechanism.

8. To provide more convenient and effective support to the industries, we see merit in merging the SDF and the BUD(OSP) into one scheme and removing the geographical restriction. This will also simplify application procedures and enhance operational efficiency. The merged scheme, renamed as the Trade and Industrial Organisation Support Fund (TSF), will be funded under the EMDF and provide financial support to non-profit-distributing organisations for implementing projects for enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors, including assisting them in developing any markets.

9. In the light of the changes in the schemes it supports (from the EMF and SDF to the EMF and TSF), the EMDF will be renamed as the EMTSF. With the implementation of the above enhancement measures, we anticipate that the proposed injection of \$1 billion to the renamed EMTSF will be able to sustain its operation up to 2023-24.

BUD Fund

10. The BUD Fund, introduced in 2012, comprises the Enterprise Support Programme (BUD(ESP)) and the BUD(OSP) which provide funding support to non-listed enterprises and non-profit-distributing organisations in Hong Kong respectively to assist enterprises in enhancing competitiveness and furthering business development in the Mainland. We have evaluated and consider the BUD Fund effective in achieving its purposes. As of end March 2018, nearly 75% of the approved commitment was used. Upon the merge of the BUD(OSP) with the SDF to form the TSF under the above proposed EMTSF, the BUD Fund will focus on the BUD(ESP).

11. The Development Plan of the Bay Area is conducive to the business development of Hong Kong enterprises in the Mainland market. To help Hong Kong enterprises grasp new business opportunities available under the Plan, we consider it necessary to step up the financial support for Hong Kong enterprises, particularly those which have already exhausted the maximum grant of \$500,000 from the BUD(ESP). We propose to increase the cumulative funding ceiling per enterprise and the funding ceiling per project from \$500,000 to \$1,000,000, and relax the current restriction on the maximum number of approved projects from three to ten per enterprise.

12. ASEAN was Hong Kong's second largest trading partner in merchandise trade in 2017 (amounting to \$936.8 billion) and the fourth largest in services trade in 2016 (amounting to \$119.3 billion). Member states of ASEAN are also important players under the B&R Initiative. The ASEAN-HK Free Trade Agreement will broaden market access for the trade in goods and services, and offer more business opportunities for Hong Kong enterprises and service providers in ASEAN.

13. To help Hong Kong enterprises capture the new business opportunities, we see a need to provide dedicated funding support. As the BUD(ESP) has proven its effectiveness in assisting Hong Kong enterprises in exploring the Mainland market, we propose to extend the geographical scope of the BUD Fund to provide funding support for individual Hong Kong enterprises to undertake projects for enhancing their competitiveness and furthering business development in the ASEAN markets through developing brands, upgrading and restructuring business operations and promoting sales. On par with the arrangement for Mainland projects, enterprises could also obtain a maximum funding of \$1,000,000 on a matching basis for carrying out up to ten ASEAN projects, with the funding ceiling per project being \$1,000,000.

14. The Hong Kong Productivity Council (HKPC) will continue to act as the implementation partner for the enhanced BUD(ESP) (including the existing programme for Mainland and the proposed new programme for ASEAN). The HKPC is a multi-disciplinary organisation dedicated to promoting productivity excellence of Hong Kong's industries and increasing their international competitiveness through the provision of integrated support across the value chain. Together with its experience in operating the BUD(ESP) for over five years, we believe that the HKPC is most suitable to continue acting as our implementation partner for the enhanced BUD(ESP).

15. With the implementation of the above enhanced BUD(ESP), we anticipate that the proposed injection of \$1.5 billion to the BUD Fund will be able to sustain its operation up to 2023-24.

CONTROL AND REVIEW MECHANISM

16. Funding support under the EMF is provided by the Government on a matching basis and reimbursed to the applicant enterprise after completion of the relevant export promotion activity. Enterprises are required to provide relevant information and documents in respect of their applications to TID for vetting.

Encl. 1 17. Same as the arrangement for the SDF and BUD(OSP), applications under the proposed TSF will be assessed by the secretariat set up in TID, and approved by the standing Vetting Committee (the membership list is at Enclosure 1). TID will continue to monitor and evaluate the progress and effectiveness of the approved projects, and report to the Vetting Committee for consideration.

Encls. 2 & 3 18. The control and monitoring mechanism established for the current BUD(ESP) will apply to the enhanced BUD(ESP). The Government has established a Programme Management Committee (PMC) and an Inter-departmental Committee (IDC) to consider the applications and monitor the progress of approved projects under the BUD(ESP) (the respective membership lists are at Enclosures 2 and 3), and engaged the HKPC to provide secretariat support to the programme. For each BUD(ESP) application, the HKPC will provide a preliminary assessment for consideration by the IDC. The IDC will then make a recommendation to the PMC for consideration and approval. The HKPC will monitor and evaluate the progress and effectiveness of the approved projects, and submit progress reports and final reports of the approved projects to the PMC. The HKPC will also submit annual accounts for the operation of the BUD(ESP) as prepared by an independent auditor. We will consider appointing a non-official to chair the PMC in due course so as to make more effective use of the chairman's professional knowledge and industry experience for leading the PMC in overseeing the implementation of the enhanced BUD(ESP). Representatives of the Commerce and Economic Development Bureau and TID will continue to be the ex-officio members of the PMC.

Encl. 4 19. To ensure transparency, all the rules and guidelines governing the operation of the existing funding schemes are promulgated on the websites of TID or the HKPC. This practice will continue with the implementation of the above proposed changes and enhancements. TID will continue to closely monitor the operation of the various funding schemes, and conduct reviews on their utilisation and effectiveness from time to time, so as to ensure prudent use of public money. Moreover, we have recently reviewed the application requirements and vetting mechanism of the funding schemes with a view to providing more flexible and effective support to Hong Kong enterprises, in particular start-ups. The relevant measures to simplify the procedures are at Enclosure 4.

EXPECTED BENEFITS

20. The increase in the funding ceiling and the removal of the current condition of the use of the last \$50,000 grant under the EMF will immediately benefit around 8 300 enterprises from different sectors (comprising 17.7% of the

/total

total beneficiaries under the EMF) which have currently used up the cumulative grant of \$150,000 or above, enabling them to make use of the grant again with greater flexibility to tap new markets and new business opportunities. SMEs will also be given more flexibility in planning their export promotion activities.

21. The increase in the funding ceiling and the maximum number of funded projects, and the extension of the geographical scope from the Mainland to include the ASEAN markets will immediately benefit over 430 enterprises from different sectors (comprising 39% of the total beneficiaries under the BUD(ESP)) which have currently used up the maximum grant of \$500,000 and/or with three projects funded under the BUD(ESP), enabling them to make use of the grant again with greater flexibility to further develop the Mainland market, as well as encouraging enterprises to develop the ASEAN markets and capture new business opportunities.

FINANCIAL IMPLICATIONS

Proposed EMTSF

22. The approved commitment of the renamed EMTSF will increase by \$1 billion to \$6.25 billion. We expect that the average funding amount per application and the number of applications received under the EMF will increase after the enhancement measures are implemented. Expenditure for funded projects under the TSF (created after merging the SDF and BUD(OSP) and without geographic restriction) will be met by the EMTSF.

Encl. 5 23. While we estimate that the proposed injection of \$1 billion will allow the EMTSF to operate up to 2023-24 (see Enclosure 5), the actual annual cashflow will depend on the number of applications received and approved, as well as the amount of grant provided each year.

24. TID will absorb the additional manpower required and administrative expenses arising from the implementation of the proposed enhancement measures.

BUD Fund

25. The approved commitment of the BUD Fund will increase by \$1.5 billion to \$2.5 billion, mainly to fund the BUD(ESP). We expect that the average funding amount per application and the number of applications received will increase after the proposed enhancement measures under the BUD(ESP) are implemented.

26. As mentioned in paragraph 14 above, the HKPC will continue to act as the implementation partner for the enhanced BUD(ESP). Similar to the current funding arrangement³, part of the administrative and promotion costs, and other necessary expenses for the enhanced programme will be funded by the BUD Fund while the remaining will be contributed by the HKPC as implementation partner. Drawing from the experience in implementing the current BUD(ESP), the Government will provide from the approved commitment of the BUD Fund about \$18 million annually to the HKPC for meeting the staff cost of a dedicated team for programme management, administrative support and project monitoring. Such provisions to the HKPC will be adjusted based on the actual number of applications received in the previous year. We will ensure that the relevant administrative overheads will be reasonable and proportionate to the total approved project funding in the same year. In addition, the Government will disburse about \$3.3 million per annum to the HKPC for various publicity and promotional activities, and other implementation expenses. The HKPC will be responsible for about \$2.3 million per annum related expenses in terms of professional manpower support to supervise, monitor and review the work of the secretariat, venue rentals and other ancillary technical and support services. The annual estimates of implementation fees for the enhanced BUD(ESP) is at Enclosure 6.

Encl. 6

27. While we estimate that the proposed injection of \$1.5 billion will allow the BUD Fund to operate up to 2023-24 (see Enclosure 7), the actual annual cashflow will depend on the number of applications received and approved, as well as the amount of grant provided each year.

Encl. 7

/IMPLEMENTATION

³ For the first term (covering the application period of June 2012 to June 2017), as set out in FCR(2012-13)22, a total of \$60 million would be disbursed to the HKPC from the approved BUD Fund to cover the bulk of the expenses incurred for implementing the BUD(ESP). The amount includes \$56 million for staff and other operating costs of a dedicated team to be set up for programme management, administrative support and project monitoring and a total of \$4 million for various publicity and promotional activities and other necessary expenses such as audit fees. The HKPC would be responsible for the rest of the relevant expenditures which amount to about \$17 million in terms of professional manpower support to supervise, monitor and review the work of the secretariat, venue rentals and other ancillary and support services.

For the second term (covering the application period of June 2017 to June 2022), as set out in FCRI(2017-18)7, we estimate that a total of about \$48 million will be provided to the HKPC from the uncommitted balance of the approved BUD Fund to cover the bulk of the expenses for implementing the BUD(ESP) in the second term (comprising about \$46 million for covering the staff and other operating costs of a dedicated team for programme management, administrative support and project monitoring, and \$2 million for various publicity and promotional activities and other necessary expenses such as audit fees). The HKPC will be responsible for the rest of the relevant expenditures which amount to about \$11 million in terms of professional manpower support to supervise, monitor and review the work of the secretariat, venue rentals and other ancillary technical and support services.

IMPLEMENTATION TIMETABLE

28. Subject to Members' approval of the proposal as set out in paragraph 2 above, we will implement the enhancement measures in the fourth quarter of 2018.

PUBLIC CONSULTATION

29. We conducted a briefing on 5 March 2018 to brief members of the Trade and Industry Advisory Board, Small and Medium Enterprises Committee, representatives of local major trade and industrial organisations, SME associations, professional bodies and trade associations, on the proposed enhancement measures. The trade supported our proposals in general. We also consulted the Legislative Council Panel on Commerce and Industry (C&I Panel) on the proposals on 20 March 2018, and Members were supportive. In response to Members' request, supplementary information on improvement measures to existing vetting procedures of the funding schemes, collaboration with industry organisations to promote the various funding schemes, as well as information on difficulties faced by SMEs in opening bank accounts was provided to the C&I Panel on 3 May 2018.

BACKGROUND

EMDF

30. The commitment of the EMDF was last increased in 2015, from \$3.75 billion to \$5.25 billion (please refer to paper no. FCR(2015-16)26), to meet the expenditure for the EMF and SDF. These two funding schemes were launched in 2001 and are operated by TID.

31. The EMF provides financial assistance to encourage SMEs to expand their markets outside Hong Kong through participation in export promotion activities, including local and overseas trade fairs and exhibitions, business missions, advertisements on printed trade publications, promotion through electronic platforms/media, and setting up/enhancing a corporate website.

32. The amount of grant for each application is 50% of the approved expenditure of the export promotion activity concerned, capped at \$50,000. The cumulative grant ceiling per enterprise is \$200,000, and the last \$50,000 of the grants cannot be used for participation in export promotion activities previously funded by the first \$150,000 of the grants received by the enterprise. As of end March 2018, over 216 000 applications have been approved, involving a total grant amount of over \$3.3 billion, benefiting over 47 000 SMEs.

33. The SDF provides financial support to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies and research institutes) to implement projects which aim at enhancing the competitiveness of Hong Kong SMEs in general or in specific sectors. The maximum amount of funding support for each approved project is 90% of the total approved project expenditure, capped at \$5 million. Each project should be completed within three years. As of end March 2018, 290 applications have been approved, involving a total grant amount of about \$359 million, benefiting a wide range of industries.

BUD Fund

34. The BUD Fund was launched in 2012, with a total commitment of \$1 billion (please refer to paper no. FCR(2012-13)22). In 2017, the Government extended the application period of the BUD Fund for five years to June 2022 (please refer to paper no. FCRI(2017-18)7). The BUD Fund comprises the BUD(ESP) and BUD(OSP), providing funding support to non-listed enterprises and non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes) respectively. The HKPC serves as our implementation partner in taking forward the BUD(ESP) while the BUD(OSP) is administered by the TID. As of end March 2018, the total funding amount approved was about \$679 million.

35. The BUD(ESP) provides funding support to individual Hong Kong enterprises to undertake projects to develop brands, upgrade and restructure business operations and promote domestic sales in the Mainland for enhancing their competitiveness and furthering business development in the Mainland. Successful applicant enterprises could obtain a maximum of \$500,000 funding support on a matching basis for a maximum of three projects, each to be completed within two years.

36. The BUD(OSP) provides financial support to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes) to implement projects that aim at assisting Hong Kong enterprises in general or in specific sectors in developing their brands, upgrading and restructuring their business operations, and promoting domestic sales in the Mainland so as to enhance their overall competitiveness in the Mainland market. The maximum amount of funding support for each approved project is 90% of the total approved project expenditure, capped at \$5 million. Each project should be completed within three years.

37. The 2018-19 Budget proposes to inject \$1 billion and \$1.5 billion into the EMDF and the BUD Fund respectively, and to introduce a series of measures to enhance the funding schemes so as to help SMEs, including start-ups, capture economic opportunities and boost their competitiveness.

Commerce and Economic Development Bureau
Trade and Industry Department
May 2018

中小企業發展支援基金及
發展品牌、升級轉型及拓展內銷市場的專項基金
(機構支援計劃)
評審委員會

**Vetting Committee of the SME Development Fund and the
Dedicated Fund on Branding, Upgrading and Domestic Sales
(Organisation Support Programme)**

成員名單
(截至 2018 年 4 月)
Membership List
(as at April 2018)

姓名 **Name**

背景 **Background**

主席 Chairman

工業貿易署署長

Director-General of Trade and Industry

委員 Members

陳家偉先生

Mr Calvin Chan Ka-wai

陳婉珊女士

Ms Clara Chan Yuen-shan

蔡懿德女士

Ms Rosanna Choi Yi-tak

莊太量教授

Prof Chong Tai-leung

何綺蓮女士

Ms Elaine Ho Yee-lin

郭正光先生

Mr Francis Kwok Ching-kwong

郭振邦博士

Dr Stephen Kwok Chun-pong

工商界

Industry and Business

工商界

Industry and Business

專業界

Professional

學術界

Academia

專業界

Professional

工商界

Industry and Business

工商界

Industry and Business

林凱章先生	工商界
Mr Victor Lam Hoi-cheung	Industry and Business
林國良先生	工商界
Mr Peter Lam Kwok-leung	Industry and Business
廖錦興先生	工商界
Mr Bobby Liu Kam-hing	Industry and Business
駱國安先生	工商界
Mr Anthony Lock Kwok-on	Industry and Business
吳慧君女士	工商界
Ms Jacqueline Ng Wai-kwan	Industry and Business
于健安先生	工商界
Mr Emil Yu Chen-on	Industry and Business
袁文俊博士	工商界
Dr Royce Yuen Man-chun	Industry and Business
工業貿易署副署長	官守成員
Deputy Director-General of Trade and Industry	Official Member

發展品牌、升級轉型及拓展內銷市場的專項基金
(企業支援計劃)
計劃管理委員會

**Programme Management Committee of the
Dedicated Fund on Branding, Upgrading and Domestic Sales
(Enterprise Support Programme)**

成員名單
(截至 2018 年 4 月)
Membership List
(as at April 2018)

姓名 **Name**

背景 **Background**

主席 **Chairman**

工業貿易署署長

Director-General of Trade and Industry

委員 **Members**

張華強博士

Dr Jacky Cheung Wah-keung

蔡漢成教授

Prof Raymond Choy Hon-sing

許華傑先生

Mr Michael Hui Wah-kit

林國雄博士

Dr Edward Lam Kwok-hung

梁毓雄先生

Mr Paul Leung Yuk-hung

馬家慧女士

Ms Rebecca Ma Ka-wai

馬桂榕先生

Mr Gerry Ma Kwai-yung

工商界

Industry and Business

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白富鴻先生	工商界
Mr Frank Pak Fu-hung	Industry and Business
冼雅恩先生	工商界
Mr Benedict Sin Nga-yan	Industry and Business
徐詠琳女士	工商界
Ms Jennifer Tsui	Industry and Business
王樂得先生	工商界
Mr Wong Lok-tak	Industry and Business
伍威全先生	工商界
Mr Wilson Wu Wai-tsuen	Industry and Business
商務及經濟發展局工商及旅遊科代表	官守成員
Representative of Commerce, Industry and	Official Member
Tourism Branch, Commerce and Economic	
Development Bureau	
工業貿易署代表	官守成員
Representative of Trade and Industry	Official Member
Department	

發展品牌、升級轉型及拓展內銷市場的專項基金
(企業支援計劃)
跨部門小組

**Inter-Departmental Committee of the
Dedicated Fund on Branding, Upgrading and Domestic Sales
(Enterprise Support Programme)**

成員名單
(2018 年 4 月) **Membership List**
(as at April 2018)

主席 Chairman

工業貿易署副署長(雙邊貿易、管制及工商業支援)
Deputy Director-General of Trade and Industry (Bilateral Trade, Controls & Industries Support)

委員 Members

商務及經濟發展局首席助理秘書長(工商)
Principal Assistant Secretary for Commerce and Economic Development
(Commerce and Industry)

創意香港助理總監
Assistant Head of Create Hong Kong

環境保護署首席環境保護主任(跨境及國際事務)
Principal Environmental Protection Officer (Cross-Boundary & International)

創新科技署助理署長(資助計劃)
Assistant Commissioner for Innovation and Technology (Funding Schemes)

各項資助計劃的簡化措施

- **發展品牌、升級轉型及拓展內銷市場的專項基金下的企業支援計劃**
 - 免除企業在香港有實質業務運作的年期要求，為初創企業提供更便利的支援。
 - 整合現時計劃下各項申請類別及申請表格，簡化申請手續，企業申請時只需填寫通用表格。
 - 簡化對企業的採購程序要求，減少採購時所需的報價數目，以減省其行政成本。
 - 為獲批項目所需的帳目審計費用，提供全額資助，每次最多 10,000 元，計入企業的資助上限，以減低企業使用基金的成本。
 - 為企業就獲批預算的調撥提供更大的靈活性和自主度。
- **中小企業市場推廣基金**
 - 放寬不能接受公帑重複資助的限制，出口推廣活動的個別單項開支只要未獲其他資助計劃直接資助，即可申請。
 - 就出口推廣活動放寬交通費的條件，活動舉行前後 5 天來回香港與活動舉行城市的交通費可獲資助，令企業可以利用在外展覽的時間順道傾談生意，聯絡生意夥伴。
- **工商機構支援基金**
 - 容許機構使用資助聘用現職員工推行項目，令推行項目更具彈性。
 - 放寬對機構的採購程序要求，減少所需的報價數目，以減省其行政成本。
 - 為機構就獲批預算的調撥提供更大的靈活性和自主度。
 - 容許機構分期提供項目下的實物贊助，以便機構推行項目。
 - 取消相同項目最多獲資助 2 次的限制，令機構制定具成效的項目時更具彈性。

Simplified procedures under various funding schemes

- **Enterprise Support Programme under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD (ESP))**

- Waive the requirement on enterprises' number of year of substantive business operations in Hong Kong to provide greater facilitation for start-ups.
- Consolidate the various application tracks and application forms under the existing programme to simplify the application procedures, so that enterprises only need to complete a unified application form.
- Simplify the requirements on procurement procedures by reducing the number of quotations required to reduce the administrative costs of enterprises.
- Provide full funding support for the audit fee of approved projects under the enterprises' funding ceiling, capped at \$10,000 per audit, to reduce the costs of enterprises in using the BUD Fund.
- Provide greater flexibility and autonomy for enterprises in the reallocation of grant amongst approved budget items.

- **SME Export Marketing Fund (EMF)**

- Relax the double funding rule to allow small and medium enterprises (SMEs) to apply funding for individual expenditure items of an export promotion activity as long as an item is not receiving direct funding support from other funding schemes.
- Relax the condition on transportation expenses to allow transportation expenses (for travelling between Hong Kong and the city where the activity is taking place) incurred 5 days before the start and 5 days after the end of an export promotion activity to be eligible for EMF grant, so as to enable SMEs to discuss businesses and network with business partners when participating in exhibitions outside Hong Kong.

● **Trade and Industrial Organisation Support Fund (TSF)**

- Allow organisations to use the fund to engage existing staff for implementing projects, so as to provide organisations with greater flexibility in project implementation.
- Simplify the requirements on procurement procedures by reducing the number of quotations required to reduce the administrative costs of organisations.
- Provide greater flexibility and autonomy for organisations in the reallocation of grant amongst approved budget items.
- Allow organisations to source in-kind sponsorships by phases to facilitate project implementation.
- Remove the restriction of funding a maximum of two projects of the same nature to provide greater flexibility for organisations in formulating promising projects.

FCR(2018-19)15 附件 5
Enclosure 5 to FCR(2018-19)15

「中小企業市場推廣和發展支援基金」的撥款使用情況
(截至 2018 年 3 月底)

Funding position of the SME Export Marketing and Development Funds
(as at end of March 2018)

核准承擔額 Approved commitment	52 億 5,000 萬元 \$5.25 billion
已批出資助額* Amount of project grant approved *	39 億 2,825 萬元 (「發展支援基金」：3 億 5,928 萬元 「市場推廣基金」：33 億 829 萬元) \$3,928.25 million (SDF: \$359.28 million EMF: \$3,308.29 million)
餘額 Remaining fund balance	13 億 2,175 萬元 \$1,321.75 million
注資額 Injection amount	10 億元 \$1 billion
總餘額 Total remaining fund balance	23 億 2,175 萬元 \$2,321.75 million
預計優化後 每年批出資助額 Estimated annual project grant to be approved after enhancement	4 億 8,000 萬元 (「工商機構支援基金」：5,700 萬元 「市場推廣基金」：4 億 2,300 萬元) \$480 million (TSF: \$57 million EMF: \$423 million)
預計用罄日期 Estimated date of fund exhaustion	2023 年 5 月 May 2023

- * 在計算「中小企業市場推廣和發展支援基金」的「已批出資助額」時，除「發展支援基金」和「市場推廣基金」外，舊有「中小企業培訓基金」已批出的資助額(共 2 億 6,067 萬元)也納入一同計算，因其所批資助額亦由「中小企業市場推廣和發展支援基金」的核准承擔額支付。「中小企業培訓基金」已由 2005 年 7 月 1 日起停止接受申請。
 - * In calculating the approved project grant under the EMDF, apart from the SDF and EMF, the approved project grant of \$260.67 million under the then SME Training Fund, which was met by the approved commitment of the EMDF, is also included. The SME Training Fund has ceased to receive applications since 1 July 2005.
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「發展品牌、升級轉型及拓展內銷市場的專項基金下的企業支援計劃(BUD 企業支援計劃)」優化後的推行費用年度預算(註 1)

**Annual Estimates of Implementation Fees for the
Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)
Enterprise Support Programme (BUD(ESP)) after Enhancement (Note 1)**

項目 Item	政府資助 (千元) Funding by Government (\$'000)	香港生產力促進局 承擔的開支 (千元) Contribution by the HKPC (\$'000)	總計 (千元) Total (\$'000)
(I) 秘書處人員開支 Secretariat staff expenditure			
• 計劃管理(註 2) Programme management (Note 2)	—	400	400
• 計劃的行政支援、申請處理 及項目監察(註 3) Programme administration, application handling and project monitoring (Note 3)	18,000	1,000	19,000
小計 Sub-total	18,000	1,400	19,400
(II) 其他開支 Other expenditures			
• 推廣、宣傳、資訊發布及審 計費用(註 4) Promotion, publicity, dissemination and audit fees (Note 4)	1,000	910	1,910
• 東盟計劃下聘用具當地知 識的機構的費用；項目監察 的交通費用(註 5) Expenses for engaging organisation(s) with local knowledge under the ASEAN programme; travelling expenses for project monitoring (Note 5)	2,250	0	2,250
小計 Sub-total	3,250	910	4,160
總計 Total	21,250 (註 6) (Note 6)	2,310	23,560

註 1

政府會繼續密切監察香港生產力促進局(下稱「生產力促進局」)作為秘書處在「BUD 企業支援計劃」(下稱「計劃」)優化後的工作量及開支。為確保秘書處合理分配人手，秘書處每年均會向「計劃管理委員會」提交年度計劃，詳列出未來一個年度的工作及相關的人手安排。另外，秘書處亦須定期提交季度工作報告予委員會審核，讓計劃整體運作進度及資源運用得到適時監察。

此外，我們會與生產力促進局擬定計劃優化後的合作協議，內容包括開支管理及控制的機制，以確保推行計劃的費用符合成本效益的原則。在該機制下，政府提供予生產力促進局的推行費用，可因應上年實際接獲的申請數目調整。總括來說，如每年實際接獲的申請數目超過或低於原先預算數目的 10%，政府或生產力促進局可啟動機制，要求相應調整推行費用(這機制已納入現時的合作協議)。計劃優化後的合作協議，將加入適當條文，以確保每年生產力促進局的行政費用不超過同年獲批項目資助總額的 15%。

註 2

生產力促進局將委派總經理職級人員督導計劃的推行。這方面的開支將由生產力促進局承擔。如有需要，上述人手安排會視乎工作量及其他相關因素予以檢討和適當調整。

註 3

生產力促進局將安排由顧問級／助理顧問級人員及項目主任組成的隊伍，在高級顧問或同等職級人員的領導下，協助計劃行政支援、申請處理及項目監察的工作。其中部分人手的開支將由生產力促進局承擔。如有需要，上述人手安排會視乎工作量及其他相關因素予以檢討和適當調整。

註 4

推廣及宣傳的開支包括舉辦研討會、刊登廣告及製作宣傳錄影片段等費用。資訊發布的開支包括為計劃管理網站、舉辦分享會和製作和派發指引以分享經驗及成功例子等費用。審計費用涵蓋生產力促進局為計劃提供秘書處服務的年度經審計帳目的費用。為了保障公帑使用得宜，生產力促進局須每年向計劃管理委員會提交經審計帳目。

上述的部分開支將由生產力促進局承擔。生產力促進局會把計劃在下年度舉辦的活動載於年度工作計劃內，以及提供有關活動的財政預算，供計劃管理委員會事先批准。政府會以實報實銷方式，向生產力促進局支付款項。

註 5

生產力促進局將聘用具當地知識的機構為推行東盟計劃的合作夥伴，就審批申請及監督項目提供諮詢及支援服務。生產力促進局亦會派員到東盟國家監察上述當地合作夥伴的工作進度，以及到內地實地視察獲批項目的推行。

註 6

政府每年會提供約 1,800 萬元予生產力促進局，以應付專責隊伍提供計劃管理、行政支援及項目監察工作所涉及的人員開支，以及約 330 萬元作舉辦宣傳及推廣活動和其他推行開支。上述費用是以現時第二期計劃(申請期為 2017 至 2022 年)下政府發放予生產力促進局的總推行費用(包括約 4,600 萬元的員工開支，以及約 200 萬元的宣傳及推廣活動費用及其他推行開支)，以及預期計劃優化後的運作情況作為估算基礎。

Remarks:

Note 1:

The Government will continue to closely monitor the workload and expenditures of the Hong Kong Productivity Council (HKPC) as the Programme Secretariat (PS) of the enhanced BUD (ESP). To ensure its reasonable allocation of manpower, the PS submits every year its Annual Implementation Plan (AIP) to the Programme Management Committee (PMC), setting out its work in the following year and the relevant manpower arrangement. Besides, to allow timely monitoring of the overall operation progress and resource utilisation of the programme, the PS is also required to submit quarterly operational reports to the PMC for endorsement regularly.

Furthermore, we will include a cost management and control mechanism in the service agreement to be drawn up with the HKPC for implementing the enhanced BUD (ESP) to ensure that the fees for programme implementation are cost effective. Under the mechanism, the implementation fees to be provided for the HKPC can be adjusted based on the actual number of applications received in the previous year. In summary, if the actual number of applications received in a year exceeds or falls short of the originally estimated number by 10%, either the Government or the HKPC may trigger the mechanism and initiate corresponding adjustment to the implementation fees to be provided by the Government to the HKPC (this mechanism has already been included in the existing service agreement). Suitable provisions would be included in the service agreement for the enhanced programme to ensure the administrative fees do not exceed 15% of the total approved project funding in the same year.

Note 2:

The HKPC will assign officer(s) at general manager grade to oversee the programme implementation. The costs would be contributed by the HKPC. The manpower arrangements would be reviewed and suitably adjusted as necessary having regard to the workload and other relevant factors.

Note 3:

The HKPC will engage a team comprising officers at consultant/assistant consultant and project officer grades to assist in the programme administration, application handling and project monitoring under the lead at senior consultant or equivalent grade. Part of the manpower costs will be contributed by the HKPC.

The manpower arrangements would be reviewed and suitably adjusted as necessary having regard to the workload and other relevant factors.

Note 4:

Promotion and publicity expenditures include those for organising seminars, placing advertisements and production of promotional videos, etc. Expenditures for dissemination include those for maintenance of a website on the BUD (ESP), organisation of symposia, and production and distribution of guidebooks for sharing of experience and success stories, etc. Audit fees cover the audit work for the HKPC to produce annual audited accounts to the PMC in relation to its provision of secretariat services for the BUD (ESP). To safeguard the proper use of public money, the HKPC will be required to submit audited accounts to the PMC annually.

Part of the above expenditures will be contributed by the HKPC. The HKPC will include the activities planned to be organised in the coming year and provide estimates for these activities in the AIP for prior approval by the PMC. The Government will disburse to the HKPC the actual expenses incurred by the latter on a reimbursement basis.

Note 5:

For the implementation of the ASEAN programme, the HKPC will engage organisation(s) with local knowledge to serve as its collaboration partner(s) for providing advisory and support services in application vetting and project monitoring. The HKPC will also send staff to ASEAN countries to monitor the work progress of the above mentioned local partner(s), and to the Mainland for conducting on-site checks of on-going projects.

Note 6:

The Government will provide about \$18 million annually to the HKPC for covering the staff cost of a dedicated team for programme management, administrative support and project monitoring. The Government will also disburse about \$3.3 million for various publicity and promotional activities, and other implementation expenses. The above costs are estimated on the basis of the total implementation fees (including about \$46 million to cover staff costs and about \$2 million for publicity and promotional activities, and other implementation expenses) to be provided by the Government to the HKPC for implementing the BUD (ESP) in the second term (covering the application period of 2017 to 2022) and also the expected operation situation after the enhancement.

「發展品牌、升級轉型及拓展內銷市場的專項基金(BUD 專項基金)」
的撥款使用情況
(截至 2018 年 3 月底)

**Funding Position of the
Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)
(as at end March 2018)**

核准承擔額 Approved commitment	10 億元 \$1 billion
已批出資助額 Amount of project grant approved	6 億 7,870 萬元 (「BUD 企業支援計劃」：4 億 3,976 萬元 「BUD 機構支援計劃」：2 億 3,893 萬元) \$678.7 million (BUD(ESP): \$439.76 million BUD(OSP): \$238.93 million)
政府提供予香港生產 力促進局的推行開支 Implementation fees provided to the HKPC	6,555 萬元 \$65.55 million
餘額 Remaining fund balance	2 億 5,576 萬元 \$255.76 million
注資額 Injection amount	15 億元 \$1.5 billion
總餘額 Total remaining fund balance	17 億 5,576 萬元 \$1,755.76 million
預計優化後每年批出 的資助額 Estimated annual project grant to be approved after enhancement	2 億 9,600 萬元 \$296 million
優化後每年提供予香 港生產力促進局的推 行開支 Annual implementation fees to be provided to the HKPC after enhancement	2,125 萬元 \$21.25 million
預計用罄日期 Estimated date of fund exhaustion	2023 年 12 月 December 2023
