

香港特別行政區政府

商務及經濟發展局

工商及旅遊科

香港添馬添美道二號  
政府總部西翼二十三樓



COMMERCE, INDUSTRY AND TOURISM BRANCH

**COMMERCE AND ECONOMIC  
DEVELOPMENT BUREAU**

GOVERNMENT OF THE HONG KONG  
SPECIAL ADMINISTRATIVE REGION

23/F, WEST WING  
CENTRAL GOVERNMENT OFFICES  
2 TIM MEI AVENUE  
TAMAR, HONG KONG

Mr Boris Lam

Legislative Council Complex  
1 Legislative Council Road  
Central Hong Kong

16 February 2021

Dear Mr Lam,

**Legislative Council Panel on Commerce and Industry  
Subcommittee on Issues Relating to the Stimulation of  
Hong Kong's Economy**

**Follow-up to meeting on 29 January 2021**

Thank you for your letter of 2 February 2021 relaying proposals/requests raised by the Panel on Commerce and Industry's Subcommittee on Issues Relating to the Stimulation of Hong Kong's Economy at the meeting on 29 January 2021. Please see attached our response to item (d) in the "List of follow-up actions arising from discussion", in relation to the SME Financing Guarantee Scheme. As for other items in the above-mentioned list, we have forwarded them to the concerned bureaux/departments for their consideration.

(Hubert Cruz)

*for Secretary for Commerce and Economic Development*

c.c. Secretary for Financial Services and the Treasury  
(Attn: Ms Rico TAM)

Secretary for Food and Health  
(Attn: Ms Nicky LEUNG)

Secretary for Information and Technology  
(Attn: Ms Carol CHAN)

Secretary for Labour and Welfare  
(Attn: Ms Crystal HUI)

**Legislative Council Panel on Commerce and Industry**  
**Subcommittee on Issues Relating to the Stimulation of**  
**Hong Kong's Economy**

**Follow-up to meeting on 29 January 2021**

**Item (d) - SME Financing Guarantee Scheme**

In order to assist small and medium enterprises (SMEs) severely hit by the COVID-19 epidemic in coping with cash flow problems, the Government introduced a concessionary low-interest loan under the SME Financing Guarantee Scheme (SFGS) in April 2020, to provide 100% guarantee for loans approved (i.e. the Special 100% Guarantee Product). Enterprises are also provided with an option of principal moratorium for the first 12 months to help alleviate their repayment pressure.

2. In September 2020, the Government enhanced the Special 100% Guarantee Product by raising the maximum loan amount from the original level of the total amount of employee wages and rents for six months, to that for 12 months, or \$5 million (whichever is lower) and increasing the maximum loan period from three years to five years.

3. As at 31 December 2020, loans amounting to \$39.7 billion have been approved under the Special 100% Guarantee Product, benefiting over 19 000 enterprises. At the same time, the principal moratorium has been utilised by over 60% of the approved applications. The above figures show that both the Special 100% Guarantee Product and the principal moratorium arrangement are well-received by SMEs.

4. In tandem, the 80% and 90% Guarantee Products under the SFGS continue to provide financial assistance to SMEs in need of higher loan amounts. From April to December 2020, loans amounting to about \$12 billion have been approved under the 80% and 90% Guarantee Products. In addition,

the Government has been providing interest subsidy for the loans approved under the 80% and 90% Guarantee Products. From February to December 2020, the interest subsidy provided by the Government amounted to about \$300 million, greatly relieving the interest burden on SMEs.

5. The Government will continue to monitor the economic situation closely and take due actions having regard to the needs of SMEs.

**Commerce and Economic Development Bureau**  
**February 2021**