

HONG KONG FILES

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Financial Secretary Announces Measures to Back Enterprises



The Financial Secretary, Mr Paul Chan (fourth left), held a press conference on August 15 to outline the latest economic situation and announce a series of measures to support enterprises and residents. Also present were (from left) the Secretary for Education, Mr Kevin Yeung; the Secretary for Transport and Housing, Mr Frank Chan Fan; the Permanent Secretary for Financial Services and the Treasury, Ms Alice Lau; the Secretary for Financial Services and the Treasury, Mr James Lau; the Secretary for Commerce and Economic Development, Mr Edward Yau; the Secretary for Food and Health, Professor Sophia Chan; and the Secretary for Labour and Welfare, Dr Law Chi-kwong.

The Hong Kong economy has faced significant downward pressure since the second quarter of this year. In view of the global uncertainties, including the China-US trade tensions, risk of a hard Brexit, sluggish industrial and trading activities in Asia, and market concerns about major economies slipping into recession, as well as the impact on the retail trade, restaurant and tourism triggered by recent social incidents, the Hong Kong economy will continue to face an austere environment for the rest of 2019.

To counter the external and local economic challenges, the Financial Secretary (FS), Mr Paul Chan, announced on August 15 a package of measures to support enterprises, especially small and medium enterprises (SMEs), to safeguard jobs and relieve people's financial burden. The measures, excluding public works expenses, will cost a total of about HK\$19.1 billion.

SMEs will be better supported to cope with the operating

pressure in the current economic environment with the following measures:

- Further enhancements to the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and the SME Export Marketing Fund; additional injections into these Funds for enterprises to explore business opportunities, promote sales and participate in business missions
- New loan guarantee product introduced under the SME Financing Guarantee Scheme by the Hong Kong Mortgage Corporation Insurance Limited, under which the Government will provide for a 90 per cent guarantee for approved loans to facilitate new businesses in obtaining financing
- A total of 27 groups of government fees and charges waived for 12 months to benefit a wide range of sectors from maritime, logistics, retail, catering to tourism

Fund Enhancements to support SMEs

Extra injection of **HK\$1b** each:

- Dedicated Fund on Branding, Upgrading and Domestic Sales
- SME Export Marketing Fund

More support for:

- Exploring opportunities in the Greater Bay Area
- Promoting sales in the Mainland of China
- Participating in business missions organised by the government and related organisations



Waivers of Government Fees and Charges

27 groups of government fees and charges to be waived for **12 months.**

Wide range of sectors to benefit, including maritime, logistics, retail, catering, agriculture and fisheries, construction and tourism sectors.



Financial Support Measures for Businesses and People

Package of support measures to help businesses, relieve people's financial burden and stimulate the economy amid challenges arising from economic uncertainties.

- **Total cost: HK\$19.1 billion**



In view of the rising economic challenges in recent months, Mr Chan on October 22 announced an additional round of measures costing about HK\$2 billion in total to boost the support for enterprises and safeguard jobs further, particularly in hard-hit sectors. They included fuel subsidy for the transport trade, rental reduction for government land and public car parks, as well as extension of the coverage of rental concession to more businesses leased by the Government Property Agency.