

LCQ6: Promotion of Brand Hong Kong

Following is a reply by the Secretary for Commerce and Economic Development, Mr Frederick Ma, to a question by the Hon Wong Ting-kwong on the promotion of Brand Hong Kong in the Legislative Council today (October 31):

Question:

In January this year, the Focus Group on Trade and Business of the Economic Summit on "China's 11th Five-Year Plan and the Development of Hong Kong" submitted its report to the Chief Executive, proposing that the Government should, among other things, establish a high-level Brand Hong Kong Group to promote the development of Brand Hong Kong. In this connection, will the Government inform this Council of:

(a) the latest progress in establishing the Brand Hong Kong Group, the expected date of its establishment, and the specific work it will be responsible for;

(b) the resources the Government will provide to assist in the internationalisation of local brands; and

(c) the details of the Government's work in consulting the commercial sector and the relevant parties on the establishment of the Brand Hong Kong Group and the promotion of Brand Hong Kong?

Reply:

Madam President,

(a) With regard to the establishment of a high-level Brand Hong Kong Group, the Financial Secretary is now carrying out an internal in-depth study. The study includes a thorough review of the existing work on the "Brand Hong Kong" programme and ways to promote Hong Kong's image more effectively around the world. The study will also review current measures for helping local enterprises to develop and promote their brands in order to further assist them to improve their brand development work. The Financial Secretary will determine the framework, terms of reference, membership and the strategic direction for the Group as soon as possible.

Meanwhile, my bureau has maintained regular communication with local industry and related organisations on the issue of branding, and has discussed with them ways to help local enterprises develop their brands and promote their products and services in Mainland and overseas

markets.

(b) At the same time, the Government has continued to implement measures to help local enterprises develop and promote their brands. These measures include the following:

(i) Trade and industrial organisations, professional bodies and research institutions can apply to the SME Development Fund for funding to implement brand development projects. The maximum amount of funding support for each approved project is \$2 million or 90% of the total project expenditure, whichever is less;

(ii) SMEs can apply to the SME Export Marketing Fund (EMF) for grants to expand their business and promote their brands through participation in export promotion activities. The maximum cumulative amount of grant that an SME may currently obtain is \$80,000. We plan to raise this grant ceiling, and we will consult the LegCo Panel on Commerce and Industry on our detailed proposals after consulting the SME Committee;

(iii) Through the DesignSmart Initiative (which has a total funding level of \$250 million), the Innovation and Technology Commission encourages various sectors to apply design elements to their products. Since the setting up of the initiative, \$76 million has been granted to support projects including: the promotion of design excellence, specialist research and collaboration between the design and business sectors, thereby encouraging and assisting enterprises in developing their own designs and brands ; and

(iv) The Hong Kong Trade Development Council (HKTDC) is committed to promoting Hong Kong brands in overseas markets. For example, last month, I led a group of over 200 local enterprises to take part in the first large-scale exhibition of Hong Kong branded products in Moscow organised by the HKTDC. The event gave us the opportunity to promote Hong Kong products and services to the Russia market, in order to help Hong Kong enterprises explore new business opportunities in Russia.

(c) I recognise that the views of representatives from local industry are important in the development and the promotion of Hong Kong brand products and services. We therefore maintain regular contact with local industry. For example, my bureau has recently convened a discussion of this issue with industrial, trade and related organisations. During this meeting, the organisations raised the following points:

(i) Government's resources for brand development are not sufficiently centralised. Although the Government currently provides various types of funding to local enterprises, it is not easy for them to find the appropriate funding scheme. In this regard, they would like the Government to consolidate the current resources available for brand promotion, and also provide clear guidelines on applications for different funding schemes;

(ii) Hong Kong does not have a local system of branding that is recognised by the Government and local industry. If there was a government-recognised Branding Award, this would be an effective platform for local enterprises to improve their brands;

(iii) There are currently several brands developing a presence on the Mainland. However, local enterprises cannot advertise on the Mainland the awards that their brands have received, which affects their competitiveness in Mainland markets. They would like the Government to discuss the relevant arrangements with the Mainland.

My Bureau is now considering how to follow up on the issues raised by the various sectors and plans to meet the relevant organisations next month to discuss these issues further.

Ends/Wednesday, October 31, 2007