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Replies to initial questions raised by Legislative Council Members in examining the Estimates of Expenditure 2026-27

Director of Bureau : Secretary for Commerce and Economic Development
Session No. : 10
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CONTROLLING OFFICER'S REPLY

(Question Serial No. 1593)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (000) Operational expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To promote the awareness of Hong Kong brands and develop cross-border e-commerce business, the Government has launched the "E-Commerce Express", under which one of the initiatives is the organisation of Hong Kong Shopping Festival. Please advise this Committee of the following:

1. How many exhibitors were attracted to participate in the 2nd edition of the Hong Kong Shopping Festival organised last year?

2. What is the amount of resources to be allocated this year for supporting the organisation of Hong Kong Shopping Festival in the Mainland and ASEAN countries? How many exhibitors are expected to participate?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 41)

Reply:

The Hong Kong Trade Development Council (HKTDC) has launched the "E-Commerce Express" since 2025-26. Addressing the pain points encountered by Hong Kong enterprises when developing cross-border electronic commerce (e-commerce) and in collaboration with large-scale e-commerce or social media platforms, HKTDC conducts a series of thematic training seminars and research sharing sessions to disseminate practical knowledge such as online store operations, e-commerce supply chain management, social media strategies for brand building, e-commerce smart operations driven by artificial intelligence, etc. In view of developments of the e-commerce market, HKTDC also publishes relevant research reports so as to provide more comprehensive support for small and medium enterprises interested in tapping into the Mainland e-commerce market.

As one of the flagship events which dovetails with the "E-Commerce Express", the Hong Kong Shopping Festival (HKSF) aims at providing practical experience for enterprises, helping them leverage the extensive customer base and traffic of Mainland e-commerce platforms with a view to enhancing brand and product awareness on the Mainland and accelerating enterprises' development of the Mainland domestic sales market. Held in August 2025, the 2nd edition of HKSF attracted the participation of around 260 brands and offered more than 500 featured products in various categories such as health products, food, household products, personal care and cosmetics, apparel and accessories, smart gadgets and silver products, providing Mainland consumers with one-stop online shopping experience with exclusive discounts. HKTDC also invited a number of renowned Mainland key opinion leaders to conduct livestreaming sessions for brands, thereby boosting the exposure of the online stores of Hong Kong enterprises. The event also achieved total impressions of more than 100 million across the webpage of relevant e-commerce platforms and the official HKSF website.

Having regard to the experience of the 2 editions of HKSF, the Government will launch HKSF through HKTDC for the e-commerce markets of the Mainland and the Association of Southeast Asian Nations (ASEAN) over the 3 years between 2026 and 2028. HKTDC will organise the 3rd edition of HKSF on Mainland e-commerce platforms in August 2026 and plans to launch HKSF for major ASEAN markets such as Singapore and Malaysia in the 2nd half of 2026, with a view to providing a platform for Hong Kong enterprises to showcase and promote their products while helping them enhance brand influence and market coverage. HKTDC has commenced its preparatory work of HKSF, and will announce the details, including the number of participating brands, in due course.

The expenditure of the above work has been subsumed under the overall establishment and estimates of HKTDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2658)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (700) General non-recurrent

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To promote further development of the exhibition industry and brand building as an international convention and exhibition hub, the Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Please advise of the following:

1. The amount of funding granted to or a breakdown of the actual expenditure for major exhibitions in the past 3 years, as well as the attendance figures;

2. What will this $100 million in funding be primarily used for?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 12)

Reply:

The Hong Kong Special Administrative Region (HKSAR) Government first launched the Incentive Scheme for Recurrent Exhibitions (ISRE) on 1 July 2023, providing venue rental incentives to attract local and international exhibitions of different scales to be staged recurrently in Hong Kong. ISRE ended on 30 June 2025, and was very well received. ISRE supported 224 eligible exhibitions, involving a total incentive of over $1.2 billion. To further promote the development of the convention and exhibition (C&E) industry and the mega event economy, thereby generating overall economic benefits for Hong Kong, the HKSAR Government allocated an additional funding of $500 million for launching ISRE 2.0 on 1 July 2025, focusing on attracting new and recurrent international exhibitions of large scale. Since the launch of ISRE 2.0 last July, it has received overwhelmingly positive response and strong industry support, exceeding our expectation. To date, ISRE 2.0 has supported some 80 eligible exhibitions, involving a total incentive of over $370 million. The exhibitions supported by ISRE 2.0 have attracted numerous participants (including exhibitors and buyers), benefitting the C&E industry, while attracting high-spending business travellers

and bringing in business to such related sectors as accommodation, catering, retail and entertainment.

As announced in the 2026-27 Budget, to promote the further development of the exhibition industry and brand building, the HKSAR Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing the Chinese Mainland and overseas brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. We are formulating the relevant arrangements and implementation details.

Unlike the previous arrangement of subsidising venue rental through incentive schemes, we will pilot a more flexible approach of providing financial support. By partnering with statutory bodies and relevant organisations, we will leverage their expertise, networks and supporting services to identify and attract large-scale, high-quality international exhibitions with new elements to be staged in Hong Kong, with the aim of injecting new impetus into the C&E industry and reinforcing Hong Kong's position as a premier platform for showcasing the Chinese Mainland and overseas brands. To ensure the prudent use of public funds, we will consider the suitable form of resource allocation and level of funding subject to the nature and contents of individual exhibitions.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2659)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Intellectual Property Department, together with the Vocational Training Council, will roll out a two-year pilot programme and establish the Intellectual Property Academy to provide on-the-job training linked to the Qualifications Framework. The Government has earmarked $52 million for the project, which is targeted to commence at the end of this year. Please inform this Committee of the following:

1. the major areas in which the estimated expenditure will be used, such as curriculum design, recruitment of teaching staff, provision of training facilities, and publicity and promotion; and

2. the staff establishment of the pilot programme.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 14)

Reply:

To strengthen intellectual property (IP)-related on-the-job training and meet the needs of different sectors in using IP across various areas, the Intellectual Property Department (IPD) is collaborating with the Vocational Training Council (VTC) to implement a two-year pilot programme to establish the Intellectual Property Academy (the Academy).

The Government has earmarked $52 million to support the establishment of the Academy and its operating expenses for the first 2 years, including staff remuneration, teaching facilities, information platforms, curriculum development and design, qualification accreditation, publicity and promotion, as well as other administrative and operating expenses. As for the specific funding arrangements, IPD will further discuss with VTC and set out the details of the implementation arrangements in the funding agreement.

In terms of staffing, to prepare for the establishment of the Academy, IPD will first redeploy internal staff to discuss related work with VTC. As for other staffing arrangements involved in the overall operation of the Academy, IPD will further finalise them with VTC when implementing the overall work plan and specific implementation arrangements.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1776)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 185 of the Budget Speech that more overnight visitors will be drawn from Mainland cities outside Guangdong, as well as emerging markets such as the Association of Southeast Asian Nations and the Middle East. The Government will also proactively promote the hosting of a wider range of conferences, exhibitions and incentive travel events in Hong Kong, and earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. In this connection, please inform this Committee of the following:

1. How will the convention and exhibition industry be interfaced with local industries with competitive edge in depth? For example, will consideration be given to requiring the supported projects to include quantifiable components such as "business matching/investment and financing matching", and leverage the synergy with such industries as finance, innovation and technology, healthcare, shipping, as well as legal and arbitration, so as to better utilise the funding support to boost the length of stay and revisit rate of business visitors?

2. Will the Government formulate a list of major cities and annual plans for roadshows, and collaborate with relevant stakeholders, such as airlines, exhibition organisers and chambers of commerce, to attract and expand visitor sources through a one-stop approach, with a view to realising and transforming exhibitions into incentives for delegations and decision-makers of enterprises, instead of general exhibition missions, to come to Hong Kong?

3. What indicators will be used by the Government to review the effectiveness of such efforts, e.g. per capita spending, rate of overnight stay, contract values/investment amounts generated from exhibitions, and business level of exhibitors?

Asked by: Hon CHAN Chung-yee, Alan (LegCo internal reference no.: 5)

Reply:

To promote the further development of the exhibition industry and brand building, as announced in the 2026-27 Budget, the Hong Kong Special Administrative Region Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing the Chinese Mainland and overseas brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. The Commerce and Economic Development Bureau is formulating the relevant arrangements and implementation details.

Unlike the previous arrangement of subsidising venue rental through incentive schemes, we will pilot a more flexible approach of providing financial support. By partnering with statutory bodies and relevant organisations, we will leverage their expertise, networks and supporting services to identify and attract large-scale, high-quality international exhibitions with new elements to be staged in Hong Kong, with the aim of injecting new impetus into the convention and exhibition industry and reinforcing Hong Kong's position as a premier platform for showcasing the Chinese Mainland and overseas brands. We will consider the suitable form of resource allocation and level of funding subject to the nature and contents of individual exhibitions. To ensure the prudent use of public funds, we will formulate appropriate performance indicators with the organisers (e.g. number of exhibitors, anticipated economic benefits, etc.), closely monitor the implementation effectiveness throughout the process, and conduct timely reviews to refine the arrangements where necessary.

On the other hand, the Hong Kong Tourism Board (HKTB) has been actively promoting Meetings, Incentive travels, Conventions and Exhibitions (MICE) tourism. This includes proactively bidding for or assisting in bidding for major international conferences to be held in Hong Kong through various funding schemes, targeting, in particular, sectors such as financial services, medical science, information technology, aviation logistics, etc. (e.g. the World Cancer Congress, Consensus Hong Kong, etc.). In addition, by integrating mega events in culture, sports and tourism with MICE tourism, HKTB will also introduce to MICE event organisers in advance the mega events and seasonal themed activities taking place in different months, with a view to facilitating their preparation and promotion work, thereby boosting business visitor spending.

To attract more high value-added overnight visitors, HKTB will continue the relevant work in 2026-27 to reinforce Hong Kong's image as "the World's Meeting Place". In the coming year, HKTB's MICE tourism promotion work mainly includes the following:

- continue to secure and support the staging of international MICE events of different scales and types in Hong Kong through various funding schemes and all-round assistance;

- expand and deepen collaboration with the Hong Kong Convention Ambassadors to create business opportunities for high-end conferences across different sectors;

- provide MICE event organisers with advance information on city-wide happenings and encourage participants to extend their stay in Hong Kong to join these activities;

- establish strategic partnerships with global and regional leading event organisers to attract the hosting of flagship events in Hong Kong, thereby drawing more high value-added MICE visitors to Hong Kong;

- invite influential overseas exhibitions to launch their Hong Kong editions in the city and develop brand new exhibitions to further enhance Hong Kong's position as the preferred exchange platform for the MICE sector.

HKTB will use the number of MICE visitors and successful bids for international MICE events as the primary indicators to evaluate its overall performance in promoting MICE tourism.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1778)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 124 of the Budget Speech that Hong Kong will strengthen its role as the functional node for the Belt and Road (B&R) Initiative, collaborate with industry players to further develop the ASEAN and Middle East markets, and forge more free trade agreements and investment agreements. In this connection, please inform this Committee of the following:

1. How will the Government implement the work related to the functional node for the B&R Initiative to achieve quantifiable benefits? Will the Government set any regional key performance indicators for emerging markets such as ASEAN and the Middle East (e.g. the number of new regional headquarters, the value of exports of professional services, the volume of reinsurance and shipping finance businesses, and the increase in Renminbi settlement and trade financing), and report regularly to this Committee?

2. In face of such factors as changing international geopolitics, unpredictability of local laws and regulations, exchange controls, and restrictions on capital repatriation, what measures will the Government take to promote risk management mechanism, so as to support Hong Kong enterprises in "tapping into or out of" such emerging markets, thereby reducing investment risks?

3. Under the trend of "go global or go bust" and joint venture with Mainland enterprises to go global, how will the Government leverage Hong Kong's advantages in terms of its experience in professional services and external connectivity to assist Mainland enterprises in going global and exploring opportunities, thereby achieving a win-win for both Mainland and Hong Kong enterprises?

Asked by: Hon CHAN Chung-yee, Alan (LegCo internal reference no.: 7)

Reply:

Hong Kong has been fully participating in and contributing to the Belt and Road Initiative (B&RI), utilising the role as a functional platform for the Belt and Road (B&R) and giving full play to the roles as "super connector" and "super value-adder", deepening international exchanges and co-operation, complementing the latest national development as well as assisting Hong Kong enterprises and professional sectors in exploring B&R opportunities.

The Hong Kong Trade Development Council (HKTDC) has been actively promoting Hong Kong as an international business and trade platform for B&RI. Through large-scale international conferences, business missions, promotional and outreach activities, HKTDC fosters collaboration between enterprises, investors and professional service providers from the Chinese Mainland and Hong Kong and owners of projects in B&R countries. In exploring emerging markets, HKTDC formulates relevant promotion and co-operation strategies tailored for different markets taking into account the latest economic and trade situations of individual markets as well as bilateral industry co-operation opportunities. Meanwhile, HKTDC would flexibly respond to the impacts of geopolitical situations on the overall planning of business activities in certain regions, ensuring that its strategies remain forward-looking and feasible.

HKTDC continuously evaluates the effectiveness of the relevant works through various indicators, such as corporate participation and international reach, business outcomes and success stories, to assess local industry demand for and receptiveness towards Hong Kong services. In light of market developments and feedback from businesses, HKTDC would also refine its strategies to ensure targeted and effective resource deployment.

The 2025 Policy Address announced the integration of Hong Kong's overseas offices, including those under the Invest Hong Kong, HKTDC, and Hong Kong offices on the Chinese Mainland, into a one-stop platform, and the establishment of the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) on a cross-bureau, cross-departmental and cross-agency basis, to proactively attract Chinese Mainland enterprises to use Hong Kong as a platform to "go global". The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and coordinates with various policy bureaux, departments, and agencies to customise comprehensive support services based on the needs of different Chinese Mainland Enterprises, assisting them to "go global" through Hong Kong. The GoGlobal Task Force have also launched on 20 March 2026 the first phase of the cross-sector professional services platform, comprising Hong Kong professional service providers in legal services, accounting, financial services, testing and certification, marketing, etc., for matching with Chinese Mainland enterprises.

As a "super connector" between the Chinese Mainland and the world, Hong Kong has always been an important springboard for Chinese Mainland enterprises to "go global". The Insurance Authority (IA) is committed to promoting the development of Hong Kong's reinsurance industry and is currently optimising the risk-based capital regime to facilitate insurance companies to underwrite more B&R related reinsurance business through their Hong Kong subsidiaries. As for quantifiable indicators, the IA regularly publishes statistics on various insurance businesses, including reinsurance and marine business.

To enhance the capacity of Hong Kong and Chinese Mainland shipowners to respond to emergencies, with strong support from the Government and the IA, the insurance industry announced in November 2025 the establishment of an independent shipping-specific risk pool

operating on a commercial model, which is expected to provide protection for Hong Kong and Chinese Mainland vessels within this year. The Government will work with the IA to promote the continued development of the risk pool, making it more substantial and mature.

To support Hong Kong exporters (especially small and medium enterprises (SMEs)) in navigating the challenges amid the uncertain global trade environment, the Hong Kong Export Credit Insurance Corporation launched 3 enhanced measures in April 2025, including (i) extension of the free pre-shipment cover for Small Business Policy (SBP) holders; (ii) provision of a 50% discount on pre-shipment risk cover premiums for non-SBP holders; and (iii) reduction of premium rates for emerging markets in line with those for traditional major markets to enhance protection for Hong Kong exporters against export business risks.

We will continue to closely monitor the development of the geopolitical landscape and explore the expansion of Hong Kong's free trade agreement and investment promotion and protection agreement network to economies with strong trade connections with Hong Kong and markets with development potentials or at strategic locations, including regions along the B&R and the Global South.

Furthermore, to assist businesses in coping, the Trade and Industry Department has established a regular mechanism to disseminate the latest international and Mainland economic and trade information more effectively to enterprises, especially SMEs, enabling them to better plan their business in good time.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1783)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2026-27, the Commerce and Economic Development Bureau (CEDB) will continue to strengthen policy work related to overseas Economic and Trade Offices (ETOs), including enhancing their functions and expanding the ETO network. In this connection, will the Government inform this Committee:

1. how the positioning of the ETOs can be enhanced from offices focusing on "external liaison and promotion" to frontline units aiming at "attracting businesses to Hong Kong and industry matching", and whether regional tasks, priority sectors and annual work priority lists will be mapped out for core markets such as North America, Europe, the Middle East and the Association of Southeast Asian Nations (ASEAN);

2. whether an assessment framework will be established with "actual business establishment" as one of the key criteria, which will enable regular disclosure of the ETOs' contribution in terms of investment attraction, establishment of a presence by enterprises, export growth, etc., and putting in place a review mechanism, lest their work become too event-oriented; and

3. given that the share of trade in traditional markets such as Europe and the United States has declined while that in emerging markets such as the Middle East and ASEAN has been rising amid the current geopolitical situation, of the grounds on which the CEDB makes a decision to set up a new ETO or enhance the functions of existing ETOs, and whether a closure/integration mechanism will be established to allow reallocation of resources for those located in regions with less demand/effectiveness, thereby ensuring that resources are directed to efficient markets?

Asked by: Hon CHAN Chung-yee, Alan (LegCo internal reference no.: 12)

Reply:

Through its global investment promotion network, including the Dedicated Teams for Attracting Businesses and Talents (Dedicated Teams) based in overseas Economic and Trade Offices (ETOs), Invest Hong Kong (InvestHK) proactively identifies and reaches out to large multinational corporations and leading enterprises with high potential and economic value to attract and assist them in setting up and expanding businesses in Hong Kong. In 2025, InvestHK assisted a total of 560 Chinese Mainland and overseas enterprises in setting up and expanding their businesses in Hong Kong, some of which were assisted by the Dedicated Teams based in ETOs. It is expected that these enterprises will bring in direct investment of around $69.4 billion, and create more than 10 700 jobs in total within the first year of their establishment or business expansion.

In addition, we have set indicators to evaluate the performance of ETOs' and Dedicated Teams' services under the 3 Programmes, namely Investment Promotion, Commercial Relations and Public Relations, as reflected in the Controlling Officer's Report.

In the face of the constant state of flux in the international trade landscape, in addition to maintaining our ties with traditional markets, the Hong Kong Special Administrative Region (HKSAR) Government has been striving to expand Hong Kong's economic and trade network by strengthening ties with high-potential economies particularly in emerging markets, with a view to assisting local enterprises in exploring new business opportunities. Among others, following the Chief Executive's announcement in the 2025 Policy Address, the Kuala Lumpur ETO was established on 10 December 2025 and has gradually come into operation. With the establishment of the Kuala Lumpur ETO, the HKSAR Government has expanded the coverage of the 4 ETOs in the Association of Southeast Asian Nations (ASEAN) countries accordingly. In addition to the 12 countries originally covered, Timor-Leste, Pakistan and Sri Lanka are included with a view to deepening our trade and investment promotion work in ASEAN and neighbouring Asian countries. We will continue to follow up with the government of Saudi Arabia on the proposal to establish an ETO in Riyadh, and explore the feasibility of setting up ETOs or other overseas offices in different regions, particularly in emerging markets.

Over the years, ETOs have established trade and investment networks in various places, laying an important foundation for Hong Kong to deepen international exchanges and cooperation. ETOs will continue to take forward the relevant work. In the process of establishing new ETOs in future, the HKSAR Government will allocate resources suitably to ensure proper use of public funds.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1553)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As our country is advancing with high-level, two-way opening-up, more Mainland enterprises are actively expanding overseas markets. The Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) will organise promotional activities to attract Mainland enterprises to venture into global markets through Hong Kong. A cross-sectoral professional services platform will also be set up, bringing together Hong Kong's professional services providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. In this connection, will the Government inform this Committee of the following:

1. What are the specific estimated expenditures and staff establishment of the GoGlobal Task Force and for the setting up of the cross-sectoral professional services platform in 2026-27? What is the additional funding involved?

2. What is the specific timetable for the promotional activities of the GoGlobal Task Force in the coming year? How many Mainland enterprises are expected to be attracted to venture into global markets through Hong Kong's platform in 2026-27?

3. When assisting Mainland enterprises in going global, will the GoGlobal Task Force or the platform formulate tailored collaboration and promotion strategies for specific advantageous sectors, particularly the Chinese medicine (CM) enterprises? To promote the industrialisation, project-based and platform-based development of the CM industry in Hong Kong and assist Mainland and local high-quality CM brands in venturing into global markets through Hong Kong's professional testing and certification mechanisms, what specific resource allocation and support plans does the Government have?

4. How will the cross-sectoral professional services platform select local professional services providers for funding? How will the Government ensure that local small and medium-sized professional services companies can participate fairly and be benefited?

Asked by: Hon CHAN Han-pan (LegCo internal reference no.: 5)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

Apart from the Commerce and Economic Development Bureau, GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; InvestHK; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. Major work will include the following –

- To focus on attracting key or strategically valuable Chinese Mainland enterprises to establish a presence in Hong Kong for further going global, and support different Chinese Mainland enterprises to go global through the network of the GoGlobal Task Force members;

- To organise promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect;

- To match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner; and

- To organise overseas outbound missions to be led by the Hong Kong Special Administrative Region Government officials to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

To ensure the quality of Hong Kong professional service providers of the platform, when compiling the relevant list, HKTDC has incorporated professional advice from the Expert Committee on Professional Services for Going Global steered by the Deputy Secretary for Justice, relevant GoGlobal Task Force members, professional bodies and industry associations. Hong Kong professional service providers interested in joining the platform may contact HKTDC.

InvestHK will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises, including Chinese Mainland enterprises planning to go global through Hong Kong, to set up or expand businesses in Hong Kong between 2026 and 2027.

In 2026-2027, a one-off allocation of $5 million will be allocated to HKTDC to establish a digital platform for the above-mentioned cross-sectoral professional services. The manpower and expenditure for supporting the above-mentioned work by GoGlobal Task Force members have been subsumed under their respective overall establishment and estimates, and cannot be quantified separately.

Regarding the development of the Chinese medicine industry, the Health Bureau has introduced the Chinese Medicine Development Blueprint, which includes encouraging Chinese Mainland and overseas research institutions and enterprises to invest in innovative research and development, thereby promoting the global reach of Chinese medicine. The Chinese Medicine Development Fund also supports different organisations and professional associations, etc. to organise activities for promoting Chinese Medicine.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2437)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As noted in paragraph 161 of the Budget Speech, the Government has earmarked $28 million to support the Hong Kong Technology and Innovation Support Centre in providing innovation and technology (I&T) enterprises with patent evaluation based on Guobiao and implementing the Pilot Patent Valuation Support Scheme. In this connection, will the Government advise this Committee of the following:

1. While Hong Kong's tertiary institutions possess top-tier capabilities in scientific evidence-based research on Chinese medicine (CM), many of their patented technologies have not been effectively commercialised. How will the earmarked funding assist them in conducting patent evaluation and valuation for their newly developed CM formulae, enhanced dosage forms or testing technologies?

2. Has the Bureau put in place any specific measures and key performance indicators for the scheme to promote more effective transfers of patented technologies from tertiary institutions to local CM enterprises, thereby achieving deeper integration of the industry, academic and research sectors?

3. Our country's new energy vehicle (NEV) industry is flourishing and actively seeking to go global. Related components (such as the technical standards of charging piles and the patented safety design of hidden electronic door handles) are highly dependent on alignment with Guobiao. Will the earmarked funding focus on assisting and supporting Hong Kong's I&T enterprises engaging in the research and development of NEV components and relevant microelectronic technologies?

Asked by: Hon CHAN Han-pan (LegCo internal reference no.: 25)

Reply:

The Hong Kong Technology and Innovation Support Centre (HKTISC) officially commenced full operations at the end of 2025, focusing on providing high-quality intellectual property (IP) (particularly patents) information and services to local start-ups and small and medium enterprises (SMEs), assisting them in unlocking their innovation potential, and creating, protecting, managing and commercialising the IP arising from their research and development outcomes, thereby fostering IP trading. We welcome local tertiary institutions, SMEs and innovation and technology companies, etc. to explore cooperation and services with HKTISC on IP matters (including relevant matters on major technology fields such as life and health technology, and advanced manufacturing and new energy technologies, etc.)

To promote the development of local IP financing, the Government plans to launch a two-year Pilot Patent Valuation Support Scheme (Pilot Scheme) in the third quarter of 2026 to support eligible local SMEs to conduct valuation of their patents and other IP assets, which will provide concrete information on the enterprises' assets to serve as a reference for credit financing. Although local tertiary institutions are not SMEs and do not meet the eligibility criteria of the Pilot Scheme, their spin-offs may apply for the Pilot Scheme if they meet the eligibility criteria.

The Intellectual Property Department (IPD) will collaborate with HKTISC to implement the Pilot Scheme. The Pilot Scheme will adopt a matching grant model of 1 (Government):1 (eligible local SME) and provide each enterprise of an approved application (approved enterprise) with a one-off funding capped at $80,000 to support them in commissioning qualified service providers (mainly accountants, financial analysts and surveyors) to conduct quantitative valuation of their patents and other IP assets.

In addition, if the IP assets of the approved enterprises include at least 1 Hong Kong patent granted under the Patents Ordinance (Cap. 514) that has also undergone substantive examination, IPD's patent examiners will, through HKTISC, provide free qualitative patent evaluation service based on the national standard for 1 Hong Kong patent designated by the approved enterprise concerned. Valuation service providers, banks or other financial institutions may, where appropriate, refer to the results of such qualitative patent evaluation in conducting quantitative valuation.

The qualitative patent evaluation service provided by HKTISC is based on the national standard under the Guidelines for Patent Evaluation, and is provided specifically to Hong Kong patents granted under the Patents Ordinance that have also undergone substantive examination. In addition to supporting the Pilot Scheme, the qualitative patent evaluation service provided by HKTISC will also be offered as an optional value-added service to other local innovative entities other than those approved enterprises under the Pilot Scheme upon payment.

We welcome local SMEs that are proprietors of IP related to advanced manufacturing and new energy technologies, etc. to apply for the Pilot Scheme to assist them in demonstrating the economic value of their IP assets, provide a solid foundation for commercial and financial decisions in IP financing and other related transactions, and maximise the economic value embedded in IP through various commercialisation activities to enhance competitiveness.

In the future, we will continue to actively develop the IP financing market in Hong Kong and review the market responses, effectiveness and relevant experience of the Pilot Scheme. Based on the overall market and industry developments, we will explore the way forward of the Pilot Scheme, including the feasibility to set relevant key performance indicators.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2630)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the additional provision of $5 million under Subhead 88L to the Hong Kong Trade Development Council (HKTDC) for developing a digital platform of cross-sectoral services to support Mainland enterprises in going global:

1. What specific items does this $5 million capital expenditure cover, such as system procurement, software development, or outsourced services?

2. Upon the launch of the platform, what is the estimated annual recurrent expenditure required to sustain its operation and system maintenance?

3. Will this subsequent operating expenditure be borne by the HKTDC itself, or will continued government funding injections be necessary?

Asked by: Hon CHAN Han-pan (LegCo internal reference no.: 19)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong. HKTDC is one of the GoGlobal Task Force members.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. HKTDC coordinates the relevant work to match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner.

In 2026-2027, a one-off allocation of $5 million will be allocated to HKTDC to establish a digital platform for the above-mentioned cross-sectoral professional services. Other recurrent expenditure of the platform has been subsumed under HKTDC's overall estimates and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2631)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The significant decrease of nearly 1 quarter in the estimate under Programme (3) Telecommunications is due to the decreased cash flow requirement for the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas.

1. Does this indicate that the infrastructure works under the Subsidy Scheme are nearing completion?

2. What is the current unspent balance of the approved commitment for the Scheme?

3. With the funding allocated for the coming year, how many remote villages will be subsidised to complete the final phase of optical fibre installation works?

Asked by: Hon CHAN Han-pan (LegCo internal reference no.: 20)

Reply:

The Government launched in 2018 the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas (Broadband Subsidy Scheme), to subsidise fixed network operators in extending fibre-based networks to villages in remote areas and the scheme has been implemented in progress. In this regard, the Government has approved all 6 tender projects under the Broadband Subsidy Scheme between 2019 and 2020, covering 235 villages in total. To date, fibre-based networks under the scheme have been rolled out to 233 villages, with all installation expected to complete by the end of 2026, benefitting about 110 000 villagers.

A one-off provision of $774.4 million was approved by the Finance Committee of the Legislative Council for the Broadband Subsidy Scheme in 2018. As of 31 March 2025, the scheme's accumulated expenditure was approximately $512.9 million, with a balance of approximately $261.5 million. Expenditure for 2025-26 is about $158.9 million, and the

estimated expenditure for 2026-27 is about $72.9 million. The subsidy will be granted to the relevant fixed network operators only after the completion and verification of the relevant works projects.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1849)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has earmarked $52 million for the Intellectual Property Department to collaborate with the Vocational Training Council to roll out a two-year pilot programme and establish the Intellectual Property Academy to provide on-the-job training linked to the Qualifications Framework. This project is targeted to commence at the end of this year. Please advise on the content and targeted participants of the training courses.

Asked by: Hon CHAN Hiu-fung, Nick (LegCo internal reference no.: 24)

Reply:

To strengthen intellectual property (IP)-related on-the-job training and meet the needs of different sectors in using IP across various areas, the Intellectual Property Department is collaborating with the Vocational Training Council to implement a two-year pilot programme to establish the Intellectual Property Academy (the Academy). The design and planning of the relevant programmes will be more systematic and better recognised, with more diversified and in-depth content, offering varying breadth, depth, and focus tailored to market and policy needs. The programmes will cover areas such as the creation, protection, management, transformation and commercialisation of IP, as well as dispute resolution, and will include the major fields of IP such as patents, trademarks, copyright and designs. This will help participants acquire knowledge covering the full IP chain in the course of their business operations, enabling them to formulate and implement business strategies effectively. Suitable programmes will be linked to the corresponding levels under the Qualifications Framework. In the course of developing the programmes, we will widely gather feedback from different industry sectors.

The Academy targets practitioners from various sectors, including technology and innovation, cultural and creative industries, commerce and industry, and professional services. Local innovation entities (including research institutions, start-ups and small and medium

enterprises) as well as enterprises, and service providers engaged in IP trading and commercialisation, will all stand to benefit.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1853)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Working Group on Promoting Silver Economy has put forward some 30 measures, most of which have achieved positive outcomes. Please advise on what new measures will be introduced within this year to promote the silver economy? How much resources will be allocated, and what are the expected outcomes? (Paragraph 239 of the Budget Speech)

Asked by: Hon CHAN Hiu-fung, Nick (LegCo internal reference no.: 30)

Reply:

The Working Group on Promoting Silver Economy is examining the work under the 5 areas, namely boosting "silver consumption", developing the "silver industry", promoting "quality assurance of silver products", enhancing "silver financial and security arrangements" and unleashing "silver productivity", for new measures. During the process, we will continue to liaise with the industry and stakeholders closely for further promoting the silver economy. Relevant bureaux (including the Commerce and Economic Development Bureau, Financial Services and the Treasury Bureau, Innovation, Technology and Industry Bureau and Labour and Welfare Bureau) are responsible for taking forward the measures under their respective purview with the existing manpower. The expenditure required has been subsumed under their respective overall estimates and cannot be quantified separately. The Government will strengthen collaboration with the industry to introduce and implement more measures to promote the silver economy in the future.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2562)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has earmarked $28 million to support the Hong Kong Technology and Innovation Support Centre in providing innovation and technology (I&T) enterprises with patent evaluation based on Guobiao, and implementing the two-year Pilot Patent Valuation Support Scheme to assist I&T enterprises for conducting valuation of their patent assets. Will the Government consider cooperating with private testing and inspection agencies to jointly provide patent valuation services?

Asked by: Hon CHAN Hiu-fung, Nick (LegCo internal reference no.: 23)

Reply:

To promote the development of local intellectual property (IP) financing, the Government plans to launch a two-year Pilot Patent Valuation Support Scheme (Pilot Scheme) in the third quarter of 2026 to support eligible local small and medium enterprises (SMEs) to conduct valuation of their patents and other IP assets, which will provide concrete information on the enterprises' assets to serve as a reference for credit financing.

The Intellectual Property Department (IPD) will collaborate with the Hong Kong Technology and Innovation Support Centre (HKTISC) to implement the Pilot Scheme. The Pilot Scheme will adopt a matching grant model of 1 (Government):1 (eligible local SME) and provide each enterprise of an approved application (approved enterprise) with a one-off funding capped at $80,000 to support them in commissioning qualified service providers (mainly accountants, financial analysts and surveyors) to conduct quantitative valuation of their patents and other IP assets.

To ensure that approved enterprises can obtain high-quality valuation service, we will collaborate with the relevant professional valuation bodies to draw up a list of designated quantitative valuation service providers for the Pilot Scheme. This will ensure that the

service providers commissioned by approved enterprises possess the requisite qualifications and are registered in Hong Kong under the Business Registration Ordinance (Cap. 310). Approved enterprises should, according to their own needs, engage professional quantitative valuation service providers from the list in accordance with the relevant requirements of the Pilot Scheme.

In addition, if the IP assets of the approved enterprises include at least 1 Hong Kong patent granted under the Patents Ordinance (Cap. 514) that has also undergone substantive examination, IPD's patent examiners will, through HKTISC, provide free qualitative patent evaluation service based on the national standard for one Hong Kong patent designated by the approved enterprise concerned. Valuation service providers, banks or other financial institutions may, where appropriate, refer to the results of such qualitative patent evaluation in conducting quantitative valuation.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1656)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 239 of the Budget Speech that the Working Group on Promoting Silver Economy announced 30 measures last year, most of which have achieved positive outcomes. In this connection, will the Government inform this Committee of the following:

1. Regarding the Consumer Council's efforts to enhance information on "silver consumption", please provide a detailed breakdown of (i) the work; (ii) expenditures; and (iii) staff establishment involved in the past year.

2. Regarding the Customs and Excise Department's efforts to strengthen publicity and education on "silver consumption", please provide a detailed breakdown of (i) the work; (ii) expenditures; and (iii) staff establishment involved.

Asked by: Hon CHAN Kapui, Judy (LegCo internal reference no.: 33)

Reply:

The Consumer Council (the Council) endeavours to study and promote the protection of consumers' rights and interests, and carries out its statutory functions in accordance with the Consumer Council Ordinance (Cap. 216), including the handling of consumer complaints relating to goods and services and the provision of advice to consumers, conducting surveys and studies on issues of consumers' interest, as well as disseminating consumer information through "CHOICE" articles, etc.

Regarding the protection of elderly consumers' rights and interests, the Council has established the Advisory Group on Silver Economy to steer the work in advocating for the protection of the rights and interests of elderly consumers, including the launch of "Smart Seniors Consumer eHub" in January 2026, providing elderly consumers, their families and caregivers with information related to silver consumption on different aspects to help them

make wise and informed consumption choices. It offers features such as article summaries and a text-to-speech function to make it more convenient for elderly consumers to browse relevant information. In addition to the newly launched "Smart Seniors Consumer eHub", the Council continued to conduct publicity and education work for the elderly through various channels in 2025, including:

- collaborating with various social service organisations and elderly academies to conduct talks to provide the elderly with relevant consumption alerts and advice, with a view to enhancing the elderly's understanding of consumers' rights and interests and unfair trade practices;

- providing consumer education training to soon-to-be retirees and retirees mainly aged between 50 and 64 through the "Educator Scheme for Senior Citizens" in order to enhance their knowledge in consumers' rights and interests. Suitable senior citizens who have completed the training will host consumer educational talks for the elderly to share the latest consumer information, and refer the elderly who have encountered consumer issues to the Council for assistance; and

- disseminating product tests and service surveys relating to the elderly through "CHOICE" articles, providing the elderly with practical consumption information.

The Council will continue to strengthen its work in protecting the rights and interests of elderly consumers, with a view to complementing the Government's efforts in promoting the development of silver economy. As the protection of elderly consumers' rights and interests is an integral part of the Council's work, the relevant expenditures and staff establishment cannot be quantified separately.

Currently, there are various ordinances in Hong Kong, which protect the rights and interests of consumers including the elderly. Among them, the Trade Descriptions Ordinance (Cap. 362) (TDO) prohibits traders from subjecting consumers including the elderly to unfair trade practices, including false trade descriptions, misleading omissions, aggressive commercial practices, bait advertising, bait and switch, and wrongly accepting payment. The TDO covers goods and services, and is applicable to the trade practices of both physical and online traders.

As the principal enforcement agency of the TDO, the Customs and Excise Department (C&ED) has been proactively combating unfair trade practices through a three-pronged approach, namely enforcement, compliance promotion, and publicity and education, in order to protect consumers' rights and interests. To complement the Government's efforts in promoting the development of silver economy, C&ED actively implemented a range of publicity and education work targeting elderly consumers in 2025, including:

- conducting briefing sessions at elderly centres in various districts to help elderly consumers understand unfair trade practices targeting them and enhance their awareness of smart consumption;

- collaborating with the Hong Kong Police Force, District Councils, District Services and Community Care Teams (Care Teams) to carry out publicity activities, distribute promotional leaflets to the elderly and promote messages relating to fair trade and

consumers' rights and interests to the elderly through district networks of the Care Teams;

- setting up mobile publicity booths at silver product exhibitions and distributing "Beware of Consumption Involving Prepayment" promotional leaflets on-site to remind elderly consumers of the risks associated with prepayment mode of consumption; and

- providing training for members of the Council's "Educator Scheme for Senior Citizens" to enhance their understanding of the TDO and sales pitfalls.

The expenditure and manpower of C&ED's publicity and education work targeting elderly consumers have been subsumed under its overall estimates and cannot be quantified separately.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **CEDB015**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1659)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As regards the Incentive Scheme for Recurrent Exhibitions (ISRE) 2.0, will the Government advise this Committee:

1. of the total number of applications received, approved and rejected since the launch of the ISRE 2.0, and the total amount of funding approved;

2. of the number of exhibitions, by industry, with funding approved under the ISRE 2.0 and the amount of funding involved, as well as the number of local, Mainland and overseas exhibitors and visitor attendance;

3. of the number of exhibitions with funding approved under the ISRE 2.0 by type of exhibition venue;

4. of the Government's evaluation on the economic benefits brought about by the ISRE 2.0;

5. when will the Government announce the end date of the ISRE 2.0, and whether consideration will be given to extending the scheme or launching ISRE 3.0; if yes, what are the details; if not, what are the reasons for that;

6. of the relevant details, the number of large-scale international exhibitions expected to be attracted to Hong Kong, as well as the large-scale international exhibitions with new elements that the Government has targeted at having regard to $100 million earmarked by the Government for attracting large-scale international exhibitions with new elements to Hong Kong?

7. of the latest progress of the Wan Chai North Redevelopment project near the Hong Kong Convention and Exhibition Centre and the estimated expenditure involved?

Asked by: Hon CHAN Kapui, Judy (LegCo internal reference no.: 37)

Reply:

The Hong Kong Special Administrative Region (HKSAR) Government first launched the Incentive Scheme for Recurrent Exhibitions (ISRE) in July 2023, providing venue rental incentives to attract local and international exhibitions of different scales to be staged recurrently in Hong Kong. ISRE ended on 30 June 2025, and was very well received. To further promote the development of the convention and exhibition (C&E) industry and the mega event economy, thereby generating overall economic benefits for Hong Kong, the HKSAR Government allocated an additional funding of $500 million for launching ISRE 2.0 on 1 July 2025, focusing on attracting new and recurrent international exhibitions of large scale.

Since the launch of ISRE 2.0 last July, it has received overwhelmingly positive response and strong industry support, exceeding our expectation. To date, ISRE 2.0 has supported some 80 eligible exhibitions, involving a total incentive of over $370 million. We have promulgated the Application Guide setting out clearly the requirements of eligible exhibitions for the scheme. So far, all applications have been approved. The exhibitions supported by ISRE 2.0 have attracted numerous participants (including exhibitors and buyers), benefitting the C&E industry, while attracting high-spending business travellers and bringing in business to such related sectors as accommodation, catering, retail and entertainment.

As stipulated in the Application Guide and the Commerce and Economic Development Bureau (CEDB) previously explained to the industry on various occasions, ISRE 2.0 will conclude upon exhaustion of funds. In this connection, we have been maintaining close communication with the venue operators. Based on the latest spending position and projection, the fund under ISRE 2.0 is expected to be exhausted by April, and the Scheme will successfully conclude. CEDB has earlier on invited the venue operators to proactively communicate with relevant organisers to enable the industry to make necessary preparations for the scheme's conclusion.

The HKSAR Government will continue to strongly support the development of the C&E industry in Hong Kong. As announced in the 2026-27 Budget, to promote the further development of the exhibition industry and brand building, the HKSAR Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing the Chinese Mainland and overseas brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. We are formulating the relevant arrangements and implementation details.

Unlike the previous arrangement of subsidising venue rental through incentive schemes, we will pilot a more flexible approach of providing financial support. By partnering with statutory bodies and relevant organisations, we will leverage their expertise, networks and supporting services to identify and attract large-scale, high-quality international exhibitions with new elements to be staged in Hong Kong, with the aim of injecting new impetus into the C&E industry and reinforcing Hong Kong's position as a premier platform for showcasing the Chinese Mainland and overseas brands.

In addition, to consolidate and enhance the pre-eminent position of Hong Kong as an international C&E hub, and in response to the keen demand for exhibition venues from the industry, the HKSAR Government has been taking forward the Wan Chai North Redevelopment project near the Hong Kong Convention and Exhibition Centre as planned. The project involves the redevelopment of sites of the Wan Chai Government Offices Compound (WCGOC), Gloucester Road Garden and Kong Wan Fire Station into C&E facilities, hotel, etc. The construction works for the reprovisioning buildings involving the relevant user departments of WCGOC and the reprovisioning of the Kong Wan Fire Station are underway and are expected to be completed by the end of 2027.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1666)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 239 of the Budget Speech that the Working Group on Promoting Silver Economy (Working Group) announced 30 measures last year, most of which have achieved positive outcomes. The Government will continue working closely with the industry to promote the silver economy. In this connection, please inform this Committee of the following:

(1) What was the actual total annual expenditure of the Working Group in the past year?

(2) What are the estimated expenditure and staffing involved in promoting the silver economy in the coming year?

(3) What is the estimated expenditure of the Working Group in promoting "elderly-friendly building" and "the use of gerontechnology" in the coming year? What measures are expected to be introduced?

Asked by: Hon CHAN Man-ki, Maggie (LegCo internal reference no.: 11)

Reply:

The Government attaches great importance to the development of the silver economy. The Working Group on Promoting Silver Economy (Working Group), as announced by the Chief Executive in his 2024 Policy Address, is chaired by the Deputy Chief Secretary for Administration, with the Secretary for Commerce and Economic Development as Vice Chairman. The Working Group has formulated proposals in 5 areas. Since its establishment, the Working Group has proactively engaged with the trade and stakeholders and announced 30 measures for promoting the silver economy in May 2025, most of which have achieved positive results. These measures are implemented by different bureaux in conjunction with organisations from various sectors.

On promoting "elderly-friendly building" and "the use of gerontechnology", the Innovation, Technology and Industry Bureau (ITIB) is dedicated to enhancing the innovation and technology (I&T) ecosystem, thereby supporting the development of different technology industries (including gerontechnology). Meanwhile, I&T quangos such as Hong Kong Science and Technology Parks Corporation (HKSTPC), Cyberport, Hong Kong Productivity Council (HKPC) and the Research and Development (R&D) Centres set up by the Government also continue to earnestly take forward the development of gerontechnology respectively and have assigned designated officers to co-ordinate gerontechnology-related matters. HKSTPC and Cyberport have been committed to providing start-ups, including those engaged in gerontechnology, with infrastructure facilities, incubation programmes and one-stop support services, and also continue to assist the start-ups in establishing connection with the industry through organising different events, promoting the commercialisation of gerontechnology solutions. HKPC will offer a three-hour free advisory service relating to the use, testing and standard compliance of various types of technologies to gerontechnology vendors, service providers and organisations. HKSTPC, Cyberport and HKPC have assigned designated officers to co-ordinate gerontechnology-related matters. Looking ahead, apart from providing the aforesaid support, HKSTPC plans to collaborate with the industry to organise gerontechnology innovation co-creation projects, with a view to offering application scenarios for innovative solutions and facilitating business matching. In addition, Cyberport also plans to actively assist relevant start-ups in exploring business opportunities and connecting with target customer groups through workshops, business matching and industry events. HKPC will continue to provide the aforesaid free consultation services. ITIB will likewise continue to actively encourage public R&D centres to participate in gerontechnology exhibitions and expos, and to collaborate with the industry in supporting the translation and commercialisation of R&D projects related to gerontechnology. At the same time, to broaden the home use of gerontechnology products, the Social Welfare Department (SWD) expanded in March 2025 the scope of the "Innovation and Technology Fund for Application in Elderly and Rehabilitation Care" to cover gerontechnology products suitable for domestic use. SWD will continue to promote to social welfare organisations and carers the benefits of adopting technological products, including how innovative technology can enhance social welfare services and alleviate caring pressure, thereby fostering the application of gerontechnology.

The Working Group is examining the work under the 5 areas, namely boosting "silver consumption", developing the "silver industry", promoting "quality assurance of silver products", enhancing "silver financial and security arrangements" and unleashing "silver productivity", for enhancement or new measures and will continue to liaise with the industry and stakeholders closely for further promoting the silver economy. Relevant bureaux (including the Commerce and Economic Development Bureau, Financial Services and the Treasury Bureau, ITIB and Labour and Welfare Bureau) are responsible for taking forward the measures under their respective purview using the existing manpower. The required expenditure has been subsumed under their respective overall estimates and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1668)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 133 of the Budget Speech that the Hong Kong Export Credit Insurance Corporation will introduce a pilot scheme this year to provide protection for small and medium enterprises (SMEs) engaging in exports with higher-risk buyers. In this connection, will the Government inform this Committee of the following:

(1) What is the estimated total annual expenditure involved for the pilot scheme?

(2) What are the estimated target numbers of exports to be covered and SMEs to be benefitted under the pilot scheme each year?

(3) Has the Government drawn up any implementation timetable and effectiveness evaluation indicators for the scheme? If yes, what are the details?

Asked by: Hon CHAN Man-ki, Maggie (LegCo internal reference no.: 14)

Reply:

As announced in the 2026-27 Budget, the Hong Kong Export Credit Insurance Corporation (ECIC) will launch the pilot scheme "SME Protect Plus" to provide protection for small and medium enterprises (SMEs) engaging in exports with higher-risk buyers, so as to assist SMEs in exploring new businesses.

The pilot scheme is specifically designed for ECIC's Small Business Policy (SBP) holders, which are Hong Kong exporters with an annual turnover of less than HK$50 million. ECIC estimates that approximately 2 000 SBP holders (including 1 200 existing policyholders and 800 new policyholders) will benefit from the scheme. ECIC is currently formulating the detailed arrangement of the scheme including coverage of higher-risk buyers (e.g. the number of years since their establishment), maximum liability, indemnity percentage, premium rate,

and application procedures, etc., and anticipates to launch the pilot scheme in the third quarter of 2026 for 1 year. Further details of the pilot scheme will be announced in due course.

The above work will be absorbed within ECIC's existing resources without requiring any funding from the Government.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1677)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will strengthen economic and trade liaison with and enhance the investment promotion function in the Mainland, including the support to the work of the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) in attracting Mainland enterprises to go global via Hong Kong. In this connection, will the Government inform this Committee of the following:

(1) On supporting the work of the GoGlobal Task Force, what was the number of successful cases of Mainland enterprises going global via Hong Kong in the past year? What types of enterprises have participated in those cases?

(2) What is the target number of enterprises, estimated expenditure and implementation timetable regarding the GoGlobal Task Force's efforts to attract Mainland enterprises to go global via Hong Kong in the coming year?

Asked by: Hon CHAN Man-ki, Maggie (LegCo internal reference no.: 27)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

Apart from the Commerce and Economic Development Bureau, GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; InvestHK; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. Major work will include the following –

- To focus on attracting key or strategically valuable Chinese Mainland enterprises to establish a presence in Hong Kong for further going global, and support different Chinese Mainland enterprises to go global through the network of the GoGlobal Task Force members;

- To organise promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect;

- To match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner; and

- To organise overseas outbound missions to be led by the Hong Kong Special Administrative Region Government officials to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

InvestHK will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises, including Chinese Mainland enterprises planning to go global through Hong Kong, to set up or expand businesses in Hong Kong between 2026 and 2027.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1680)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 134 of the Budget Speech that the Government will continue providing loan guarantees to enterprises through the SME Financing Guarantee Scheme. It has extended the application period for the 80% Guarantee Product to the end of March 2028 and also extended the application period for the principal moratorium arrangement to mid-November this year. The total loan guarantee commitment under the Scheme will increase by $20 billion. In this connection, please inform this Committee of the following:

(1) What are the respective numbers of applications received, approved and being processed by participating lending institutions, the actual amount of loans approved and the average vetting time since the launch of the Scheme?

(2) What are the loan default rate of the Scheme and the amount involved so far?

(3) It is reported that fraudsters have obtained loans under false instruments and the like. Some have even defaulted on the loans granted through business closure and emigration, reducing the Scheme to "a cash withdrawal machine" for individuals with ill intentions. Has the Government assessed the risks and actual extent of loan abuse? If so, what are the number of fraud cases detected, the amount involved and the progress of loan recovery? Will the Government enhance the vetting mechanism to rigorously combat relevant acts of fraud and default to ensure the proper use of public money?

Asked by: Hon CHAN Man-ki, Maggie (LegCo internal reference no.: 33)

Reply:

The SME Financing Guarantee Scheme (SFGS) is administered and managed by HKMC Insurance Limited (HKMCI). The cumulative application and default figures of the various guarantee products of the SFGS as at end-February 2026 are as follows:

	80% Guarantee Product (launched in 2012)	90% Guarantee Product (launched in 2019 and the application period ended in end-March 2026)	Special 100% Guarantee Product [Note] (launched in 2020 and the application period ended in end-March 2024)
Number of Applications Received	33 298	21 202	72 824
Number of Applications Approved	29 627	19 220	67 198
Total Loan Amount of Approved Applications ($)	126.8 billion	33.5 billion	143.9 billion
Number of Approved Applications by Beneficiary Sectors			
• Trading, Wholesale and Retail	15 692 (53%)	9 120 (47%)	23 819 (35%)
• Engineering and Construction	2 314 (8%)	1 800 (9%)	5 685 (9%)
• Manufacturing	4 243 (14%)	703 (4%)	3 796 (6%)
• Others (e.g. Catering, Transportation)	7 378 (25%)	7 597 (40%)	33 898 (50%)
Number of Default Cases	2 467	1 394	13 231
Loan Guarantee Amount of Default Cases ($)	5.6 billion	1.4 billion	27.8 billion
Default Rates	5.5%	4.6%	19.3%

Note: Some applications submitted before the end of the application period were approved in April 2024 or later.

In general, HKMCI can approve the applications complete with the required documents submitted by lending institutions within several working days. According to the data in 2025, over 80% of the applications were approved within 10 working days.

In processing loan applications, the lending institutions must, based on their policy and prevailing commercial practice, conduct customer due diligence on the borrowing enterprises to confirm that the borrowing enterprises could fulfil the eligibility requirements, and submit the verified applications complete with the documents required to HKMCI for final guarantee approval. In addition, shareholder(s) or beneficial owner(s) holding more than 50% of the equity interest in the borrowing enterprise are required to provide an irrevocable, unconditional and legally binding personal guarantee(s) in respect of the loans obtained by their own enterprise under the SFGS, so as to signify their commitment to the business continuity, repayment obligations and financial position of the relevant borrowing enterprise. HKMCI will also conduct appropriate checks in vetting the applications submitted by the lending institutions, and step up the vetting of suspicious cases, to ensure the prudent use of public money.

Lending institutions and HKMCI have been communicating and working closely with law enforcement agencies (LEAs). If a loan application was found to have potentially involved illegal activities, including using false instruments, providing false information/declarations, etc., the relevant application will be rejected and reported to the LEAs. As at end-February 2026, 3 919 applications of the Special 100% Guarantee Product, involving around $11.4 billion of loans, are found to have involved illegal activities. Among them, 1 660 cases (involving around $5.4 billion of loans) were already rejected by HKMCI and/or the lending institutions during application assessment, while the other 2 259 cases (involving around $6.1 billion of loans) were identified after loan drawdown. As regards the 80% and 90% Guarantee Products, approximately 500 and 110 applications are found respectively to have involved illegal activities since their launch, involving around $2 billion and $200 million of loans respectively. HKMCI has taken appropriate actions, including reporting the cases that may have involved illegal activities and providing assistance to the LEAs, issuing clear guidelines to the participating lending institutions of the SFGS, taking legal actions through the lending institutions, etc.

HKMCI has been working closely with lending institutions on properly handling default cases. The borrowing enterprises have a repayment obligation. In the event that a borrowing enterprise defaults on repayments, the lending institution will first discuss a feasible repayment plan with the borrowing enterprise, e.g. repaying only the interest or part of the principal during a transition period, so that the borrowing enterprise can continue its operation while making a debt restructuring arrangement as soon as possible, with a view to gradually resuming normal repayments.

If the lending institution and the borrowing enterprise could not reach agreement on the repayment or the latter refuses to cooperate, the lending institution will consider taking appropriate recovery/legal actions in accordance with its policy and prevailing commercial practice, including requesting the relevant enterprise and guarantor to repay the loan, filing a petition for winding-up and/or bankruptcy with the court, etc. If an individual debtor of a case could not be reached, the lending institution will attempt to contact the relevant persons continuously, including other guarantors, to pursue recovery of the outstanding loans. HKMCI and lending institutions will continue to review cases of loan default and take appropriate recovery actions in accordance with prudent commercial principles, with a view to reducing the loss of the Government.

As at end-February 2026, as far as the Special 100% Guarantee Product and the 80%/90% Guarantee Products are concerned, lending institutions have been taking recovery actions against around 5 840 and 170 default cases respectively, and have already taken/are taking legal actions against 5 920 and 1 980 cases respectively (including cases where the relevant creditors have applied for liquidation/bankruptcy against the borrowing enterprises due to the latter's default on debts other than the Special 100% Guarantee Product or the 80%/90% Guarantee Products).

As at end-February 2026, the cumulative default rates of the 80%, 90% and Special 100% Guarantee Products under the SFGS were about 5.5%, 4.6% and 19.3% respectively, lower than the assumed overall default rates (12%, 16% and 25% respectively). The default rates are subject to change having regard to the overall economic environment, the operational situation of individual borrowing enterprises, etc. The Government and HKMCI will continue to monitor the situation closely.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1830)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) is an important tool in assisting enterprises to expand their markets. However, small and medium enterprises in the agriculture and fisheries sector face higher administrative threshold and funding requirement for matching during the application process, and the proportion of actual benefit is relatively low. Will the Government inform this Committee of the following:

(1) In the past 3 financial years (i.e. 2023-24, 2024-25 and 2025-26), the respective number of applications approved and the amount of funding approved from the agriculture and fisheries enterprises;

(2) In 2026-27, will the Government consider setting up more flexible application arrangements, including lowering the matching ratio and shortening the vetting time, or setting up a dedicated application category for the agriculture and fisheries sector; and

(3) Has the Government actively promoted the application process of the BUD Fund and the existing support measures to the agriculture and fisheries sector? If so, what are the details and expenditure of the relevant promotional activities.

Asked by: Hon CHAN Pok-chi (LegCo internal reference no.: 34)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was established with the aim to assist Hong Kong enterprises in developing business through branding, upgrading and restructuring, and promoting sales in a total of 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements, including the Chinese Mainland. The agriculture and fisheries sector is currently categorised under "other sectors" under the BUD Fund. We are unable to

provide specific statistical breakdown on the number of applications from the agriculture and fisheries sector.

To maintain a wide spread of beneficiaries, all non-listed enterprises registered in Hong Kong under the Business Registration Ordinance (Cap. 310) with substantive business operations in Hong Kong are eligible to apply for the BUD Fund. Considering that the vetting criteria and funding amount should be kept simple and clear for small and medium enterprises to understand, and to ensure the vetting efficiency of the fund, we have no plan to set different funding ceilings or approval criteria for different industries under the BUD Fund.

To facilitate and assist enterprises in submitting applications, the Government has, since 2020, provided an online application system for the BUD Fund. The application form has been simplified, and the webpage of the BUD Fund has been redesigned to provide graphical illustrations of the application process, frequently asked questions, application tips, and video clips showcasing success stories, etc. such that enterprises can obtain simple and clear information on application when planning their projects. The Government also launched "Easy BUD" in June 2023, whereby the application form, the requirements for supporting documents and the vetting arrangements have been simplified, to expedite the vetting of applications involving designated measures. The 2026-27 Budget announced the increase of the funding ceiling per "Easy BUD" application from $100,000 to $150,000.

The Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund, has also been providing information related to the BUD Fund and encouraging enterprises to utilise the BUD Fund through a series of measures, including organising seminars, participating in trade exhibitions or information expos, placing advertisements, updating the dedicated webpage, producing video clips on the online application process, sharing success stories and distributing promotional leaflets, etc.

The manpower and expenditure of the Commerce and Economic Development Bureau and the Trade and Industry Department for implementing the BUD Fund have been subsumed under their respective overall establishment and estimates, and cannot be quantified separately. The estimated expenditure of the BUD Fund in 2026-27 is $998 million, including the manpower and other expenses for HKPC to implement the BUD Fund as the Programme Secretariat, as well as disbursements to grantees.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1831)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The responsibilities of the Commerce and Economic Development Bureau under Programme (2) Commerce and Industry include supporting businesses in developing overseas and Mainland markets, supporting small and medium enterprises, and co-ordinating the development of cross-border electronic commerce (e-commerce). Regarding providing assistance to local agriculture and fisheries businesses (including agriculture and fisheries SMEs engaged in processing, branding, and retailing) to explore e-commerce and export markets, please provide the following information in respect of the 2026-27 financial year:

(1) Will the Government formulate support arrangements specifically for the agriculture and fisheries industry for e-commerce and market development (e.g. providing more targeted application guidelines, consultancy support, training, or priority processing arrangements under the "BUD Fund (E-commerce Easy)" or related schemes)? If yes, what are the details and the estimated expenditure involved? If not, what are the reasons?

(2) Will the Government collaborate with the Trade and Industry Department, the Hong Kong Trade Development Council and other relevant organisations to set up a permanent partnering mechanism to facilitate agriculture and fisheries products to "go global and list on e-commerce platforms" (e.g. connections of e-commerce platforms, branding, compliance and labelling requirements, logistics and cold chain, and matching of overseas promotional resources). If yes, please provide the timetable, the lead unit(s) and the estimated number of target enterprises; and

(3) What are the respective numbers of approved projects of local agriculture and fisheries enterprises and amounts of funding granted to them under the Dedicated Fund on Branding, Upgrading and Domestic Sales (including e-commerce related category (if applicable)) in the past 3 financial years (i.e. 2023-24 to 2025-26) and 2026-27 (estimate)? Has the Government assessed the major obstacles faced by the agriculture

and fisheries industry when applying for the funding (e.g. matching funds, documentary requirements, compliance costs, logistics requirements) and will it propose enhancement measures in 2026-27? If yes, what are the details?

Asked by: Hon CHAN Pok-chi (LegCo internal reference no.: 35)

Reply:

In view of the rapid development of global electronic commerce (e-commerce), the Government will continue to encourage more enterprises to take the initiative to develop e-commerce business, enhance brand awareness and expand sales network through various measures.

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was established with the aim to assist Hong Kong enterprises in developing business through branding, upgrading and restructuring, and promoting sales in a total of 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements, including the Chinese Mainland. The Government launched "Easy BUD" in June 2023, whereby its application form, requirements for supporting documents and vetting arrangements have been simplified, to expedite the vetting of applications involving designated measures. The 2026-27 Budget announced the increase of the funding ceiling per "Easy BUD" application from $100,000 to $150,000. The Government also launched "E-commerce Easy" under the BUD Fund in July 2024 to assist Hong Kong enterprises in developing the Chinese Mainland market through e-commerce, and has expanded the geographical scope of "E-commerce Easy" to the 10 countries of the Association of Southeast Asian Nations (ASEAN) in March 2025.

All non-listed enterprises registered in Hong Kong under the Business Registration Ordinance (Cap. 310) with substantive business operations in Hong Kong are eligible to apply for the funding, regardless of whether they belong to the manufacturing sector, services sector, or the agriculture and fisheries and its related sectors. The application numbers relating to the agriculture and fisheries sector are currently categorised under "other sectors" under the BUD Fund, we are unable to provide specific statistical breakdown on the number of applications from the agriculture and fisheries sector.

To help small and medium enterprises (SMEs) identify suitable Government funding schemes and provide them with capacity building services, the Government established the "SME ReachOut", which is operated by the Hong Kong Productivity Council (HKPC), in January 2020 and has allocated $100 million to enhance the services of "SME ReachOut" in the ensuing 5 years starting from 2023. As at end-February 2026, the "SME ReachOut" has handled over 37 800 enquiries, and organised or participated in 16 exhibitions, over 70 physical seminars or webinars and over 330 promotion activities.

Besides, since 2019, the Government has consolidated the 4 SME centres, namely the "Support and Consultation Centre for SMEs" (SUCCESS) under Trade and Industry Department, the "SME Centre" under Hong Kong Trade Development Council (HKTDC), the "SME One" under HKPC and the "TecONE" under Hong Kong Science and Technology Parks Corporation, to provide "four-in-one" integrated services, such that SMEs can receive consultation and referral services in any one of the aforementioned centres. As at

end-February 2026, the 4 SME centres handled over 269 000 enquiries. The 4 SME centres from time to time co-organise "four-in-one" seminar series on topics such as environmental, social and governance (ESG), e-commerce and exploration of overseas and Mainland markets in order to enhance the competitiveness of SMEs.

Furthermore, SUCCESS officially launched the Mentorship Programme (Branding and E-commerce Development) in August 2025 to provide a one-year mentorship for mentees with dedicated mentors who offer specific advice to respective mentees so as to strengthen support for SMEs to develop their own brands and leverage the advantages of Hong Kong brands, thereby seizing business opportunities brought about by global cross-border e-commerce, in particular the e-commerce markets of the Mainland and the ASEAN.

Meanwhile, the Government will launch the "Creativity · E-commerce – Beyond Limits" Programme through HKTDC and the HKPC to provide Hong Kong SMEs and brands with practical advice related to e-commerce services and professional marketing that keeps abreast of the time through a series of activities like exhibitions, experts' sharing and booth display, etc., with a view to enhancing enterprises' digital marketing capabilities and market competitiveness, as well as assisting them in developing e-commerce business and exploring new business opportunities.

On the other hand, HKTDC will assist SMEs (the agriculture and fisheries and its related sectors) in enhancing brand awareness and developing e-commerce business through a series of commercial and trade activities, including:

- launching the "E-Commerce Express" by conducting a series of thematic training seminars and research sharing sessions to disseminate practical knowledge such as online store operations, e-commerce supply chain management, etc., as well as publishing relevant research reports in view of developments of the e-commerce market so as to provide more comprehensive support for SMEs interested in tapping into the Mainland e-commerce market;

- dovetailing with the "E-Commerce Express" by launching the Hong Kong Shopping Festival for the Mainland and ASEAN e-commerce markets for 3 consecutive years between 2026 and 2028, providing a platform for Hong Kong enterprises to showcase and promote their products while helping them enhance brand influence and market coverage;

- setting up Hong Kong Pavilions in large-scale Mainland exhibitions, thereby promoting Hong Kong brands, products and professional services. Exhibitors must ensure that the products they sell or promote during the events comply with relevant laws and import regulations of the Mainland, and adhere to participation rules of the exhibition organisers;

- showcasing quality delicacies around the world, including agricultural and fisheries products from Hong Kong, at the Food Expo and the Food Expo PRO organised by HKTDC in August every year. For example, the Food Expo in 2025 co-hosted a live event with the Vegetable Marketing Organization and the Fish Marketing Organization by preparing healthy and delicious home-cooked meals with local crops as ingredients, thereby promoting high-quality agricultural and fisheries products to the public; and

- co-organising the Asian Logistics, Maritime and Aviation Conference with the Hong Kong Government, showcasing a wide range of solutions in logistics technology, cold chain logistics and supply chain management, etc. for SMEs.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3066)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Incentive Scheme for Recurrent Exhibitions (ISRE) focused on attracting new and recurrent international exhibitions of large scale, to strengthen the promotion of the development of the convention and exhibition industry and mega event economy and the overall economic benefits of Hong Kong. Subsequently, the Government allocated an additional provision of $500 million for launching ISRE 2.0 on 1 July 2025. The ISRE 2.0 provides organisers of eligible international exhibitions held at the Hong Kong Convention and Exhibition Centre, AsiaWorld-Expo, Central Harbourfront Event Space or relevant parts of the West Kowloon Cultural District with an incentive equivalent to 100% of the venue rental, subject to a cap of $10 million for each exhibition. In this connection, will the Government inform this Committee of:

(1) the numbers of applications received, numbers of approved applications, places of origin of organisers, incentive amounts per application and total incentive amounts involved under the ISRE in each of the years from 1 July 2023 to 30 June 2025;

(2) the number of applications received, number of approved applications, places of origin of organisers and incentive amounts per application under the ISRE 2.0 up to the present;

(3) whether promotion efforts on the scheme will be stepped up and promotion channels to be used; if yes, the details; if not, the reasons.

Asked by: Hon CHAN Pok-chi (LegCo internal reference no.: 25)

Reply:

The Hong Kong Special Administrative Region (HKSAR) Government first launched the Incentive Scheme for Recurrent Exhibitions (ISRE) on 1 July 2023, providing venue rental incentives to attract local and international exhibitions of different scales to be staged

recurrently in Hong Kong. ISRE ended on 30 June 2025, and was very well received. ISRE supported 224 eligible exhibitions, involving a total incentive of over $1.2 billion. To further promote the development of the convention and exhibition (C&E) industry and the mega event economy, thereby generating overall economic benefits for Hong Kong, the HKSAR Government allocated an additional funding of $500 million for launching ISRE 2.0 on 1 July 2025, focusing on attracting new and recurrent international exhibitions of large scale. Since the launch of ISRE 2.0 last July, it has received overwhelmingly positive response and strong industry support, exceeding our expectation. To date, ISRE 2.0 has supported some 80 eligible exhibitions, involving a total incentive of over $370 million.

We have promulgated the Application Guides setting out clearly the requirements of eligible exhibitions for the schemes. So far, all applications have been approved. The exhibitions supported by the 2 schemes mentioned above have attracted numerous participants (including exhibitors and buyers), benefitting the C&E industry, while attracting high-spending business travellers and bringing in business to such related sectors as accommodation, catering, retail and entertainment.

As stipulated in the Application Guide and the Commerce and Economic Development Bureau (CEDB) previously explained to the industry on various occasions, ISRE 2.0 will conclude upon exhaustion of funds. In this connection, we have been maintaining close communication with the venue operators. Based on the latest spending position and projection, the fund under ISRE 2.0 is expected to be exhausted by April, and the Scheme will successfully conclude. CEDB has earlier on invited the venue operators to proactively communicate with relevant organisers to enable the industry to make necessary preparations for the scheme's conclusion.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1942)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in "Matters Requiring Special Attention in 2026-27" that the Commerce and Economic Development Bureau will increase the funding amount for "Easy BUD" under the Dedicated Fund on Branding, Upgrading and Domestic Sales, and will provide targeted support to enterprises to implement projects with elements of artificial intelligence (AI). In this regard, will the Government inform this Committee:

(1) What are the details of the support services, the types of target businesses, and the specific objectives of providing funding support to enterprises to apply AI in their projects?

(2) "Easy BUD" provides funding support to enterprises to apply AI in their projects. What are the different positions and functions comparing to the Digital Transformation Support Pilot Programme? Is there any coordination between the 2 schemes?

Asked by: Ir Hon CHAN Siu-hung (LegCo internal reference no.: 37)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) is one of the initiatives of the Government in supporting small and medium enterprises (SMEs), aiming to provide funding support for Hong Kong enterprises to develop business through upgrading, restructuring and enhancing competitiveness in a total of 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements, including the Chinese Mainland. All non-listed enterprises registered in Hong Kong under the Business Registration Ordinance (Cap. 310) with substantive business operations in Hong Kong are eligible to apply, irrespective of whether they belong to the manufacturing or service sector. In accordance with the Guide to Application for the BUD Fund, any expenditure item(s) which have received/would receive funding support from other

funding schemes provided by the Government would not be eligible for funding support under the BUD Fund again and there will be no overlapping or double funding. Therefore, enterprises can choose the suitable Government funding scheme having regard to their operational needs.

The 2026-27 Budget announced that $200 million will be injected into the BUD Fund and more targeted funding support will be provided for enterprises to implement BUD Fund projects with artificial intelligence (AI) elements, with a view to helping them implement eligible AI measures to further develop their businesses in markets outside Hong Kong. The Government will provide clear guidelines to explicitly state that the application of AI would be fundable in eligible projects, provided that the funding criteria of the BUD Fund can be satisfied. Examples include development of AI chatbot function in the company website to strengthen sales promotion for market expansion; and/or adoption of AI to ensure that the production lines meet the regulatory requirements of target markets to increase productivity and market competitiveness.

On the other hand, the Digital Transformation Support Pilot Programme (the Pilot Programme), of which its implementation is monitored by the Digital Policy Office, provides funding support on a matching basis to assist SMEs in food and beverage, retail, tourism, and personal services sectors in adopting off-the-shelf and basic digital solutions in 3 categories, with a view to accelerating digital transformation. The Government is currently reviewing the ways to enhance the Pilot Programme, including incorporation of digital solutions on artificial intelligence and cybersecurity into the programme, and the subsidy details of the new round of the programme. Our target is to roll out the enhanced Pilot Programme in the 2nd half of 2026 following consultation with the Legislative Council.

The Government will, through various measures, continue to promote the diversified development, upgrading and transformation of SMEs with a view to enhancing their competitiveness, and to empower them to explore new areas of economic growth amid the complex and ever-changing market environment, thereby contributing to high-quality development of Hong Kong's economy.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1637)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding "steer the work of the GoGlobal Task Force and co-ordinate various bureaux, departments and agencies" mentioned in the document, please advise on whether the Task Force has a dedicated staffing establishment; if so, what are the establishment size and expenditure; if not, how effectiveness in co-ordination work is ensured? How many Mainland enterprises the Task Force assisted in going global in the past year, and what the target is for the coming year?

Asked by: Hon CHAN Yung (LegCo internal reference no.: 38)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

Apart from the Commerce and Economic Development Bureau, GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; InvestHK; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

InvestHK will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises, including Chinese Mainland enterprises planning to go global through Hong Kong, to set up or expand businesses in Hong Kong between 2026 and 2027.

The manpower and expenditure for the above work by GoGlobal Task Force members have been subsumed under their respective overall establishment and estimates, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3146)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The provision for this Programme has increased by 8.3% compared with last year. Regarding the development of Hong Kong into a regional intellectual property (IP) trading centre, will the Government inform this Committee of the following:

1. What are the staffing establishments for handling the work of this programme and the development of a regional IP trading centre, and the expenditure involved in 2026-27?

2. Given the target to develop Hong Kong into a regional IP trading centre, please set out in tabular form the numbers of applications for patent, trade mark and design registration in Hong Kong over the past 3 years. Do these figures show an upward trend? If yes, what are the reasons? If not, what are the reasons?

3. It is mentioned in the Budget that the Intellectual Property Department, together with the Vocational Training Council, will establish the Intellectual Property Academy (the Academy). What is the expected location and area of the teaching venue of the Academy? When is the expected commencement date for courses offered?

4. The Northern Metropolis (NM) covers a land area accounting for 1/3 of Hong Kong's total. Yet there is currently no planning content relating to the regional IP trading centre. Will the Government plan to reserve part of the land in the NM for promoting the development of a regional IP trading centre?

Asked by: Hon SO Shiu-tsung, Thomas (LegCo internal reference no.: 19)

Reply:

Overall Position on the Development of a Regional Intellectual Property (IP) Trading Centre

Under the steer of the Commerce and Economic Development Bureau (CEDB), the Intellectual Property Department (IPD) has been working closely with different stakeholders, including other government departments, public organisations (such as the Hong Kong Trade Development Council) and professional bodies (such as the Law Society of Hong Kong), to implement a series of measures, covering areas such as strengthening IP protection, enhancing human resources and external promotion, in accordance with the Chief Executive's Policy Address each year, with a view to strengthening protection for innovation and creativity outputs yielded by research and development, promoting IP commercialisation and trading, and reinforcing Hong Kong's role as a regional IP trading centre.

Promoting Hong Kong's development as a regional IP trading centre is part of the overall work of CEDB and IPD, and is mainly carried out by their existing manpower resources. The related expenditure has been subsumed under their respective overall estimates and is difficult to be quantified separately.

As the above work relating to the development of a regional IP trading centre does not involve land development and the planning and construction of infrastructure projects, CEDB for the time being does not have any plan to reserve any site in the Northern Metropolis for related use.

Intellectual Property Academy

To strengthen IP-related on-the-job training and meet the needs of different sectors in using IP across various areas, IPD is collaborating with the Vocational Training Council (VTC) to implement a two-year pilot programme to establish the Intellectual Property Academy (the Academy).

The Government has earmarked $52 million to support the establishment of the Academy and its operating expenses for the first 2 years, including staff remuneration, teaching facilities, information platforms, curriculum development and design, qualification accreditation, publicity and promotion, as well as other administrative and operating expenses. The Academy will make use of VTC's existing teaching venues and no separate campus will need to be built. As for the specific funding arrangements, IPD will further discuss with VTC and set out the details of the implementation arrangements in the funding agreement. The Academy is expected to commence at the end of this year.

Applications for Registration of Patents, Trade Marks and Designs

The numbers of applications for registration of patents, trade marks and designs in the past 3 years are as follows:

		2023	**2024**	**2025**
1. Patents	Standard patents by re-registration	17 614	15 758	14 541
	Standard patents by original grant	170	182	242
	Short-term patents	624	813	867
2. Trade marks		29 835	33 149	37 491
3. Designs		1 684	2 228	2 168

Comparing the numbers of applications in 2023 and 2025, applications for standard patents by original grant, short-term patents, trade marks and designs all recorded double-digit growth of 42%, 39%, 26% and 29% respectively. This reflects that the Government's various policy measures in recent years to actively promote the development of IP trading have helped increase the market demand for IP protection. In fact, during this period, IPD has continued to actively strengthen the IP protection regime and has introduced a series of policy measures to consolidate Hong Kong's position as a regional IP trading centre. These include implementing the patent box tax incentive to encourage investment in research and development, promoting the development of the original grant patent system to upgrade the level of local innovation and technology, launching an artificial intelligence-assisted image search tool for trade marks to enhance service convenience, reducing application fees for design registration to support the creative industries, co-operating with the Mainland authorities to establish IP enquiry points in Mainland cities to facilitate Mainland enterprises in applying for registration in Hong Kong to protect their IP, and continuously enhancing various procedures in application for registration to improve efficiency and transparency. These measures have played an important role in the increase of the number of applications for IP registration.

As for the number of applications for standard patents received through the re-registration route, the number in 2025 was about 17% less than that in 2023. Under the re-registration patent system, an applicant may file an application for standard patent by re-registration in Hong Kong with the Registry only after filing a corresponding invention patent application with one of the designated patent offices outside Hong Kong (designated patent application) and publication of the designated patent application by the designated patent office. Afterwards, the applicant must wait for the designated patent application to undergo substantive examination and be granted by the corresponding designated patent office before filing a request for registration and grant of a standard patent by re-registration with the Registry. Due to the above-mentioned application procedures, the number of applications for standard patent by re-registration in Hong Kong will fluctuate and is affected to a large extent by factors such as the patent filing strategies, market positioning and product cycles of the applicants, as well as the volume of invention patent applications received by the designated patent offices and their progress of examination, etc.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2794)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (000) Operational expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in Programme (2) of the Estimates of Expenditure that the Commerce and Economic Development Bureau will continue to work with the Trade and Industry Department and the Hong Kong Productivity Council to implement the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and expand its geographical scope. Under subhead (000), how much manpower and administrative resources will the Government allocate to the promotion of the BUD Fund and assistance to enterprises' application?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 36)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was established to assist Hong Kong enterprises in developing business in a total of 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements, including the Chinese Mainland, through branding, upgrading and restructuring, and promoting sales.

The 2025 Policy Address announced the expansion of the geographical scope of the BUD Fund by 20% to cover 8 more economies in addition to the current 40 economies, as well as enhancing promotion and facilitating enterprises' participation in exhibitions and export marketing activities through "Easy BUD". On the issue of promoting and assisting small and medium enterprises in applying for "Easy BUD", we will introduce the BUD Fund's operation through organising seminars, the "SME ReachOut" and the "four-in-one" Integrated Services of SME Centres, etc. Among which, the "SME ReachOut" provides free one-on-one consultation services to answer questions related to applications. At the same time, we will promote the BUD Fund to enterprises through the Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund, via various channels such as

briefing sessions, exhibitions, advertisements, website, and printed promotional leaflets, etc. We will also provide clear application guidelines to enterprises, enabling them to understand the project measures that are fundable under "Easy BUD", including participation in trade exhibitions targeting markets covered by the BUD Fund, placement of online advertisements, production or enhancement of company websites, etc.

The manpower and expenditure of the Commerce and Economic Development Bureau and the Trade and Industry Department for implementing the BUD Fund have been subsumed under the respective overall establishment and estimates, and cannot be quantified separately. The manpower and other expenses for HKPC to implement the BUD Fund as the Programme Secretariat are included in the general non-recurrent expenses of the BUD Fund under subhead (700) but not the operational expenses under subhead (000).

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2795)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

An increase in commitment of $20 billion is proposed for Item 833 SME Financing Guarantee Scheme – Guarantee Products under Subhead 700 General non-recurrent of the expenditure estimates. Would the Government advise of the estimated number of applications to be received and the total loan amount to be approved for each of the 80% and 90% Guarantee Products under the Scheme in 2026-27?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 37)

Reply:

Since the launch of the SME Financing Guarantee Scheme (SFGS) in 2012, the Government has been introducing enhancement measures having regard to the economic situation of Hong Kong and the needs of small and medium enterprises, including extending the application period of the SFGS, increasing the maximum loan amount, extending the maximum guarantee period, increasing the total government loan guarantee commitment, etc. The SFGS has been well-received by the trade and the beneficiary enterprises come from all walks of live. As at end-February 2026, a total of $304.2 billion of loans has been approved, benefitting over 68 600 enterprises and 857 000 employees.

The Financial Secretary announced in the 2026-27 Budget that the Government will continue providing loan guarantees to enterprises through the SFGS, and has already extended the application period for the 80% Guarantee Product to the end of March 2028 and also extended the application period for the principal moratorium arrangement to mid-November 2026. The total loan guarantee commitment under the SFGS will increase by $20 billion.

The number of applications and the total loan amount to be approved of the various guarantee products of the SFGS are subject to the overall economic environment and the financing needs of individual enterprises. The Government and HKMC Insurance Limited, which is

responsible for administering and managing the SFGS, will continue to closely monitor the situation.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3278)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (000) Operational expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As our country is advancing with high-level, two-way opening-up, more Mainland enterprises are actively expanding overseas markets. The Government has set up the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to organise promotional activities to attract Mainland enterprises to venture into global markets through Hong Kong. The Government will also set up a cross-sectoral professional services platform, bringing together Hong Kong's professional services providers in the fields of legal services, accounting, financial services, testing and certification, marketing, etc., to support enterprises going global. In this connection, would the Government inform this Committee of the following:

(1) What were the operational situations of the GoGlobal Task Force in the past year, including the division of labour among departments, the number of meetings held, and the major promotional initiatives implemented or under planning (such as promotional activities, external visits, study tours, etc.)?

(2) What are the financial expenditures for setting up the cross-sectoral professional services platform and organising promotional activities? Please provide a breakdown by major expenditure category (such as platform establishment, publicity and promotion, activity organisation, professional services matching, reception for enterprises, etc.).

(3) What are the expenditure items and amounts for supporting Mainland enterprises in going global and the professional services platform according to the Budget? What are the respective budgets specifically allocated for the GoGlobal Task Force, promotional activities and platform establishment? What are the specific initiatives, and how will the effectiveness be evaluated?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 41)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development (SCED) steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong. Since the establishment of the GoGlobal Task Force in October 2025, the Steering Committee for the GoGlobal Task Force has held three meetings chaired by SCED.

Apart from the Commerce and Economic Development Bureau, GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; InvestHK; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. Major work will include the following –

- To focus on attracting key or strategically valuable Chinese Mainland enterprises to establish a presence in Hong Kong for further going global, and support different Chinese Mainland enterprises to go global through the network of the GoGlobal Task Force members;

- To organise promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect;

- To match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the 1st phase of which has been launched and announced on 20

March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner; and

- To organise overseas outbound missions to be led by the Hong Kong Special Administrative Region Government officials to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

InvestHK will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises, including Chinese Mainland enterprises planning to go global through Hong Kong, to set up or expand businesses in Hong Kong between 2026 and 2027.

In 2026-2027, a one-off allocation of $5 million will be allocated to HKTDC to establish a digital platform for the above-mentioned cross-sectoral professional services. Expenditure for other work by GoGlobal Task Force members has been subsumed under their respective overall estimates and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1379)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Developing Low Earth Orbit (LEO) satellites involves substantial upfront capital investment and the allocation of scarce spectrum resources. In this connection:

1. What measures are in place or will the Government formulate any measures to attract professional investors and private equity funds to invest in Hong Kong's satellite launch and data services industries, including the possible establishment of a satellite industry matching fund to leverage public resources and amplify their effectiveness?

2. Satellite data is an important asset for high-end industries such as smart logistics and financial technology. While streamlining the licensing regime, will the Government concurrently review the existing measures that facilitate cross-boundary data flows, and establish a pilot "satellite special data zone" with Mainland cities in the Greater Bay Area, thereby enabling Hong Kong enterprises to more conveniently utilise real-time data collected by LEO satellites to develop innovative commercial application scenarios?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 5)

Reply:

On streamlining the vetting procedures of licence applications for operating Low Earth Orbit satellites, the Commerce and Economic Development Bureau has primarily completed the study and is formulating detailed arrangement for the streamlined licensing regime, targeting to announce the results of the study within 2026. We expect that a streamlined licensing regime will attract related businesses and talent to come to Hong Kong and accelerate the development of commercial aerospace services, grasping the opportunities brought by the space economy.

As a long-term investment institution committed to the principles of "Patient Capital", the Hong Kong Investment Corporation Limited (HKIC) not only focuses on deepening its presence in existing key investment themes and related applications, but also closely monitors and explores opportunities in other frontier areas, including RISC-V, brain-computer interfaces, and commercial aerospace. HKIC remains attuned to market developments, proactively identifying teams and projects with cutting-edge technological capabilities, innovative business models, and global visions. Once suitable projects are identified, HKIC will execute its investment strategies with agility and flexibility. At the same time, HKIC will actively channel and leverage regional and international long-term capital for co-investment, strengthening Hong Kong's role as a strategic bridge that connects the Chinese Mainland and the international markets, and positioning Hong Kong as one of the premier global hubs for patient and innovation-driven capital.

The Government will continue to closely monitor market developments and the needs of the industry, review current policies as appropriate, and promote the application of satellite technology.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1300)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce and Economic Development Bureau works with the Office of the Communications Authority (OFCA) to review the implementation of the Real-name Registration Programme for Subscriber Identification Module (SIM) Cards and consider enhancement proposals to the programme in combating phone deception. In this connection, please inform this Committee of the following:

(a) the latest number and proportion of registered organisations under the Short Message Service Sender Registration Scheme;

(b) the staff establishment and expenditure involved in launching and maintaining the registration portal by the Government;

(c) the respective numbers of sample checks on the registered information arranged by the OFCA and telecommunications service providers in the past year;

(d) the number of pre-paid SIM cards that have completed real-name registration with false information in the past year, the respective numbers of cases of successful prosecution and successful conviction, and the penalties imposed thereof;

(e) the distribution of telephone fraud cases on record among the users of various telecommunications service providers in the past 3 years in tabular form.

Asked by: Hon CHONG Ho-fung (LegCo internal reference no.: 34)

Reply:

The Office of the Communications Authority (OFCA) launched the SMS Sender Registration Scheme (the Scheme) in December 2023. Under the Scheme, only those companies or

organisations being Registered Senders under the Scheme are able to use their Registered SMS Sender IDs with the prefix "#" to send SMS messages to local subscribers of mobile services, with a view to helping members of the public to identify SMS senders and enhancing anti-fraud awareness. Since the launch of the Scheme, 816 public and private organisations have joined the Scheme as Registered Senders, including companies/organisations in the telecommunications sector (67), banking sector (75), government bureaux/departments (56), statutory bodies or other related organisations (48), and other sectors (570). The relevant manpower and expenses for implementation of the Scheme are borne by the OFCA Trading Fund.

Besides, the Real-name Registration Programme for SIM Cards (RNR Programme) was fully implemented on 24 February 2023, requiring that all SIM cards issued and used locally (including SIM service plan and pre-paid SIM (PPS) cards) must complete real-name registration before service activation. Since the implementation of the RNR Programme, OFCA has launched various enhancement measures based on operational experience, including requiring telecommunications service providers (TSPs) to conduct regular sample checks on the registration information of registered PPS card users and perform manual checks on suspected cases. If users subject to sample checks are unable to verify the registration information following the instructions of the respective TSPs, the relevant PPS cards may be deregistered. As at end February 2026, around 5.91 million PPS cards were rejected as a result of failure in providing information in compliance with the registration requirements by users. In addition, TSPs cancelled the registration of about 4.05 million non-compliant PPS cards.

In order to enhance the implementation of the RNR Programme, OFCA has required TSPs to adopt "iAM Smart" as the default registration method for Hong Kong identity (HKID) card holders since October 2024. For non-HKID holders registering PPS cards under the RNR Programme via an online registration platform, TSPs will first verify the identification documents through their system and then activate the relevant PPS cards, followed by manual checks to verify the authenticity of the identification documents provided. Any PPS cards found to be non-compliant (e.g. suspected use of forged documents for registration) will be deregistered.

The Police and OFCA do not maintain statistics on the distribution of users of TSPs involved in telephone fraud cases in the past 3 years.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0256)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 130 of the Budget that as our country is advancing with high-level, two-way opening-up, more Mainland enterprises are actively expanding overseas markets. The Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) will organise promotional activities to attract Mainland enterprises to venture into global markets through Hong Kong. A cross-sectoral professional services platform will also be set up, bringing together Hong Kong's professional services providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. Please provide the following information:

(1) How many promotional activities are expected to be organised in the coming year? Will they be held in Hong Kong or in Mainland provinces and municipalities?

(2) What are the estimated manpower and expenditures to be involved for the promotional activities and the cross-sectoral professional services platform to be set up by the Hong Kong Trade Development Council (HKTDC) with a provision of $5 million?

(3) What are the specific details and timetable for setting up the cross-sectoral professional services platform by the HKTDC? How can professional enterprises and service providers join the platform?

(4) In attracting Mainland enterprises to venture into global markets through Hong Kong, are there any specific Mainland enterprises that the HKSAR Government is targeting? If so, is there a list and how many enterprises are there?

(5) The "Going Global" Comprehensive Service Center for Chinese Enterprises has been established in Nansha, Guangdong Province since October 2023, with professional institutions from Hong Kong and Macao providing one-stop international services, such as policy consultation, investment promotion, finance and taxation, risk prevention and

dispute resolution, for Chinese enterprises going global. How can Hong Kong's unique advantages be further highlighted based on the modus operandi and service functions of the cross-sectoral professional services platform designed by our GoGlobal Task Force? How will the Government reach out to Mainland enterprises more proactively in the future?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 18)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong. InvestHK is responsible for the coordination between the GoGlobal Task Force and Chinese Mainland enterprises, organising promotional activities and serving as the secretariat of the Steering Committee for the GoGlobal Task Force to coordinate the work of the members. Other GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. Major work will include the following –

- To focus on attracting key or strategically valuable Chinese Mainland enterprises to establish a presence in Hong Kong and further going global, and support different Chinese Mainland enterprises to go global through the network of the GoGlobal Task Force members;

- To organise promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect;

- To match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers by the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on

20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner. Hong Kong professional service providers interested in joining the platform may contact HKTDC directly; and

- To organise overseas outbound missions to be led by the Hong Kong Special Administrative Region Government officials to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

In 2026-2027, a one-off allocation of $5 million will be allocated to HKTDC to establish a digital platform for the above-mentioned cross-sectoral professional services. Other relevant manpower and expenditure of HKTDC for supporting Chinese Mainland enterprises to go global have been subsumed under its overall establishment and estimates, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2972)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The provision of $5 million under Subhead 88L Hong Kong Trade Development Council (block vote) is for the Hong Kong Trade Development Council to set up a new digital platform of cross-sectoral services under the GoGlobal Task Force to support Mainland enterprises to go global via Hong Kong. In this connection, please inform this Committee of the following:

1. What are the specific functions of this new digital platform of cross-sectoral services? Please provide a breakdown of uses of the $5 million provision as well as the expected time for launching the platform;

2. What has been the staff establishment of the GoGlobal Task Force since its inception?

3. What specific work has been undertaken by the GoGlobal Task Force since its inception, and what achievements have been made?

Asked by: Hon CHU Lap-wai (LegCo internal reference no.: 35)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive

support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. Major work will include the following –

- To focus on attracting key or strategically valuable Chinese Mainland enterprises to establish a presence in Hong Kong for further going global, and support different Chinese Mainland enterprises to go global through the network of the GoGlobal Task Force members;

- To organise promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect;

- To match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the 1st phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner; and

- To organise overseas outbound missions to be led by the Hong Kong Special Administrative Region Government officials to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

In 2026-2027, a one-off allocation of $5 million will be allocated to HKTDC to establish a digital platform for the above-mentioned cross-sectoral professional services. Manpower for other work by GoGlobal Task Force members has been subsumed under their respective overall establishment and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2974)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 132 of the Budget Speech that the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) has been well-received by enterprises. The Government will inject $200 million into the fund, raise the funding ceiling of "Easy BUD" to $150,000 per application, and provide more targeted funding support for enterprises in artificial intelligence (AI) application. Please inform this Committee of the following:

1. regarding the injection of $200 million, the proportion of funding used for enterprises in AI application; relevant funding application threshold, funding scope, funding ceiling per project, and the approval procedures;

2. the number of applications received, the number of applications approved, the average funding amount per approved application, and the details of major beneficiary sectors under the BUD Fund in the past 3 years; with the loan guarantee commitment under the SME Financing Guarantee Scheme to be increased by $20 billion, the expected application numbers and the scale of lending in 2026-27; whether there are any additional guarantee-related concessionary measures in respect of small and medium enterprises (SMEs) engaging in strategic industries such as AI and new industrialisation;

3. the overall support measures provided by the Hong Kong Special Administrative Region Government in relation to the digital intelligence transformation of SMEs in 2026-27, as well as the total estimate involved and expected number of enterprises to be covered;

4. how the effectiveness of the BUD Fund will be assessed; and

5. given that the Export Marketing Fund (EMF) will be consolidated into the BUD Fund upon expiry of the former's special measure in end-June 2026, how much of the balance of the EMF is estimated to be consolidated into the BUD Fund?

Asked by: Hon CHU Lap-wai (LegCo internal reference no.: 38)

Reply:

The Government has been adopting a multi-pronged approach to promote the diversified development, upgrading and transformation of small and medium enterprises (SMEs) through various policy measures, such as financial support, capacity building, publicity and promotion, market expansion, etc., thereby enhancing their competitiveness.

Among others, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) aims to provide funding support for Hong Kong enterprises to implement projects of 3 main areas, namely branding, upgrading and restructuring, and promoting sales, with a view to enhancing their competitiveness and developing more diversified markets. All non-listed enterprises registered in Hong Kong under the Business Registration Ordinance (Cap. 310) with substantive business operations in Hong Kong are eligible to apply. Currently, the funding ceiling per general application and "E-commerce Easy" application is $800,000, whereas the funding ceiling per "Easy BUD" application is $100,000. The Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund, would follow the established procedures to conduct initial assessment on all BUD Fund applications and supporting documents submitted by enterprises in accordance with the eligibility and funding criteria specified in the Guide to Application. The applications will then be submitted to the Inter-departmental Committee for vetting, and thereafter to the Programme Management Committee for consideration and approval.

The 2026-27 Budget announced the injection of $200 million into the BUD Fund to provide more targeted funding support for enterprises to implement BUD Fund projects involving artificial intelligence (AI) elements, as well as the increase of the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000. The injection will form part of the total commitment of the BUD Fund, and no amount has been designated for implementing projects involving AI elements. As regards the provision of funding support for enterprises to implement projects involving AI elements, the Government will provide clear guidelines to enterprises to explicitly state that the application of AI would be fundable in eligible projects, provided that the funding criteria of the BUD Fund can be satisfied. Examples include development of AI chatbot function in enterprises' websites to strengthen their sales promotion for market expansion; and/or adoption of AI to ensure that the production lines meet the regulatory requirements of target markets to increase enterprises' productivity and market competitiveness.

In the past 3 years (i.e. from 2023 to 2025), a total of 17 348 BUD Fund applications were received and 7 122 applications were approved, with an average funding amount of $647,000. The applicant enterprises were mainly engaged in sectors such as wholesale and retail, import and export trade, information technology, textiles and clothing, and electronics, etc. The Government has been conducting project completion surveys and annual tracking surveys to assess the effectiveness of the BUD Fund through HKPC, the Programme Secretariat of the BUD Fund. As at end-February 2026, around 98% of the enterprises that responded to the surveys considered the BUD Fund useful in supporting their business development. The enterprises also indicated that the BUD Fund had helped them in various areas, including enhancing their image, awareness of their brands/products/services, and their overall competitiveness, etc.

Currently, expenditure of the SME Export Marketing Fund (EMF) is covered by the Export Marketing and Trade and Industrial Organisation Support Fund (EMTSF), which also covers expenditure of the Trade and Industrial Organisation Support Fund (TSF). Upon the consolidation of the EMF into the BUD Fund in July 2026, the EMTSF will continue to cover expenditure of the TSF to provide funding support for non-profit-distributing organisations to implement projects which aim at enhancing the competitiveness of non-listed Hong Kong enterprises in general or in specific sectors. Besides, the expenditure required after the consolidation of the EMF into the BUD Fund has already been covered by the $1.63 billion to be injected into the BUD Fund by the Government in 2026-27.

On the other hand, since the launch of the SME Financing Guarantee Scheme (SFGS) in 2012, the Government has been introducing enhancement measures having regard to the economic situation of Hong Kong and the needs of SMEs, including extending the application period of the SFGS, increasing the maximum loan amount, extending the maximum guarantee period, increasing the total government loan guarantee commitment, etc. The SFGS has been well-received by the trade and the beneficiary enterprises come from all walks of live. The SMEs engaging in industries such as AI and new industrialisation can also be benefitted as long as they fulfill the eligibility criteria. As at end-February 2026, a total of $304.2 billion of loans has been approved, benefitting over 68 600 enterprises and 857 000 employees. The number of applications and the total loan amount to be approved of the various guarantee products of the SFGS are subject to the overall economic environment and the financing needs of individual enterprises. The Government and HKMC Insurance Limited, which is responsible for administering and managing the SFGS, will continue to closely monitor the situation.

As regards promoting digital transformation of SMEs, the Digital Transformation Support Pilot Programme (the Pilot Programme), of which its implementation is monitored by the Digital Policy Office, provides funding support on a matching basis to assist SMEs in food and beverage, retail, tourism, and personal services sectors in adopting off-the-shelf and basic digital solutions in 3 categories, with a view to accelerating digital transformation. The Government is currently reviewing the ways to enhance the Pilot Programme, including incorporation of digital solutions on AI and cybersecurity into the programme, and the subsidy details of the new round of the programme. We expect that an additional allocation of $300 million is needed. Our target is to roll out the enhanced Pilot Programme in the 2nd half of 2026 following consultation with the Legislative Council.

At the same time, since 2019, the Government has consolidated the 4 SME centres, namely the "Support and Consultation Centre for SMEs" under the Trade and Industry Department, the "SME Centre" under the Hong Kong Trade Development Council, the "SME One" under HKPC and the "TecONE" under the Hong Kong Science and Technology Parks Corporation, to provide "four-in-one" integrated services, such that SMEs can receive consultation and referral services in any one of the aforementioned centres. As at end-February 2026, the 4 SME centres handled over 269 000 enquiries. The 4 SME centres from time to time co-organise "four-in-one" seminar series on topics such as environmental, social and governance (ESG), electronic commerce and exploration of overseas and Mainland markets in order to enhance the competitiveness of SMEs.

In addition, in January 2020, the Government has established the "SME ReachOut", which is operated by HKPC, to help SMEs identify suitable government funding schemes and provide

SMEs with capacity building services. The Government has allocated $100 million to enhance the services of "SME ReachOut" in the ensuing 5 years starting from 2023. As at end-February 2026, "SME ReachOut" has handled over 37 800 enquiries, and organised or participated in 16 exhibitions, over 70 physical seminars or webinars and over 330 promotion activities.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1252)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under the Matters Requiring Special Attention in 2026-27 that the Government will continue to oversee the implementation of the Economic and Trade Express (ETE), under which Economic and Trade Offices, Invest Hong Kong and the Hong Kong Trade Development Council will work closely to support local small and medium enterprises and start-ups in exploring overseas markets through outbound visits. In this connection, would the Government inform this Committee of the following:

1. The ETE was established at the end of last year. What is its staff establishment and relationship with the 3 departments mentioned above? What are their respective proportions?

2. Is the expenditure of the ETE shared among the 3 departments? What are the proportions and the estimate?

Asked by: Hon CHUANG Ka-pun, Albert (LegCo internal reference no.: 5)

Reply:

As a measure announced in the 2025 Policy Address, the Hong Kong Special Administrative Region Government has set up the functional platform of "Economic and Trade Express" (ETE) to strengthen trio-coordination among overseas Economic and Trade Offices (ETOs), Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC), capitalising on their complementary advantages to jointly promote Hong Kong's trade and investment abroad. ETE focuses on supporting small and medium enterprises (SMEs) and start-ups by proactively organising overseas business missions for relevant enterprises with one-stop supporting services to assist Hong Kong enterprises in exploring business opportunities in overseas markets. In the process, InvestHK will identify overseas enterprises to connect with Hong Kong's business sectors, facilitating more enterprises to

invest and establish operations in Hong Kong, thereby promoting two-way flows of enterprises and investments.

Under the framework of ETE, ETOs play a coordinating role, facilitating the trio-collaboration and consolidation of resources to provide on-site support for overseas activities. HKTDC is mainly responsible for organising the participation of SMEs and start-ups in overseas activities, as well as arranging business matching, exhibitions and conference platforms to help connect them with international buyers. InvestHK concentrates on identifying overseas enterprises and investors, and provides support to companies interested in setting up operations in Hong Kong, facilitating business collaborations and investment projects.

ETE aims to enhance the effectiveness of overseas trade and investment promotional activities by strengthening synergies among the trio. The relevant work and expenditure form part of the overall work and budget estimates of ETOs, InvestHK, and HKTDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1263)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 160 of the Budget Speech and Programme (2) "Protection of Intellectual Property" under Head 78 – Intellectual Property Department (IPD) of the Controlling Officer's Report, the Government, in collaboration with the Hong Kong Monetary Authority, launched the Intellectual Property Financing Sandbox at end-2025. Regarding the initial effectiveness of the project and the administrative resources allocated, please inform this Committee of the following:

(1) What is the total number of applications received from enterprises participating in pilot projects since the launch of the Sandbox? Among these, how many cases have successfully matched with the 3 major banks through the Sandbox and obtained financing approval, and what is the total financing amount involved?

(2) What is the amount of recurrent expenditure and dedicated manpower (including civil servants and external consultants) earmarked by the IPD and the Commerce and Economic Development Bureau for 2026-27 for monitoring and supporting the operation of the Sandbox?

(3) When does the Government expect to conduct a comprehensive review of the Sandbox? Have a specific timetable and set of indicators been drawn up to expand the scope of participating organisations from the current 3 major banks to other financial institutions and venture funds?

Asked by: Hon CHUANG Ka-pun, Albert (LegCo internal reference no.: 25)

Reply:

The Commerce and Economic Development Bureau (CEDB) and the Intellectual Property Department (IPD), in collaboration with the Hong Kong Monetary Authority (HKMA),

launched the Intellectual Property (IP) Financing Sandbox (Sandbox) at the end of last year to assist pilot sectors (particularly the technology sector) in leveraging IPs for financing. Three major banks in Hong Kong and their clients from different enterprises, as well as legal and professional services organisations are participating in the pilot project.

Several trial cases are currently progressing in the Sandbox, with participating banks actively engaging with relevant clients and professional services organisations to negotiate IP financing arrangements.

The Sandbox provides a collaborative and risk-controlled environment for stakeholders to collectively test out the full lifecycle of IP financing on a "pioneer and pilot" approach and accumulate practical experience. CEDB and IPD will, together with HKMA, closely monitor the operation of the Sandbox, timely collect feedback from stakeholders, consolidate market feedback and experience, and make follow-up arrangements, with a view to gradually establishing a more comprehensive IP financing ecosystem.

Developing Hong Kong into a regional IP trading centre is part of the overall work of CEDB and IPD. The expenditure involved in implementing the Sandbox is subsumed under the overall estimates of CEDB and IPD respectively. It is therefore difficult to quantify the resources involved separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1265)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is announced in paragraph 163 of the Budget Speech that "Intellectual Property Department (IPD), together with the Vocational Training Council (VTC), will roll out a two-year pilot programme and establish the Intellectual Property Academy (the Academy)". The Government has earmarked $5.2 million for this purpose, with the aim of commencing the project at the end of this year to provide on-the-job training linked to the Qualification Framework. In this connection, will the Government inform this Committee of the following:

(1) Please provide a detailed breakdown on how the $5.2 million allocation will be utilised, including upfront expenses for establishment and equipment, curriculum development costs, instructor remuneration, and the anticipated full-time staffing establishment for recruitment.

(2) During the two-year pilot period, how many training places are expected to be offered by the Academy each year? What specific professional areas will be covered (e.g. patent agency services and intellectual property arbitration and mediation)?

(3) Does the Government plan to explore qualification mutual recognition mechanisms with the China National Intellectual Property Administration or relevant overseas institutions, so as to enable the Academy graduates to directly participate in intellectual property services in the Greater Bay Area or internationally?

Asked by: Hon CHUANG Ka-pun, Albert (LegCo internal reference no.: 27)

Reply:

To strengthen intellectual property (IP)-related on-the-job training and meet the needs of different sectors in using IP across various areas, the Intellectual Property Department (IPD)

is collaborating with the Vocational Training Council (VTC) to implement a two-year pilot programme to establish the Intellectual Property Academy (the Academy). The design and planning of the relevant programmes will be more systematic and better recognised, with more diversified and in-depth content, offering varying breadth, depth and focus tailored to market and policy needs. The programmes will cover areas such as the creation, protection, management, transformation and commercialisation of IP, as well as dispute resolution, and will include the major fields of IP such as patents, trade marks, copyright and designs. This will help participants acquire knowledge covering the full IP chain in the course of their business operations, enabling them to formulate and implement business strategies effectively. Suitable programmes will be linked to the corresponding levels under the Qualifications Framework. In the course of developing the programmes, we will widely gather feedback from different industry sectors.

The Academy targets practitioners from various sectors, including technology and innovation, cultural and creative industries, commerce and industry, and professional services. Local innovation entities (including research institutions, start-ups and small and medium enterprises), as well as enterprises and service providers engaged in IP trading and commercialisation, will all stand to benefit. During the two-year pilot period, the Academy is expected to provide training to about 2 000 participants.

The Government has earmarked $52 million to support the establishment of the Academy and its operating expenses for the first 2 years, including staff remuneration, teaching facilities, information platforms, curriculum development and design, qualification accreditation, publicity and promotion, as well as other administrative and operating expenses. The Academy will make use of VTC's existing teaching venues and no separate campus will need to be built. As such, the earmarked funding does not include any school construction costs. As for the specific funding arrangements, IPD will further discuss with VTC and set out the details of the implementation arrangements in the funding agreement.

In terms of staffing, to prepare for the establishment of the Academy, IPD will first redeploy internal staff to discuss related work with VTC. As for other staffing arrangements involved in the overall operation of the Academy, IPD will further finalise them with VTC when implementing the overall work plan and specific implementation arrangements.

The Academy will actively explore collaboration with local and overseas tertiary institutions, as well as organisations such as the World Intellectual Property Organization, including co-organising programmes, holding exchange activities, and exploring arrangements for qualification recognition.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1273)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In paragraph 158 of the Budget Speech, it is mentioned that Hong Kong is actively fulfilling its role as a regional intellectual property (IP) trading centre. The Government will refine the associated tax regime and institutional framework, nurture talents, leverage the strengths in professional services, with a view to boosting economic development through driving IP trading and financing. In this connection, will the Government inform this Committee of the following:

1. It is mentioned in paragraph 159 of the Budget Speech that the Government is consulting the trade on tax deduction arrangements for capital expenditure incurred for purchasing IP or the rights to use IP. In this regard, how will the relevant estimated expenditure be assessed; and

2. Which platforms does the Government plan to employ for facilitating cross-border transaction and commercialisation, so as to enhance the economic value of cultural IP?

Asked by: Hon CHUANG Ka-pun, Albert (LegCo internal reference no.: 46)

Reply:

Having consulted the Inland Revenue Department and the Cultural and Creative Industries Development Agency (CCIDA), our reply is as follows.

Following a review of the tax deduction arrangements for relevant capital expenditure incurred by enterprises for purchasing intellectual property (IP) or the rights to use IP, the Government plans to suitably broaden the scope of relevant profits tax deductions, including allowing tax deduction of the acquisition cost of certain IP from associates, and allowing tax deduction for upfront licence fees for the right to use IP in a licensing arrangement, thereby reducing the cost of relevant transactions and further promoting the development of IP

trading. We launched a two-month stakeholder consultation in January this year to finalise the legislative proposals. The related work has been subsumed under the overall estimates of the Commerce and Economic Development Bureau, and cannot be quantified separately.

The CCIDA and the Hong Kong Trade Development Council (HKTDC) have been working closely to encourage more registration of local and overseas cultural and creative projects on the Asia IP Exchange (AsiaIPEX). This includes connecting industry associations and organisations to share cultural and creative-related information on AsiaIPEX. At the same time, HKTDC actively promote AsiaIPEX through social media as well as local and overseas events to attract the listing of more cultural and creative projects. The CCIDA is also actively encouraging the industries to register cultural and creative products created under the CreateSmart Initiative on AsiaIPEX to further enrich the cultural and creative database so as to promote related transactions and commercial transformation.

In addition, HKTDC will continue to enrich the Hong Kong International Film and TV Market, Hong Kong International Licensing Show, Hong Kong Book Fair and AsiaIPEX with more trading elements, particularly in the cultural and creative fields, such as including more business-matching activities and providing more market information on IP trading and professional support services, so as to strengthen support for local original works to exploit the Chinese Mainland and international markets.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3076)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Programme (2) that the Commerce and Economic Development Bureau worked with the Trade and Industry Department to enhance the SME Export Marketing Fund (EMF), including implementing the special measure to expand the funding scope of the EMF up to 30 June 2026 to cover exhibitions targeting the local market and online exhibitions. However, the EMF will be consolidated into the Dedicated Fund on Branding, Upgrading and Domestic Sales upon expiry of the former's special measure to achieve the synergy effect. In this connection, please advise this Committee on the following:

1. Have statistics been compiled regarding the distribution of the funding amounts allocated to the overseas and local markets under the EMF in the past? If so, please set out the distribution ratios in the past 5 years.

2. After the consolidation of the above 2 funds, will a ratio be set for the allocation of funding amount between the overseas and local markets, particularly the specific funding amount allocated for supporting local market expansion projects. If so, please set out the distribution ratio.

Asked by: Hon CHUANG Ka-pun, Albert (LegCo internal reference no.: 3)

Reply:

The SME Export Marketing Fund (EMF) provides funding to encourage small and medium enterprises (SMEs) to participate in export marketing activities. In view of the COVID-19 pandemic, the Government implemented the special measures in 2021 for a period of 2 years to expand the funding scope of the EMF to cover exhibitions targeting the local market and online exhibitions, as well as relaxing the eligibility criteria to cover non-SMEs. In 2022, the Government extended the special measures to end-June 2026. From May 2021 to end-February 2026, the funding amount of the applications approved involving exhibitions

targeting the local market and online exhibitions is around $940.27 million, accounting for around 39% of the total funding amount of applications approved over the same period.

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was established with the aim to assist Hong Kong enterprises in developing more diversified markets outside Hong Kong through branding, upgrading and restructuring, and promoting sales. The Government announced in March 2025 that the EMF will, upon expiry of its special measures launched in 2021 in view of the pandemic (including the expansion of the funding scope to cover large-scale exhibitions targeting the local market), be consolidated into the BUD Fund in July 2026. After the EMF is consolidated into the BUD Fund, applicant enterprises shall submit applications in accordance with the framework and requirements of the BUD Fund. According to the prevailing requirements, fundable project measures of the BUD Fund include participation in trade exhibitions targeting markets covered by the fund. If a Hong Kong exhibition is involved, the applicant enterprise is required to demonstrate the direct relevance between the exhibition and its business development in the target market, such as the past editions' effectiveness.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3077)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 132 of the Budget Speech that the Government will inject $200 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales, raise the funding ceiling of "Easy BUD" to $150,000 per application, and provide more targeted funding support for enterprises in artificial intelligence (AI) application. In this connection, will the Government inform this Committee of the following:

1. Is there any overlap between the AI-related funding support as mentioned in the Speech and the enhanced Digital Transformation Support Pilot Programme to be launched in the latter half of this year?

2. Which areas are likely to be involved in AI application solutions among small and medium enterprises after assessment?

3. Please set out the manpower and estimated expenditure involved in the targeted AI-related funding support.

Asked by: Hon CHUANG Ka-pun, Albert (LegCo internal reference no.: 4)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) is one of the initiatives of the Government in supporting small and medium enterprises (SMEs), aiming to provide funding support for Hong Kong enterprises to develop business through upgrading, restructuring and enhancing competitiveness in a total of 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements, including the Chinese Mainland. All non-listed enterprises registered in Hong Kong under the Business Registration Ordinance (Cap. 310) with substantive business operations in Hong Kong are eligible to apply, irrespective of whether they belong to the

manufacturing or service sector. In accordance with the Guide to Application for the BUD Fund, any expenditure item(s) which have received/would receive funding support from other funding schemes provided by the Government would not be eligible for funding support under the BUD Fund again and there will be no overlapping or double funding. Therefore, enterprises can choose the suitable Government funding scheme having regard to their operational needs.

The 2026-27 Budget announced that $200 million will be injected into the BUD Fund and more targeted funding support will be provided for enterprises to implement BUD Fund projects with artificial intelligence (AI) elements, with a view to helping them implement eligible AI measures to further develop their businesses in markets outside Hong Kong. The Government will provide clear guidelines to enterprises to explicitly state that the application of AI would be fundable in eligible projects, provided that the funding criteria of the BUD Fund can be satisfied. Examples include development of AI chatbot function in the company website to strengthen sales promotion for market expansion; and/or adoption of AI to ensure that the production lines meet the regulatory requirements of target markets to increase productivity and competitiveness.

On the other hand, the Digital Transformation Support Pilot Programme (the Pilot Programme), of which its implementation is monitored by the Digital Policy Office, provides funding support on a matching basis to assist SMEs in food and beverage, retail, tourism, and personal services sectors in adopting off-the-shelf and basic digital solutions in 3 categories, with a view to accelerating digital transformation. The Government is currently reviewing the ways to enhance the Pilot Programme, including incorporation of digital solutions on AI and cybersecurity into the programme, and the subsidy details of the new round of the programme. Our target is to roll out the enhanced Pilot Programme in the 2nd half of 2026 following consultation with the Legislative Council.

The manpower and expenditure of the Commerce and Economic Development Bureau and the Trade and Industry Department for implementing the BUD Fund have been subsumed under the respective overall establishment and estimates, and cannot be quantified separately. The estimated expenditure of the BUD Fund in 2026-27 is $998 million, including the manpower and other fees provided to the Hong Kong Productivity Council, the Programme Secretariat for implementing the BUD Fund, as well as disbursements to grantees.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1232)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Programme (2) mentions the collaboration with the Hong Kong Trade Development Council, overseas Economic and Trade Offices, Invest Hong Kong and so on in conducting external promotion work through the "Economic and Trade Express" (ETE) platform, with a view to consolidating and enhancing Hong Kong's position as an international trade centre and investment hub and creating two-way trade flows. In this connection, will the Government inform this Committee of the following:

(1) The number of enterprises or individuals invested in Hong Kong projects or established businesses in Hong Kong through the ETE platform during 2025-26; and the actual amount of investment brought to Hong Kong and the industry distribution (e.g. high value-added industries or small and medium enterprises (SMEs)) of the relevant projects;

(2) The specific assistance rendered by the ETE platform to SMEs in organising outbound visits and making bilateral investment (such as providing overseas network matching or one-stop services); the number of users, usage data (such as login counts, successful matching cases) and effectiveness of the platform in the preceding year; and details of the estimated budget allocation (including expenditures on human resources and publicity) in 2025-26; and

(3) The number of events expected to be held through the ETE platform to attract more overseas and Mainland enterprises to invest in Hong Kong in 2026-27; and the target number of enterprises of the relevant events and estimated amount of investment derived from the events?

Asked by: Hon FAN Chun-wah, Andrew (LegCo internal reference no.: 1)

Reply:

As a measure announced in the 2025 Policy Address, the Hong Kong Special Administrative Region Government has set up the functional platform of "Economic and Trade Express" (ETE) to strengthen trio-coordination among overseas Economic and Trade Offices (ETOs), Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC), capitalising on their complementary advantages to jointly promote Hong Kong's trade and investment abroad. ETE focuses on supporting small and medium enterprises (SMEs) and start-ups by proactively organising overseas business missions for relevant enterprises with one-stop supporting services to assist Hong Kong enterprises in exploring business opportunities in overseas markets. In the process, InvestHK will identify overseas enterprises to connect with Hong Kong's business sectors, facilitating more enterprises to invest and establish operations in Hong Kong, thereby promoting two-way flows of enterprises and investments. Furthermore, ETOs, InvestHK and HKTDC will enhance trio-collaboration under ETE and continue to jointly organise various trade and investment promotional activities abroad.

For the purpose of preparing the overseas missions under ETE, the Trade and Industry Department has earlier on consulted local industry and trade organisations, SMEs and start-ups regarding their needs and interest in exploring new markets or setting up operations abroad. When planning these overseas missions, we will take into overall consideration their needs and interest, as well as other relevant factors (such as corresponding arrangements in the target markets, appropriate timing for the missions, etc.) to ensure the effectiveness of the missions. As the actual launch of missions hinges on the participation of enterprises, their business needs as well as external factors in overseas markets, we have not set any rigid indicators for the missions. We will build on experience and continuously review the effectiveness of the missions.

ETE aims to enhance the effectiveness of overseas trade and investment promotional activities by consolidating the existing resources of the trio. The relevant work and expenditure form part of the overall work and budget estimates of ETOs, InvestHK, and HKTDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1233)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Programme (2) that the Bureau will pursue actively the Belt and Road Initiative, with a view to seeking out Belt and Road (B&R)-related business opportunities. In this connection, please inform this Committee of:

1. the total expenditure for taking forward B&R-related work in 2025-26, and among which, the specific breakdown of allocations for organising overseas missions, summit and joint conference, as well as the expenditure for policy co-ordination with the Central Authorities;

2. the estimated number of enterprises in B&R countries having met/interfaced with through the above activities in 2025-26, as well as the number of collaborative projects successfully fostered, and the actual investment amount or the number of trade orders brought to Hong Kong;

3. the number of B&R-related activities expected to be held in 2026-27, as well as the estimated total expenditure and number of target enterprises interfacing with, and how the Government will assess the effectiveness with regard to seeking project opportunities by Hong Kong enterprises and participation by young professionals.

Asked by: Hon FAN Chun-wah, Andrew (LegCo internal reference no.: 3)

Reply:

In 2025-26, the establishment of the Belt and Road Office (BRO) of the Commerce and Economic Development Bureau was 19 and the revised estimated expenditure was about $33.718 million. The expenditure for organising missions, the summit and the joint conference, as well as policy co-ordination with relevant Central Authorities has been subsumed under the overall estimate and cannot be quantified separately.

The Belt and Road Summit (Summit), an annual flagship event, serves as one of the important platforms for fostering business and project matching. The Summit in 2025 attracted the participation by some 6 200 government and business leaders from more than 70 countries and regions, showcased more than 300 investment projects, arranged over 800 one-to-one project matching meetings, and facilitated 45 Memoranda of Understanding (MoUs). The total value of these MoUs, together with the projects and deals closed leading to the Summit, is about US$1 billion.

Organising business missions to the Belt and Road (B&R) countries is also an important channel for assisting Hong Kong enterprises and professional services in expanding business opportunities. In May 2025, the Chief Executive led a delegation comprising more than 50 representatives from Hong Kong and Chinese Mainland enterprises to visit Qatar and Kuwait, yielding a total of 59 MoUs and cooperation. In June and December 2026, the Commissioner for Belt and Road led delegations to visit Indonesia and Malaysia as well as Vietnam respectively. The delegations met with local government officials, business leaders and representatives of professional organisations and enterprises, attended presentations of signature projects, and witnessed the signing of 26 MoUs and business agreements.

In 2026, we will continue to organise promotional programmes and networking sessions to be attended by no less than 7 500 persons; reach out to no less than 560 professional and business associations, chambers and community groups; and organise business missions to 5 B&R countries with about 120 participants in total.

In 2026-27, the establishment of the BRO will remain unchanged at 19 and the overall estimate will be about $39.159 million. The expenditure for the various above-mentioned measures has been subsumed under the overall estimate and cannot be quantified separately.

We will review the effectiveness of the relevant work on taking forward the Belt and Road Initiative (including fostering business and project matching) from both the policy and implementation perspectives, and continue to optimise our work strategies.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1234)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the schemes by the Hong Kong Trade Development Council (HKTDC) to support small and medium enterprises (SMEs) and start-ups, will the Government inform this Council of the following:

(1) What are the expenditures for the HKTDC's schemes to support the upgrading, transformation and market expansion of SMEs and start-ups in 2025-26? What is the number of enterprises benefitted and their industry distribution?

(2) In the past year, what were the "no. of new registered users", the "no. of visits to online sourcing platform" and the "no. of advertisers" on the "trade portal (hktdc.com)"? What were the operational expenses of the relevant platform?

(3) What are the estimated expenditures for the HKTDC to support start-ups and SMEs for 2026-27, and what is the target number of enterprises to benefit?

Asked by: Hon FAN Chun-wah, Andrew (LegCo internal reference no.: 14)

Reply:

The Hong Kong Trade Development Council (HKTDC) has been dedicated to providing diverse support services and activities for small and medium enterprises (SMEs) and start-ups to facilitate their upgrading, transformation and market expansion. Among these is the Transformation Sandbox business support programme, which offers professional consultancy specifically for SMEs on brand building, market development, digital transformation, manufacturing and supply chain solutions, sustainable development, etc. Since its launch in April 2020, the programme has attracted participation from over 5 500 Hong Kong SME representatives across various industries, including fashion and textiles, healthcare and wellness, electronics, business consulting and services, etc.

HKTDC has been facilitating connections and business expansion between buyers and suppliers through its hktdc.com Sourcing platform. In 2025, the platform recorded over 260 000 newly registered users, more than 14 000 000 visits and around 27 000 advertisers. The number of advertisers on the platform is affected by various factors, including global economic conditions, operating environment of businesses, and their procurement sentiment. HKTDC will continue to closely monitor market developments and adjust its strategies in a timely manner as necessary. The related initiatives, as well as expenditure on supporting start-ups and SMEs, have been included under HKTDC's overall budget estimate and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1235)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the trade and services promotion events organised by the Hong Kong Trade Development Council (HKTDC), will the Government inform this Committee of:

(1) the total expenditure of the trade and services promotion events organised by the HKTDC in 2025-26, the number of events involved and the number of participating companies;

(2) the number of Mainland and overseas enterprises or individuals participating in local fairs over the past year, as well as the relevant expenditure and effectiveness of such fairs; and

(3) the estimated expenditure and the target number of buyers/participating companies for the aforesaid events to be organised by the HKTDC in 2026-27?

Asked by: Hon FAN Chun-wah, Andrew (LegCo internal reference no.: 13)

Reply:

The Hong Kong Trade Development Council (HKTDC) has been assisting small and medium enterprises (SMEs) to tap into the Chinese Mainland and global markets by organising a diverse range of activities such as international exhibitions, conferences and business matching activities.

In response to evolving market conditions, HKTDC will integrate different events, and where appropriate, introduce new elements, sessions and thematic zones. As such, the number of trade and service promotion events organised each year may vary. In 2025, HKTDC organised a total of 673 trade promotion and service activities, attracting the participation of 74 843 companies. In the 2025-26 financial year (as at early March 2026), HKTDC staged

36 exhibitions in Hong Kong, which attracted a total of 402 077 Chinese Mainland and overseas buyers as well as 22 079 Chinese Mainland and overseas exhibitors. In 2026, HKTDC expects to organise 670 trade promotion and service activities, attracting the participation of around 72 000 companies. HKTDC will also stage 37 exhibitions in Hong Kong in 2026, which are anticipated to draw more than 390 000 buyers from the Chinese Mainland and overseas.

The expenditure for the above work has been incorporated into HKTDC's overall budget estimate and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1236)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the implementation of Real-name Registration Programme for Subscriber Identification Module Cards (RNR Programme) in Hong Kong, please inform this Committee of the following:

(1) What were the numbers of local telephone/SMS fraud cases in the past 2 years? How many of these cases were related to pre-paid subscriber identity module (SIM) cards?

(2) What were the numbers of regular sampling checks and verification of suspicious cases conducted by telecommunications service providers regarding registered SIM card information in the past 2 years? How many SIM cards were deregistered as a result?

(3) Apart from SIM cards, were fraud cases involving local landline numbers referred and reported to the Government in the past 2 years? In response to the situations concerned (including falsified caller identities), what countermeasures were taken and enforcement strengthened against the relevant caller numbers?

(4) What are the estimated expenditures for the promotion measures relating to enhancing the RNR Programme for SIM cards in the coming financial year? What are the anticipated effectiveness of the enhancement measures in reducing telephone/SMS fraud?

Asked by: Hon FAN Chun-wah, Andrew (LegCo internal reference no.: 12)

Reply:

In the past 2 years, the number of telephone fraud cases reported to the Police is as follows, with more than 70% of the calls originated from Hong Kong.

Telephone fraud	2024	2025
Number of cases	9 204	8 621

The Police does not maintain a breakdown of the statistics on the number of telephone fraud cases related to pre-paid SIM (PPS) cards.

Besides, most phishing scams are conducted through Short Message Service (SMS) messages. In the past 2 years, the number of phishing scam reports received by the Police is as follows:

Phishing scam	2024	2025
Number of cases	2 731	1 093

The Police does not maintain a breakdown of the statistics on the number of cases involving SMS messages sent from local phone numbers or those related to PPS cards.

The Real-name Registration Programme for SIM Cards (RNR Programme) was fully implemented on 24 February 2023, requiring that all SIM cards issued and used locally (including SIM service plan and PPS cards) must complete real-name registration before service activation. Since the implementation of the RNR Programme, the Office of the Communications Authority (OFCA) has launched various enhancement measures based on operational experience, including requiring telecommunications service providers (TSPs) to conduct regular sample checks on the registration information of registered PPS card users and perform manual checks on suspected cases. If users subject to sample checks are unable to verify the registration information following the instructions of the respective TSPs, the relevant PPS cards may be deregistered. As at end February 2026, around 5.91 million PPS cards were rejected as a result of failure of providing information in compliance with the registration requirements by users. In addition, TSPs cancelled the registration of about 4.05 million non-compliant PPS cards.

In order to enhance the implementation of the RNR Programme, OFCA has required TSPs to adopt "iAM Smart" as the default registration method for Hong Kong identity (HKID) card holders since October 2024. For non-HKID holders registering PPS cards under the RNR Programme via an online registration platform, TSPs will first verify the identification documents through their system and then activate the relevant PPS cards, followed by manual checks to verify the authenticity of the identification documents provided. Any PPS cards found to be non-compliant (e.g. suspected use of forged documents for registration) will be deregistered.

Apart from the RNR Programme, OFCA and the Police have been working closely with TSPs to devise and implement a series of measures to combat telephone deception at source from the telecommunications service perspective, including requiring TSPs to suspend telecommunications services of phone numbers and block access to websites suspected to be involved in fraudulent cases based on fraud information provided by the Police, suspending telecommunications services of telephone numbers with specific operational patterns, blocking suspicious calls prefixed with "+852", sending voice or text alerts to mobile service users for other incoming external calls prefixed with "+852", playing voice alert messages for calls made from newly activated local PPS cards, as well as launching the SMS Sender Registration Scheme, etc., to assist members of public in guarding against suspicious calls and SMS messages.

Most fraud cases involving local fixed telephone lines involve fraudsters impersonating customer services using SMS messages. Since early 2025, fraudsters have been impersonating social media platforms or TSPs to send fraudulent SMS messages, falsely claiming that the victim's contract or subscription has expired, tricking the victim into calling a local fixed line number to cancel the service. The fraudsters impersonating customer service personnel then induce the victim into entering financial details on fake websites or platforms to steal their online banking account names and passwords, etc. On this, the Police will provide the suspected telephone numbers of the cases to TSPs for suspension of telecommunications services. The Police will also conduct regular online patrols. If fraudulent or illegal advertisements, messages or accounts on social media platforms are discovered, the Police will request the relevant platforms to remove them and actively track down the perpetrators.

To raise public awareness on anti-phone scam, over the past 2 years, OFCA has organised 224 public education and publicity activities, including 25 roving and mini exhibitions, 68 community and school talks, 42 roving drama performances for schools, 56 roadshows, 18 promotion truck tours and 15 other forms of publicity. Since May 2025, OFCA has also been collaborating with District Anti-Phone Deception Ambassadors to carry out a series of roadshows in all 18 districts of Hong Kong. OFCA will continue to organise various types of activities in 2026 to strengthen public education and publicity.

The Commerce and Economic Development Bureau (CEDB) and OFCA are conducting a comprehensive review on the overall implementation of the RNR Programme and stepping up measures to combat phone deception from various perspectives.

The above work is carried out with existing manpower resources of CEDB and OFCA. No additional financial or manpower resources are involved. The manpower and expenditure of OFCA is borne by the OFCA Trading Fund.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1245)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding subsidising the extension of fibre-based network to rural and remote areas, will the Government inform this Committee:

(1) What was the total expenditure for the Subsidy Scheme to Extend Fibre-based Networks to Villages in Rural and Remote Areas in 2025-26? What were the number of remote villages or rural locations benefitted from it, and the estimated number of newly connected households? What are the proportion of remote areas at present where fibre-based networks are yet to be extended to cover?

(2) How many applications were received and approved under the subsidy schemes to extend fibre-based and mobile networks in the past year, respectively? What were the expenditures involved and the extent of improvement in network coverage in the relevant areas?

(3) What are the estimated expenditures for the schemes in 2026-27? How many villages or rural locations are newly targeted to be covered? To align with the Northern Metropolis development, will the Government prioritise the extension of the fibre-based and mobile network coverage to rural and remote areas in the northern New Territories, as well as the sections of closed areas to be opened up therein?

Asked by: Hon FAN Chun-wah, Andrew (LegCo internal reference no.: 11)

Reply:

To expand fibre-based and mobile network coverage in rural areas, the Government has introduced various subsidy schemes to encourage telecommunications operators to strengthen their network infrastructure in rural areas. The progress of these schemes is summarised below.

The Government launched in 2018 the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas (Broadband Subsidy Scheme), to subsidise fixed network operators in extending fibre-based networks to villages in remote areas and the scheme has been implemented in progress. In this regard, the Government approved all 6 tender projects under the Broadband Subsidy Scheme between 2019 and 2020, covering 235 villages in total. To date, fibre-based networks under the scheme have been rolled out to 233 villages, with all installation expected to complete by the end of 2026, benefitting 110 000 villagers.

A one-off provision of $774.4 million was approved by the Finance Committee of the Legislative Council for the Broadband Subsidy Scheme in 2018. Expenditure for 2025-26 is about $158.9 million, and the estimated expenditure for 2026-27 is about $72.9 million. The subsidy will be granted to the relevant fixed network operators only after the completion and verification of the relevant works projects.

With the expansion of fibre-based network in rural areas, it is expected that fixed network operators may further provide higher-speed broadband services to areas other than those covered by the Broadband Subsidy Scheme. At the same time, it will provide the necessary fibre-based connections for the roll-out of other types of telecommunications services (such as fifth generation mobile (5G) services and Wi-Fi wireless Internet access). It will also promote the development of next-generation mobile communications services, including sixth generation mobile services, with higher network capacity and transmission speeds.

Besides, the Government launched the Subsidy Scheme to Extend 5G Coverage in Rural and Remote Areas (Rural Subsidy Scheme) in July 2025 to provide subsidies to mobile network operators to install about 50 new radio base stations (RBSs) across different districts of Hong Kong, including country parks, outlying islands and other rural and remote areas. It is expected that all RBSs under the Rural Subsidy Scheme will be installed and activated within 4 years. By then, the mobile network coverage in country parks will increase from the current 80% to at least 90%, whereas the coverage along major government hiking trails will rise from 95% to 98% or above. The Office of the Communications Authority (OFCA) has received 16 applications to date, of which 11 have been approved. The subsidised mobile network operators are progressively making preparations to commence works, with the first batch of 11 RBSs expected to be completed and activated within 2026. OFCA will continue to maintain close liaison with the mobile network operators in order to expedite the roll-out of the installation works for the remaining RBSs. The estimated expenditure for the Rural Subsidy Scheme in 2026-27 is around $44 million.

The Government will continue to play the role of "facilitator" by enhancing telecommunications infrastructure through various measures to improve network coverage and capacity in Hong Kong (including new development areas). Apart from implementing the above subsidy schemes, under the amended Telecommunications Ordinance (Cap. 106), new and redeveloped specified buildings with building plans approved since 1 April 2025 must reserve space for mobile network operators to install and maintain mobile communications facilities. New government buildings and public housing developments have also followed the relevant arrangements. The Government will also continue to open up government premises and identify suitable facilities (e.g. bus stops, lampposts, public payphone kiosks, etc.) to facilitate mobile network operators in setting up RBSs. OFCA is also actively encouraging and assisting mobile network operators in the advance planning of

telecommunications infrastructure in new development areas to ensure that different development needs of the new development areas can be catered for.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1246)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Programme (2) mentions collaboration with the Trade and Industry Department to enhance the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), including expanding the geographical scope of "e-Commerce Easy" under the BUD Fund to cover 10 ASEAN countries, and expanding the scope of "Easy BUD" under the BUD Fund to cover online sales platforms. In this regard, will the Government inform this Committee:

(1) the number of applications received, number of approved applications, and approved funding amount in the past 3 years;

(2) the specific implementation timetable and eligibility criteria for the above enhancement measures, and how many small and medium sized enterprises (SMEs) are expected to benefit;

(3) upon consolidation of the SME Export Marketing Fund into the BUD Fund, what additional support will be brought to SMEs? Are there plans to further relax the application requirements for the BUD Fund to promote local market business, so that more enterprises and projects can benefit?

Asked by: Hon Andrew FAN Chun-wah (LegCo internal reference no.: 2)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements.

The Government rolled out enhancement measures on 14 March 2025, including expansion of the geographical scope of "E-commerce Easy" to cover the 10 countries of the Association

of Southeast Asian Nations, expansion of the funding scope of "Easy BUD" to include the establishment of online sales platforms, as well as the provision of more targeted funding support for enterprises to implement green transformation projects, etc. From the launch of the enhancement measures up to end-February 2026, funding approval has been granted to over 2 200 enterprises. All non-listed enterprises registered in Hong Kong under the Business Registration Ordinance (Cap. 310) with substantive business operations in Hong Kong are eligible to apply. In the past 3 years (i.e. from 2023 to 2025), a total of 17 348 applications were received under the BUD Fund, of which 7 122 were approved, involving a total funding amount of $4.61 billion.

The BUD Fund was established with the aim to assist Hong Kong enterprises in developing more diversified markets through branding, upgrading and restructuring, and promoting sales. To focus resources to equip enterprises for upgrading and transformation, the SME Export Marketing Fund will be consolidated into the BUD Fund in July 2026 upon expiry of the former's special measure. This would attain synergy as the BUD Fund could also fund promotional activities in the context of upgrading and transformation. The Government announced in the 2025 Policy Address and the 2026-27 Budget the injection of a total of $1.63 billion into the BUD Fund to implement a series of measures to strengthen the support to small and medium enterprises, including expansion of the geographical scope of the BUD Fund by 20% to cover 48 economies, enhancing promotion and facilitating enterprises' participation in exhibitions and export marketing activities through "Easy BUD", increasing the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000, as well as providing more targeted funding support for enterprises to implement BUD Fund projects which involve artificial intelligence elements.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3048)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Programme (2) that the Government worked with HKMC Insurance Limited to enhance the SME Financing Guarantee Scheme (SFGS), including relaunching the principal moratorium arrangement, extending the application and maximum loan guarantee periods as well as introducing partial principal repayment options for the 80% and 90% guarantee products, so as to alleviate the repayment burden on small and medium enterprises (SMEs). In this connection, will the Government inform this Committee of:

(1) the number of enterprises applying for the SFGS, the relevant total financing amounts granted and the average guarantee coverage in 2025-26; the repayment situation (such as the overdue rate and the proportion of adopting the principal moratorium arrangement); and the anticipated effectiveness of the enhancement measures in alleviating the cash flow pressure of SMEs; and

(2) the expected number of enterprises applying for the SFGS, the expected total financing amounts to be granted, and the distribution of beneficiary sectors in 2026-27?

Asked by: Hon FAN Chun-wah, Andrew (LegCo internal reference no.: 10)

Reply:

The SME Financing Guarantee Scheme (SFGS) is administered and managed by HKMC Insurance Limited (HKMCI). During the period from April 2025 to February 2026, the cumulative application figures of the 80% and 90% Guarantee Products of the SFGS are as follows:

	80% Guarantee Product (launched in 2012)	90% Guarantee Product (launched in 2019 and the application period ended in end-March 2026)
Number of Applications Received	1 808	3 768
Number of Applications Approved	1 602	3 350
Total Loan Amount of Approved Applications ($)	6.4 billion	5.4 billion

As regards the Special 100% Guarantee Product, despite the application ended in end-March 2024, some applications submitted before the end of the application period were approved in April 2024 or later. During the period from April 2025 to February 2026, a total of 4 applications were approved and the average approved loan amount per enterprise was $2 million.

Since the launch of the SFGS in 2012, the Government has been introducing enhancement measures having regard to the economic situation of Hong Kong and the needs of small and medium enterprises, including extending the application period of the SFGS, increasing the maximum loan amount, extending the maximum guarantee period, increasing the total government loan guarantee commitment, etc. The relevant enhancement measures are meant to provide more repayment flexibility to borrowing enterprises, so as to give them more room to juggle the cash flow, thereby reducing the risk of default and the loss of the Government.

As at end-February 2026, among the more than 116 000 loan applications approved, around 41 000 applications, involving a loan amount of around $113.4 billion, had been repaid in full as scheduled; cumulatively 50 090 and 13 801 applications have been approved for the old and new principal moratorium arrangements, involving a loan amount of around $110.1 billion and $31.2 billion respectively. The relevant statistics are as follows:

	80% Guarantee Product (launched in 2012)	90% Guarantee Product (launched in 2019 and the application period ended in end-March 2026)	Special 100% Guarantee Product (launched in 2020 and the application period ended in end-March 2024)
Cumulative Number of Approved Applications for the Old Principal Moratorium Arrangement [Note 1]	1 601	1 556	46 933
(Percentage of the relevant number of applications approved)	(11%)	(15%)	(72%)

	80% Guarantee Product (launched in 2012)	90% Guarantee Product (launched in 2019 and the application period ended in end-March 2026)	Special 100% Guarantee Product (launched in 2020 and the application period ended in end-March 2024)
Cumulative Number of Approved Applications for the New Principal Moratorium Arrangement [Note 2]	743	1 815	11 243
(Percentage of the total number of applications approved)	(3%)	(9%)	(17%)

Note 1: The application period of the old principal moratorium arrangement ended on 1 October 2023, hence it is not applicable to the loans approved thereafter.

Note 2: The new principal moratorium arrangement was announced in the 2024 Policy Address, and has been furthered extended for another year in the 2025 Policy Address, with application period ending on 17 November 2026.

The number of applications and the total loan amount to be approved of the various guarantee products of the SFGS are subject to the overall economic environment and the financing needs of individual enterprises. The Government and HKMCI will continue to closely monitor the situation.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1988)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (4) Broadcasting

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Matters Requiring Special Attention in 2026-27 that the Commerce and Economic Development Bureau will assist in the licensing and regulatory matters in relation to the domestic free television programme services, domestic pay television programme services and sound broadcasting services. Given that the industry is facing a mounting pressure in operations, and the said regulatory work involves the allocation of government resources and incurrence of administrative costs, please advise this Committee on the following:

1. What are the details of the annual expenditure incurred on licensing, regulation and monitoring work in relation to television and broadcasting over the past 3 years? Please provide a breakdown of the establishment and administrative expenditure and specify how resources were allocated among free television, pay television and sound broadcasting services;

2. Given that the 3 free television programme service licences are due for renewal sequentially in 2027 and 2028, how much additional financial and human resources does the Government anticipate will be required for the licence renewal approval and the relevant regulatory review processes? Please outline how the budget will be distributed broadly and how to ensure the use of resources will yield maximum economic benefits, such as reducing costs for the industry and enhancing the overall competitiveness of the broadcasting sector;

3. Has the Government assessed the impact of the current regulatory framework (including requirements on content and hours, advertising restrictions and licence fees) on the industry's operating expenses, and will it adjust the allocation of resources during future licence renewals to enhance administrative efficiency and to lessen the burdens on the industry, thereby indirectly supporting the sustainable economic contribution of the broadcasting sector?

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 3)

Reply:

The licences of 3 domestic free TV licensees in Hong Kong will expire in 2027 and 2028. The licensees have submitted their licence renewal applications to the Communications Authority (CA) respectively in accordance with the Broadcasting Ordinance (BO) (Cap. 562). CA has conducted a comprehensive assessment of the licensees' past performance and renewal proposals in accordance with the BO and established practice. Having considered factors relating to the licensees' performance, the industry and public feedback and the latest market developments, etc., CA has submitted its recommendations on the licence renewal applications and licence conditions (including the relevant broadcasting regulatory arrangement) to the Chief Executive-in-Council in March 2026.

Under the BO and the Telecommunications Ordinance (Cap. 106), CA is the regulatory body for domestic free TV programme services, domestic pay TV programme services and sound broadcasting services. The Office of the Communications Authority (OFCA) is the executive arm of CA, assisting CA in matters related to licensing, regulation and monitoring. The relevant manpower and expenses are covered by the OFCA Trading Fund.

The work related to licence renewal of 3 domestic free TV licensees will be absorbed within the existing resources of the Commerce and Economic Development Bureau and OFCA, without involving additional financial and manpower resources. The Government and CA will continue to closely monitor the development of the broadcasting industry and review the existing regulatory regime as appropriate to keep pace with the times, with a view to meeting public expectations and promoting the healthy and sustainable development of the broadcasting industry.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0427)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in paragraph 130 of the Budget Speech, the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) will organise promotional activities to attract Mainland enterprises to venture into global markets through Hong Kong. The Government will also set up a cross-sectoral professional services platform, bringing together Hong Kong's professional services providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. Please advise on the following:

(a) How many promotional activities have been organised by the GoGlobal Task Force so far? Which Mainland provinces/municipalities and industries have been covered? What are the estimated number of promotional activities to be organised and the target number of Mainland enterprises to be engaged in 2026-27?

(b) What is the specific operating mode of the cross-sectoral professional services platform? When will the platform officially commence operation? How many enterprises are expected to be served by the platform in its first year?

(c) Apart from advisory services, will the platform provide special windows or channels to assist Mainland enterprises in handling matters related to going global, such as taxation, legal compliance and intellectual property protection?

(d) How will the platform ensure the quality and service standards of Hong Kong's professional service providers? Will an accreditation mechanism or service rating system be established for reference by enterprises seeking to go global?

Asked by: Hon HO Chun-yin, Steven (LegCo internal reference no.: 36)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. This includes organising promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, intellectual property, etc. to support enterprises going global. HKTDC coordinates the relevant work to match Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner. The list of professional service providers has incorporated professional advice from the Expert Committee on Professional Services for Going Global steered by the Deputy Secretary for Justice, relevant members of the GoGlobal Task Force, professional bodies and industry organisations.

InvestHK will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises to set up or expand businesses in Hong Kong between 2026 and 2027, including Chinese Mainland enterprises planning to go global through Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2615)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 136 of the Budget Speech that the Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong. Please advise of the following:

(a) Do yacht exhibitions fall within the scope of this measure? If so, how will this funding be used to attract international yacht exhibitions to Hong Kong? If not, what are the reasons?

(b) How many yacht exhibitions were held in Hong Kong in the past 5 years? What was their scale? Did the Government provide support for holding yacht exhibitions in Hong Kong?

Asked by: Hon HO Chun-yin, Steven (LegCo internal reference no.: 24)

Reply:

The Hong Kong Special Administrative Region (HKSAR) Government launched the Incentive Scheme for Recurrent Exhibitions (ISRE) and ISRE 2.0 in July 2023 and July 2025 respectively, providing venue rental incentives to attract local and international exhibitions of different scales to be staged recurrently in Hong Kong. In addition to the Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo covered under ISRE, ISRE 2.0 has included 2 additional specified venues, namely, the Central Harbourfront Event Space and West Kowloon Cultural District. To date, we have not received any applications related to yacht exhibitions.

As announced in the 2026-27 Budget, to promote the further development of the exhibition industry and brand building, the HKSAR Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through

collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing the Chinese Mainland and overseas brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. We are formulating the relevant arrangements and implementation details.

Unlike the previous arrangement of subsidising venue rental through incentive schemes, we will pilot a more flexible approach of providing financial support. By partnering with statutory bodies and relevant organisations, we will leverage their expertise, networks and supporting services to identify and attract large-scale, high-quality international exhibitions with new elements to be staged in Hong Kong, with the aim of injecting new impetus into the convention and exhibition industry and reinforcing Hong Kong's position as a premier platform for showcasing the Chinese Mainland and overseas brands. To ensure the prudent use of public funds, we will consider the suitable form of resource allocation and level of funding subject to the nature and contents of individual exhibitions.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0301)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-)

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To address the ageing population in Hong Kong, the Government has established the "Working Group on Promoting Silver Economy", with the Commerce and Economic Development Bureau (CEDB) spearheading the related work in boosting "silver consumption", thereby fostering the development of the silver economy. In this connection, will the Government inform this Committee of the following:

(1) Has the Government conducted statistical analysis on the market size of "silver consumption", as well as the actual needs and consumption patterns of the elderly in Hong Kong? If yes, what are the relevant research data and expenditure involved? If no, will a review mechanism be established, so as to match more precisely the needs of the elderly with market development?

(2) What specific measures does the Government have in place to assist small and medium enterprises in addressing the challenges in the design, development costs, as well as testing and certification of "silver consumption" products?

(3) Regarding the "Friends & Flavours" initiative launched by the CEDB in collaboration with the catering sector, what are the number of businesses currently participating and their distribution by district? Has the Government assessed the effectiveness of the initiative?

(4) Will the Government have any plans to support start-ups in developing gerontechnology, and to provide assistance in the transformation and commercialisation of the relevant research and development outcomes? If yes, please set out the implementation timetable, areas involved and estimated expenditure.

(5) Does the Government have any support measures for local silver products and services to explore the Mainland and overseas markets? If yes, what are the details of the relevant measures and the resource allocation involved?

(6) Will the Government have any plans to expand the resource allocation for promoting technological innovation and service upgrades, thereby enhancing the overall quality of silver products and services? If yes, what are the specific measures, estimated expenditures and expected economic benefits?

Asked by: Hon HO King-hong, Adrian Pedro (LegCo internal reference no.: 12)

Reply:

The Government attaches great importance to the development of the silver economy. The Working Group on Promoting Silver Economy (Working Group), as announced by the Chief Executive in his 2024 Policy Address, is chaired by the Deputy Chief Secretary for Administration, with the Secretary for Commerce and Economic Development as Vice Chairman. The Working Group has formulated work plans and implementation details along 5 areas. Since its establishment, the Working Group has proactively engaged with the trade and stakeholders and announced 30 measures for promoting the silver economy in May 2025, most of which have achieved positive results. These measures are implemented by different bureaux in conjunction with organisations from various sectors.

On boosting "silver consumption", driven by the Commerce and Economic Development Bureau (CEDB), the catering sector launched the "Friends & Flavours" initiative to provide meal options suitable for the elderly and special promotion in order to attract the elderly, as well as their families and friends, to dine out together and thereby boost overall consumption. This initiative garnered territory-wide support from over 100 restaurants.

To facilitate market expansion of local silver products and services, CEDB has been proactively driving the business sector to include silver economy elements in various exhibitions to promote gerontechnology products while fostering international exchanges on silver economy for the business sector to explore business opportunities outside Hong Kong. Besides, CEDB also drives the e-commerce platform "Hong Kong Design Gallery" in collaboration with the Hong Kong Council of Social Service to market silver products in physical and online stores, thereby further expanding their sales channels.

In addition, CEDB has been actively driving the industry to leverage Hong Kong's strengths in testing technology and professional certification to research, develop, and apply standards or guidelines for silver products and services, and assist the small and medium enterprises to participate in boosting "silver consumption". With the support of CEDB, the "General Requirements of Easy-to-eat Food for Older Adults" was officially included in the list of Guangdong-Hong Kong Macao Greater Bay Area Standards in September 2025. On this basis, the Chinese Manufacturers' Association of Hong Kong has launched the "Care Food Product Certification Mark" Scheme, with a view to assisting consumers in making clearer choices. Moreover, the Federation of Hong Kong Industries and the Hong Kong Quality Assurance Agency (HKQAA) have launched the "Hong Kong Q-Mark Silver Scheme" and the "HKQAA Hong Kong Registration – Silver-friendly Series" respectively to certify elderly friendly products and services. Through these certification schemes, we hope to further

promote various silver products to the retail market, bringing better choices to the elderly consumers and helping businesses expand their product sales networks.

On supporting start-ups in developing gerontechnology, the Innovation, Technology and Industry Bureau (ITIB) is dedicated to enhancing the innovation and technology (I&T) ecosystem, thereby supporting the development of different technology industries (including gerontechnology). Meanwhile, I&T quangos such as Hong Kong Science and Technology Parks Corporation (HKSTPC), Cyberport, Hong Kong Productivity Council (HKPC) and the Research and Development (R&D) Centres set up by the Government also continue to earnestly take forward the development of gerontechnology respectively and have assigned designated officers to co-ordinate gerontechnology-related matters. The HKSTPC and Cyberport have been committed to providing start-ups, including those engaged in gerontechnology, with infrastructure facilities, incubation programmes and one-stop support services, and also continue to assist the start-ups in establishing connection with the industry through organising different events, promoting the commercialisation of gerontechnology solutions. HKPC will offer a three-hour free advisory service relating to the use, testing and standard compliance of various types of technologies to gerontechnology vendors, service providers and organisations. HKSTPC, Cyberport and HKPC have assigned designated officers to co-ordinate gerontechnology-related matters. Looking ahead, apart from providing the aforesaid support, HKSTPC plans to collaborate with the industry to organise gerontechnology innovation co-creation projects, with a view to offering application scenarios for innovative solutions and facilitating business matching. In addition, Cyberport also plans to actively assist relevant start-ups in exploring business opportunities and connecting with target customer groups through workshops, business matching and industry events. HKPC will continue to provide the aforesaid free consultation services. ITIB will likewise continue to actively encourage public R&D centres to participate in gerontechnology exhibitions and expos, and to collaborate with the industry in supporting the translation and commercialisation of R&D projects related to gerontechnology. At the same time, to broaden the home use of gerontechnology products, the Social Welfare Department (SWD) expanded in March 2025 the scope of the "Innovation and Technology Fund for Application in Elderly and Rehabilitation Care" to cover gerontechnology products suitable for domestic use. SWD will continue to promote to social welfare organisations and carers the benefits of adopting technological products, including how innovative technology can enhance social welfare services and alleviate caring pressure, thereby fostering the application of gerontechnology. The relevant parties have all along been implementing the related initiatives with their existing manpower and resources, and no separate figures are available for individual tasks.

The Government has been closely monitoring various research reports published by different organisations in Hong Kong and overseas, as well as the actual situation of I&T development in Hong Kong, including the development of gerontechnology industry. In formulating its work plans and relevant measures, the Working Group will draw on experiences from different places while fully taking into account the local circumstances of Hong Kong to introduce measures that befit local needs.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0315)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To promote development of the convention and exhibition industry and enhance Hong Kong's status as an international convention and exhibition hub, will the Government inform this Committee of the following:

(1) In each of the past 5 years, what was the total number of exhibitors receiving funding under the Convention and Exhibition Industry Subsidy Scheme? How many of them participated for the first time in exhibitions organised by the Hong Kong Trade Development Council, and what proportion did they represent?

(2) What are the Government's target sources of visitors and key regions for expansion in the convention and exhibition industry in the future? Are there any plans to step up efforts to develop emerging markets (such as Southeast Asian and the Middle East markets) and explore new sources of visitors? If yes, what are the details and estimated expenditure involved?

(3) What major international conventions or exhibitions are among the targets that the Government will attract to Hong Kong in the future? What are the sizes of enterprises, capital and professional talent expected to be attracted to those events, and what is the assessment of their economic benefits?

(4) To meet the growing demand for conventions and exhibitions, does the Government have any plan to increase the provision of convention and exhibition facilities in the future? If yes, what is the proposed location, implementation timetable and estimated expenditure involved?

Asked by: Hon HO King-hong, Adrian Pedro (LegCo internal reference no.: 18)

Reply:

The Convention and Exhibition Industry Subsidy Scheme launched by the Hong Kong Special Administrative Region (HKSAR) Government in October 2020 was concluded in December 2023. The Scheme provided a total subsidy of about $1,190 million to 329 exhibitions and some $41 million as one-off immediate relief to private organisers of 73 exhibitions to help them cope with the prolonged postponement or cancellations of exhibitions during the pandemic.

As announced in the 2026-27 Budget, to promote the further development of the exhibition industry and brand building, the HKSAR Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing the Chinese Mainland and overseas brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. We are formulating the relevant arrangements and implementation details.

Unlike the previous arrangement of subsidising venue rental through incentive schemes, we will pilot a more flexible approach of providing financial support. By partnering with statutory bodies and relevant organisations, we will leverage their expertise, networks and supporting services to identify and attract large-scale, high-quality international exhibitions with new elements to be staged in Hong Kong, with the aim of injecting new impetus into the convention and exhibition (C&E) industry and reinforcing Hong Kong's position as a premier platform for showcasing the Chinese Mainland and overseas brands. We will consider the suitable form of resource allocation and level of funding subject to the nature and contents of individual exhibitions. To ensure the prudent use of public funds, we will formulate appropriate performance indicators with the organisers (e.g. number of exhibitors, anticipated economic benefits, etc.), closely monitor the implementation effectiveness throughout the process, and conduct timely reviews to refine the arrangements where necessary.

In addition, to consolidate and enhance the pre-eminent position of Hong Kong as an international C&E hub, and in response to the keen demand for exhibition venues from the industry, the HKSAR Government has been taking forward the Wan Chai North Redevelopment project near the Hong Kong Convention and Exhibition Centre as planned and the phase 2 expansion of AsiaWorld-Expo (AWE). The Airport Authority Hong Kong has commenced the construction of the AWE expansion, and the project is expected to be completed by 2028. As for the Wan Chai North Redevelopment project, it involves the redevelopment of sites of the Wan Chai Government Offices Compound (WCGOC), Gloucester Road Garden and Kong Wan Fire Station into C&E facilities, hotel, etc. The construction works for the reprovisioning buildings involving the relevant user departments of WCGOC and the reprovisioning of the Kong Wan Fire Station are underway and are expected to be completed by the end of 2027.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2932)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the 80% and 90% Guarantee Products and the Special 100% Loan Guarantee for Enterprises under the SME Financing Guarantee Scheme (SFGS), would the Government inform this Committee of:

(1) the number of loan applications submitted by enterprises under the SFGS in each of the past 12 months; the average and median loan amounts approved for applicant enterprises;

(2) the industry distribution of applicant enterprises and the respective numbers of employees involved;

(3) the total loan amount approved under the SFGS and the related interest rate in the past 5 financial years;

(4) as at March 2026, the default rates, amounts and numbers of enterprises involved for the 80% and 90% Guarantee Products and the Special 100% Loan Guarantee for Enterprises respectively.

Asked by: Hon HO King-hong, Adrian Pedro (LegCo internal reference no.: 30)

Reply:

The SME Financing Guarantee Scheme (SFGS) is administered and managed by HKMC Insurance Limited (HKMCI). During the period from March 2025 to February 2026, (i) the number of applications approved per month; (ii) the average approved loan amount per enterprise; (iii) the number of approved applications by beneficiary sectors; and (iv) the number of benefitted employees of the 80% and 90% Guarantee Products of the SFGS are as follows:

	80% Guarantee Product (launched in 2012)	90% Guarantee Product (launched in 2019 and the application period ended in end-March 2026)
March 2025 • Number of Applications Approved • Average Approved Loan Amount Per Enterprise ($)	223 3.48 million	423 1.47 million
April 2025 • Number of Applications Approved • Average Approved Loan Amount Per Enterprise ($)	178 3.53 million	302 1.59 million
May 2025 • Number of Applications Approved • Average Approved Loan Amount Per Enterprise ($)	207 3.45 million	350 1.62 million
June 2025 • Number of Applications Approved • Average Approved Loan Amount Per Enterprise ($)	181 3.85 million	353 1.38 million
July 2025 • Number of Applications Approved • Average Approved Loan Amount Per Enterprise ($)	120 4.07 million	330 1.49 million
August 2025 • Number of Applications Approved • Average Approved Loan Amount Per Enterprise ($)	114 3.58 million	296 1.48 million
September 2025 • Number of Applications Approved • Average Approved Loan Amount Per Enterprise ($)	176 3.83 million	320 1.7 million
October 2025 • Number of Applications Approved • Average Approved Loan Amount Per Enterprise ($)	137 4.20 million	285 1.6 million
November 2025 • Number of Applications Approved • Average Approved Loan Amount Per Enterprise ($)	121 4.25 million	290 1.84 million
December 2025 • Number of Applications Approved • Average Approved Loan Amount Per Enterprise ($)	127 4.66 million	297 1.94 million

January 2026 • Number of Applications Approved • Average Approved Loan Amount Per Enterprise ($)	125 5.22 million	295 1.7 million
February 2026 • Number of Applications Approved • Average Approved Loan Amount Per Enterprise ($)	116 4.34 million	232 1.57 million
Number of Approved Applications by Beneficiary Sectors • Trading, Wholesale and Retail • Engineering and Construction • Manufacturing • Others (e.g. Catering, Transportation)	673 (37%) 112 (6%) 82 (5%) 958 (52%)	1 481 (39%) 285 (8%) 109 (3%) 1 898 (50%)
Number of Benefitted Employees	18 616	22 612

As regards the Special 100% Guarantee Product, despite the application ended in end-March 2024, some applications submitted before the end of the application period were approved in April 2024 or later. During the period from March 2025 to February 2026, a total of 16 applications were approved and the average approved loan amount per enterprise was $2.37 million.

During the period from April 2021 to February 2026, the loan amounts of the approved applications of the 80%, 90% and Special 100% Guarantee Products of the SFGS were about $42.2 billion, $27.4 billion and $95.8 billion respectively; the average interest rates of the 80% and 90% guarantee products were 6.4% and 6.6%; and the annual loan interest rate for the Special 100% Guarantee Product is the Hong Kong Prime Rate, as specified by The Hong Kong Mortgage Corporation Limited from time to time, minus 2.5% (or equivalent), i.e. the effective interest rate is currently 2.75% per annum.

As at end-February 2026, the cumulative loan guarantee amounts of default cases of the 80%, 90% and Special 100% Guarantee Products under the SFGS were about $5.6 billion, $1.4 billion and $27.8 billion respectively, and the cumulative default rates were about 5.5%, 4.6% and 19.3% respectively, lower than the assumed overall default rates (12%, 16% and 25% respectively). HKMCI does not collate the statistics in respect of the default cases separately by number of enterprises. The default rates are subject to change having regard to the overall economic environment, the operational situation of individual borrowing enterprises, etc. The Government and HKMCI will continue to monitor the situation closely.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1062)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (8) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding bid-rigging involved in building maintenance works in Hong Kong, will the Government advise this Committee, in each of the years from 2020 to 2025, (a) the number of related reports received by the Competition Commission; (b) the number of enforcement actions or prosecutions instituted in relation to such reports; (c) the number of convictions; and (d) the works cost involved in such cases?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 12)

Reply:

The Competition Commission (the Commission) has been paying close attention to bid-rigging in building maintenance works and actively investigates related cases. Since 2024, the Commission has conducted 5 search operations involving building maintenance projects across multiple districts in Hong Kong, and the relevant cases are under investigation.

The Commission does not compile breakdown statistics of complaints and relevant cases involving suspected bid-rigging in building maintenance works.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1069)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget Speech that "last year, the Working Group on Promoting Silver Economy (the Working Group) announced 30 measures, most of which have achieved positive outcomes. The Government will continue working closely with the industry to promote the silver economy." In this connection, will the Bureau advise this Committee on the following:

1. What is the total amount of direct expenditure (including expenses for administration, promotion, co-ordination and support) borne by the Government and the manpower deployment since the establishment of the Working Group (including 2024-25 and 2025-26)? What is the share of the Commerce and Economic Development Bureau (CEDB) as the secretariat? For 2026-27, what are the expenditure and manpower projected to be allocated by the Government respectively?

2. What are the concrete outcomes achieved in each of the 5 areas, namely boosting "silver consumption", developing the "silver industry", promoting "quality assurance of silver products", enhancing "silver financial and security arrangements" and unleashing "silver productivity" under the 30 measures announced by the Working Group last year? Given that "most of which have achieved positive outcomes" as stated in the 2026-27 Budget Speech, in what manner will the Government define the outcomes as such? In the coming year (2026-27), what are the work priorities as well as new or strengthening measures for each area?

3. Has the Working Group set in place key performance indicators (KPIs) or an assessment framework of effectiveness for the work involved in the 5 areas (including the overall implementation of the 30 measures)? If so, please list out the KPIs and to what extent they have been achieved so far; if not, what are the reasons? Will the CEDB, as the secretariat, co-ordinate any regular inter-bureaux reviews and publicly release any assessment reports?

4. Following the establishment of the Working Group and the announcement of its 30 measures, has the Government (including the CEDB as the secretariat) launched any forums, public consultation or opinion collection activities for participation by representatives from universities, NGOs, industry bodies, elderly groups or members of the public? Are there any plans to launch more similar events in future (2026-27 in particular) so as to widely collect views on the development of silver economy through various means for incorporation into the measures?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 22)

Reply:

Since its establishment, the Working Group on Promoting Silver Economy (Working Group) has proactively engaged with the trade and stakeholders and announced 30 measures for promoting the silver economy in May 2025, most of which have achieved positive results. These measures are implemented by different bureaux in conjunction with organisations from various sectors.

On boosting "silver consumption", the Commerce and Economic Development Bureau (CEDB) has been proactively driving the business sector to include silver economy elements in various exhibitions. In particular, the Gerontech and Innovation Expo cum Summit, organised by the Hong Kong Council of Social Service (HKCSS) and the Hong Kong Science and Technology Parks Corporation (HKSTPC) in November last year, brought together various exhibitors from Hong Kong, Chinese Mainland and overseas and fostered collaboration among the Government, businesses and social welfare organisations to officially promulgate the "Care Food Greater Bay Area Standard", thereby enhancing quality assurance and consumers' confidence, and directly boosting the competitiveness of local brands in Guangdong-Hong Kong-Macao Greater Bay Area (GBA), as well as other domestic and international markets. Local exhibitors also engaged in exchanges with exhibitors from Chinese Mainland and overseas, further promoting the industry's expansion to overseas markets. On e-commerce, the e-commerce platform "Hong Kong Design Gallery" is collaborating with HKCSS to market silver products in physical and online stores, thereby further expanding their sales channels of local businesses in GBA and overseas. The Hong Kong Trade Development Council has also launched the "E-Commerce Express" to enhance assistance to small and medium-sized enterprises in expanding into the Chinese Mainland market through e-commerce.

On developing "silver industry", the Innovation, Technology and Industry Bureau (ITIB) is dedicated to enhancing the innovation and technology ecosystem, thereby supporting the development of different technology industries (including gerontechnology). In particular, there are over 130 companies engaged in solutions and services related to gerontechnology in HKSTPC and Cyberport. These companies have employed more than 800 staff members and have raised about HK$156 million in funding. The Social Welfare Department has also expanded the scope of the "Innovation and Technology Fund for Application in Elderly and Rehabilitation Care" since March 2025. Eligible subvented elderly and rehabilitation service units can procure relevant products, thus helping the business sector explore new business opportunities. As at end-2025, the Fund had subsidised about 2 100 elderly and rehabilitation service units to procure or rent over 27 000 technology products.

On promoting "quality assurance of silver products", with the support of CEDB, the "General Requirements of Easy-to-eat Food for Older Adults" was officially included in the list of the GBA Standards in September 2025. On this basis, the Chinese Manufacturers' Association of Hong Kong launched the "Care Food Product Certification Mark" Scheme, with a view to assisting consumers in making clearer choices. In addition, the Federation of Hong Kong Industries and the Hong Kong Quality Assurance Agency (HKQAA) have launched the "Hong Kong Q-Mark Silver Scheme" and the "HKQAA Hong Kong Registration – Silver-friendly Series" respectively, to certify elderly friendly products and services. Through these certification schemes, we hope to further promote various silver products to the retail market, bringing better choices to the elderly consumers and helping businesses expand their product sales networks.

Initiatives on promoting "silver financial and security arrangements" are led by the Financial Services and the Treasury Bureau (FSTB). Regarding financial products for the elderly, the total premium of the Hong Kong Mortgage Corporation Annuity Plan offered by The Hong Kong Mortgage Corporation Limited reached nearly HK$9 billion in 2025, representing a year-on-year increase of over 100%. With encouragement from the Insurance Authority, insurers in Hong Kong have offered savings-oriented insurance products that provide policyholders with the right to access retirement facilities in the Chinese Mainland. In addition, the Hong Kong Monetary Authority, together with the banking industry, has introduced a new e-banking feature that allows customers to deactivate certain high-risk online services, and launched the enhanced Financial Intelligence Evaluation Sharing Tool in end-2025 to strengthen banks' capabilities to detect and prevent fraud and other financial crimes.

As regards unleashing "silver productivity", the Re-employment Allowance Pilot Scheme (REA Scheme) launched by the Labour Department (LD) has received nearly 69 000 participants and over 40 000 placements were recorded, of which about one quarter involved persons aged 60 or above. LD is conducting a mid-term review of the REA Scheme and exploring measures to encourage the employment of the elderly and middle-aged. In addition, LD held a total of 72 large-scale or district-based thematic job fairs suitable for older and middle-aged persons in 2025, more than doubled that of 2024. LD also continues to promote elderly-friendly employment practices through various channels, including the launch of the Good Employer Charter 2026 in January this year, encouraging employers to adopt employee-oriented good human resource management measures and implement family-friendly (including elderly-friendly) employment practices.

The Working Group is examining the work under the 5 areas, namely boosting "silver consumption", developing the "silver industry", promoting "quality assurance of silver products", enhancing "silver financial and security arrangements" and unleashing "silver productivity", for new measures. During the process, we will continue to liaise with the industry and stakeholders closely for further promoting the silver economy and to introduce and implement more measures to promote the silver economy in the future. Relevant initiatives are formulated and implemented by the industry based on market conditions, making it inappropriate for the Government to establish quantitative indicators. Nevertheless, the Working Group will continue to liaise with various stakeholders, listening to their views to formulate or enhance measures.

Relevant bureaux (including CEDB, FSTB, ITIB and Labour and Welfare Bureau) are responsible for taking forward the measures under their respective purview with the existing manpower. The expenditure required has been subsumed under their respective overall estimates and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1076)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (7) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Recommendations for Formulating the 15th Five-Year Plan of our country proposed "the better protection of consumer rights and interests, and emphasised the protection of the rights and interests of groups of people including the elderly", and the Consumer Council (the Council) plans to continue to complement the Government's efforts in promoting the development of silver economy by stepping up efforts to safeguard the rights and interests of elderly consumers in 2026-27. In this connection, would the Government inform this Committee of:

(1) the specific implementation strategies to strengthen the protection of the rights and interests of elderly consumers, including specific regulatory actions to be carried out targeting the quality of elderly-oriented products, the pricing of elderly services, the marketing of health products, etc.;

(2) whether the Council will enhance the means of education and promotion targeting elderly consumers with the aid of elderly centres, community talks, simple publications and so on to popularise the knowledge on consumer rights protection; if so, the details; if not, the reasons;

(3) how elderly consumers' complaint and right protection can be streamlined, e.g. to set up dedicated complaint channels, provide personal assistance and lower the threshold for enforcement actions; and

(4) whether a fast consumer dispute handling mechanism for elderly consumers will be established to accord priority to major consumer dispute cases involving elderly consumers, and collaboration with social welfare agencies be strengthened to provide more support for elderly consumers?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 1)

Reply:

The Consumer Council (the Council) endeavours to study and promote the protection of consumers' rights and interests, and carries out its statutory functions in accordance with the Consumer Council Ordinance (Cap. 216), including the handling of consumer complaints relating to goods and services and the provision of advice to consumers, conducting surveys and studies on issues of consumers' interest, as well as disseminating consumer information through "CHOICE" articles, etc.

Regarding the protection of elderly consumers' rights and interests, the Council has established the Advisory Group on Silver Economy to steer the work in advocating for the protection of the rights and interests of elderly consumers, including the launch of "Smart Seniors Consumer eHub" in January 2026, providing elderly consumers, their families and caregivers with information related to silver consumption on different aspects to help them make wise and informed consumption choices. It offers features such as article summaries and a text-to-speech function to make it more convenient for elderly consumers to browse relevant information. In addition to the newly launched "Smart Seniors Consumer eHub", the Council has all along been conducting publicity and education work for the elderly through various channels, including:

- collaborating with various social service organisations and elderly academies to conduct talks to provide the elderly with relevant consumption alerts and advice, with a view to enhancing the elderly's understanding of consumers' rights and interests and unfair trade practices;

- providing consumer education training to soon-to-be retirees and retirees mainly aged between 50 and 64 through the "Educator Scheme for Senior Citizens" in order to enhance their knowledge in consumers' rights and interests. Suitable senior citizens who have completed the training will host consumer educational talks for the elderly to share the latest consumer information; and

- disseminating product tests and service surveys relating to the elderly through "CHOICE" articles, providing the elderly with practical consumption information.

In terms of complaint handling, the Council currently provides multiple enquiry channels, including online forms, an enquiry hotline and by post, and operates 2 service centres that offer face-to-face consultation services to consumers. Since 2022, the Council has established the elderly hotline, allowing elderly consumers to speak directly with the Council's staff without having to go through the interactive voice response system. In addition, district elderly community centres in collaboration with the Council or senior citizens who completed training under the "Educator Scheme for Senior Citizens" may refer the elderly who have encountered consumer issues to the Council for assistance.

In 2026–27, the Council will continue to strengthen its work in protecting the rights and interests of elderly consumers along the above directions, with a view to complementing the Government's efforts in promoting the development of silver economy.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1077)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government plans to consolidate the SME Export Marketing Fund (EMF) into the Dedicated Fund on Branding, Upgrading and Domestic Sales upon expiry of the former's special measures on 30 June 2026. In this regard, will the Government inform this Committee:

(1) What is the specific implementation plan for the consolidation, including the basic standards of how the funding criteria, application process, and approval time limit be formulated after the consolidation? Will the advantage of EMF's practice in focusing funding in local exhibitions and online exhibitions be retained?

(2) Given the differences in enterprises' applications for the 2 funds, will the Government allow any transitional period to help enterprises understand the new rules through special lectures, one-on-one consultations, etc.? If so, what are the details? If not, what are the reasons?

(3) How will the funds' management system be enhanced to categorise different types of applications, progress tracking of funded projects, while improving the convenience of online applications and reducing the administrative burden of enterprises after the consolidation?

(4) Will an evaluation mechanism on the fund's effectiveness be established to continuously enhance the funding rules based on enterprises' feedback, with a view to ensuring smooth policy transition and meeting the actual needs of enterprises after the consolidation?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 2)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was established with the aim to assist Hong Kong enterprises in developing more diversified markets through branding, upgrading and restructuring, and promoting sales. The Government announced in March 2025 that the SME Export Marketing Fund will, upon expiry of its special measures introduced in 2021 in response to the pandemic (including the expansion of funding scope to cover large-scale exhibitions targeting the local market), be consolidated into the BUD Fund in July 2026. Following the consolidation, applicant enterprises will submit applications to the Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund, via the BUD Fund online application system, in accordance with the framework and requirements of the BUD Fund. Applicant enterprises may also check the processing status of their applications through the BUD Fund online application system. To facilitate the submission of applications, the dedicated webpage of the BUD Fund provides information on the application process, frequently asked questions, application tips and success stories, etc., which enterprises may refer to when planning their projects.

The 2025 Policy Address announced that the Government would enhance promotion and assist enterprises in participating in exhibitions and export marketing activities through "Easy BUD". Specifically, we will introduce the BUD Fund's operation through organising seminars, as well as the "SME ReachOut" and "4-in-1" Integrated Services of SME Centres, etc. Among these, the "SME ReachOut" will provide free one-on-one consultation service to answer enquiries relating to application. At the same time, we will promote to enterprises through HKPC via various channels such as seminars, exhibitions, advertisements, website, and printed promotional leaflets. We will also provide clear application guidelines to enterprises regarding project measures which are eligible for funding support under "Easy BUD", including participation in trade exhibitions targeting markets covered by the BUD Fund, placement of online advertisements, production or enhancement of company websites, etc. If a Hong Kong exhibition is involved, the applicant enterprises need to demonstrate the direct relevance between the exhibition and its business development in the target markets, such as the past editions' effectiveness.

The Government will, through HKPC, continue to conduct project completion surveys and annual tracking surveys to assess the effectiveness of the BUD Fund. In addition, the Government will keep in close touch with the trade, review the implementation of the BUD Fund from time to time, and render necessary support to small and medium enterprises.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1078)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-)

Programme: (2) Commerce and Industry, (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is proposed in the National Recommendations for Formulating the 15th Five-Year Plan to "actively develop silver economy, and nurture new forms and models of business". The Bureau continues to serve as the Secretariat of the Working Group on Promoting Silver Economy. Meanwhile, the Hong Kong Trade Development Council (HKTDC) plans to incorporate "silver economy" elements into more trade exhibitions. In this connection, would the Government inform this Committee:

1. of the specific implementation approach adopted by the HKTDC to incorporate "silver economy" elements into trade exhibitions. In particular, whether dedicated silver economy exhibition zones will be set up and whether business matching activities for silver products will be organised; if so, of the details; if not, the reasons for that;

2. how enterprises will be supported in developing elderly-friendly products and services. In particular, what policy support will be provided in areas such as technological research and development, standard setting and marketing; and

3. whether a monitoring mechanism will be established for the development of the silver economy industry to track changes in the industry scale, market demand, etc., thereby providing data support for policy adjustments?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 3)

Reply:

To help businesses capitalise on opportunities arising from the silver economy, the Hong Kong Trade Development Council (HKTDC) has incorporated relevant elements into its various exhibitions and forums. This allows relevant companies to showcase their products

and technologies, while exploring the latest developments of the industry through a series of seminars. For example, HKTDC held a thematic seminar at the Asia Summit on Global Health to examine how precision medicine and smart innovation and technology (I&T) can help capture opportunities arising from the silver economy. The Rehabilitation and Elderly Product Care zone at the Hong Kong International Medical and Healthcare Fair featured the latest gerontechnology products, while the Hong Kong Electronics Fair (Autumn Edition) also sought to showcase relevant fitness and health products. In addition, the Hong Kong Toys & Games Fair, held in January this year, introduced a Happy Ageing label for silver market products, making it easier for buyers to identify toys and related products designed specifically for elderly consumers. The Asia Toys & Games Forum hosted a discussion with international experts on the optimum design of toys for the elderly, while also offering other insights into the silver-focused toy market. HKTDC established the Gerontech Living Pavilion and the Gerontech and Innovative Material Pavilion at Home InStyle in 2025 and 2026, showcasing to industry stakeholders how innovative technologies can enhance quality of life for the elderly, while driving the development of the silver economy. Through this platform, HKTDC aims to further promote the practical application of innovative gerontechnology, while strengthening connections with elderly service organisations, healthcare institutions and social welfare organisations to foster cross-sector collaboration and the wider adoption of gerontechnology. HKTDC will continue to provide comprehensive support to the business sector to enable enterprises to explore and develop opportunities in the growing silver economy.

Innovation, Technology and Industry Bureau (ITIB) is dedicated to enhancing the I&T ecosystem, thereby supporting the development of different technology industries (including gerontechnology). Meanwhile, I&T quangos such as Hong Kong Science and Technology Parks Corporation (HKSTPC), Cyberport, Hong Kong Productivity Council (HKPC) and the Research and Development (R&D) Centres set up by the Government also continue to earnestly take forward the development of gerontechnology respectively and have assigned designated officers to co-ordinate gerontechnology-related matters. HKSTPC and Cyberport have been committed to providing start-ups, including those engaged in gerontechnology, with infrastructure facilities, incubation programmes and one-stop support services, and also continue to assist the start-ups in establishing connection with the industry through organising different events, promoting the commercialisation of gerontechnology solutions. HKPC will offer a three-hour free advisory service relating to the use, testing and standard compliance of various types of technologies to gerontechnology vendors, service providers and organisations. HKSTPC, Cyberport and HKPC have assigned designated officers to co-ordinate gerontechnology-related matters. Looking ahead, apart from providing the aforesaid support, HKSTPC plans to collaborate with the industry to organise gerontechnology innovation co-creation projects, with a view to offering application scenarios for innovative solutions and facilitating business matching. In addition, Cyberport also plans to actively assist relevant start-ups in exploring business opportunities and connecting with target customer groups through workshops, business matching and industry events. HKPC will continue to provide the aforesaid free consultation services. ITIB will likewise continue to actively encourage public R&D centres to participate in gerontechnology exhibitions and expos, and to collaborate with the industry in supporting the translation and commercialisation of R&D projects related to gerontechnology. At the same time, to broaden the home use of gerontechnology products, the Social Welfare Department (SWD) expanded in March 2025 the scope of the "Innovation and Technology Fund for Application in Elderly and Rehabilitation Care" to cover gerontechnology products suitable for domestic

use. SWD will continue to promote to social welfare organisations and carers the benefits of adopting technological products, including how innovative technology can enhance social welfare services and alleviate caring pressure, thereby fostering the application of gerontechnology.

The Working Group on Promoting Silver Economy is examining the work under the 5 areas, namely boosting "silver consumption", developing the "silver industry", promoting "quality assurance of silver products", enhancing "silver financial and security arrangements" and unleashing "silver productivity", for enhancement or new measures and will continue to liaise with the industry and stakeholders closely to introduce and implement more measures in the future for further promoting the silver economy.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1079)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The 2026 Government Work Report of our country has proposed to strengthen the development of overseas economic and trade network and enhance the external co-operation service capacity. Meanwhile, the Bureau plans to continue expanding the network of overseas Economic and Trade Offices (ETOs) and enhancing their functions. In this connection, will the Government inform this Committee:

(1) of the criteria for selecting regions for proposed establishment of new overseas ETOs, the list of regions for selection, and the establishment timetable for 2026-27, and whether major countries along the Belt and Road will be prioritised for consideration;

(2) of the specific optimisation measures for enhancing the functions of existing overseas ETOs, including the details of new services in the areas of attracting businesses and talents, marketing, support for enterprises, etc., and whether co-operation with local business associations will be strengthened; if so, the details; if not, the reasons; and

(3) how an evaluation mechanism on the work effectiveness of overseas ETOs will be established, how the indicators for and frequency of evaluation will be determined, and whether the work priorities of each ETO will be dynamically adjusted in accordance with the evaluation results?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 7)

Reply:

In the face of the constant state of flux in the international trade landscape, in addition to maintaining our ties with traditional markets, the Hong Kong Special Administrative Region (HKSAR) Government has been striving to expand Hong Kong's economic and trade network by strengthening ties with high-potential economies particularly emerging markets, with a

view to assisting local enterprises in exploring new business opportunities. We will continue to follow up with the government of Saudi Arabia on the proposal to establish an Economic and Trade Office (ETO) in Riyadh, and explore the feasibility of setting up ETOs or other overseas offices in different regions (particularly in emerging markets including Belt and Road countries).

In addition, as announced in the 2025 Policy Address, the HKSAR Government has set up the Task Force on Supporting Mainland Enterprises in Going Global to provide one-stop and customised support services to the Chinese Mainland enterprises venturing overseas through Hong Kong, and established the functional platform of "Economic and Trade Express" to proactively support Hong Kong's small and medium enterprises and start-ups in exploring high-potential markets and organising overseas business visits, while identifying enterprises to invest and establish operations in Hong Kong, thereby promoting two-way flows of enterprises and investments. In support of the above measures, ETOs will collaborate more systematically with the overseas offices of the Hong Kong Trade Development Council and Invest Hong Kong to strengthen Hong Kong's economic and investment relations with major trading partners, playing a more pivotal role in a trio-coordinated manner.

For assessing the effectiveness of ETOs' work, we have set indicators to evaluate the performance of ETOs' services under the 3 Programmes, namely Commercial Relations, Public Relations and Investment Promotion, as reflected in the Controlling Officer's Report.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1081)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government plans to continue implementing the SME Financing Guarantee Scheme in collaboration with the HKMC Insurance Limited. In this connection, will the Government inform this Committee of:

1. whether adjustments will be made to the specific enhancement measures for the SME Financing Guarantee Scheme, including guarantee ratio, credit limits and repayment grace period in 2026-27; and whether targeted support policy is in place for small and medium enterprises that are more vulnerable to business cycles;

2. whether the Government will streamline the application procedures of the Scheme, introduce an online intelligent approval system to shorten processing time, and expand the network of collaborating banks to enhance financing convenience for enterprises; if yes, the details; if no, the reasons; and

3. how to step up publicity and promotion of the Scheme, including targeted briefings for start-ups and micro-enterprises; and whether the Government will regularly assess the effectiveness of the Scheme and adjust the guarantee policies dynamically based on enterprise feedback.

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 6)

Reply:

Since the launch of the SME Financing Guarantee Scheme (SFGS) in 2012, the Government has been introducing enhancement measures having regard to the economic situation of Hong Kong and the needs of small and medium enterprises (SMEs), including extending the application period of the SFGS, increasing the maximum loan amount, extending the maximum guarantee period, increasing the total government loan guarantee commitment, etc.

The SFGS has been well-received by the trade and the beneficiary enterprises come from all walks of live. As at end-February 2026, a total of $304.2 billion of loans has been approved, benefitting over 68 600 enterprises and 857 000 employees.

The Financial Secretary announced in the 2026-27 Budget that the Government will continue providing loan guarantees to enterprises through the SFGS, and has already extended the application period for the 80% Guarantee Product to the end of March 2028 and also extended the application period for the principal moratorium arrangement to mid-November 2026.

At present, there are 35 lending institutions in Hong Kong participating in the SFGS, including major banks in Hong Kong. The Government and HKMC Insurance Limited (HKMCI), which is responsible for administering and managing the SFGS, welcome lending institutions interested in providing services to join.

In processing loan applications, the lending institutions must, based on their policy and prevailing commercial practice, conduct customer due diligence on the borrowing enterprises to confirm that the borrowing enterprises could fulfil the eligibility requirements, and submit the verified applications complete with the documents required to HKMCI for final guarantee approval. HKMCI will also conduct appropriate checks in vetting the applications submitted by the lending institutions, and step up the vetting of suspicious cases, to ensure the prudent use of public money. In general, HKMCI can approve the applications complete with the required documents submitted by lending institutions within several working days. According to the data in 2025, over 80% of the applications were approved within 10 working days.

The Government and HKMCI will continue to monitor the situation closely, and make necessary adjustments to the SFGS having regard to the circumstances so as to meet the financing needs of SMEs during the period of economic transformation.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1085)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Programme (6): Subvention: Hong Kong Trade Development Council under Head 152, it is mentioned in Matters Requiring Special Attention in 2026-27 under Brief Description that under the steer of the GoGlobal Task Force, the Hong Kong Trade Development Council (HKTDC) will provide support services to the Mainland enterprises seeking to go global via Hong Kong, including setting up a cross-sectoral service platform for matching Hong Kong professional and business service providers with Mainland enterprises. Please set out in detail the specific estimated expenditures of the HKTDC for providing support services to the Mainland enterprises seeking to go global via Hong Kong, as well as the manpower to be deployed or the resources to be allocated for the relevant co-ordination work in 2026-27.

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 34)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong. HKTDC is one of the GoGlobal Task Force members.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional services

providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. The relevant work is coordinated by HKTDC, which announced the establishment of the first phase of the cross-sectoral professional services platform on 20 March 2026. The platform will match Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers to provide them with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner.

In 2026-2027, a one-off allocation of $5 million will be allocated to HKTDC to establish a digital platform for the above-mentioned cross-sectoral professional services. Other relevant manpower and expenditure of HKTDC for supporting Chinese Mainland enterprises to go global have been subsumed under its overall establishment and estimates, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1086)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the Estimates, the Hong Kong Trade Development Council (HKTDC) fairs operate under the Exhibition+ in hybrid mode at present. The HKTDC plans to review the existing performance indicators, which are primarily derived from the online sourcing platform hktdc.com, and introduce new parameters to better illustrate the effectiveness of its new hybrid trading platform. The HKTDC's Exhibition+ model combines physical shows with online access through the Click2Match smart business matching platform, which will continue connecting buyers and exhibitors online beyond fairs. In this connection, please advise:

whether the Government will consider adding parameters like "number of public attendances", "number of industry collaboration cases", "number of transactions facilitated through post-fair online connections" and "online platform active user ratio" when introducing new performance indicators to assess more comprehensively the fairs' effectiveness in promoting cultural integration, brand collaborations and market strategies.

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 36)

Reply:

The Hong Kong Trade Development Council (HKTDC) has launched the EXHIBITION+ hybrid model, which integrates physical exhibitions with the Click2Match intelligent business matching platform and the hktdc.com Sourcing platform to provide small and medium enterprises with round-the-clock business promotion services. The EXHIBITION+ extends face-to-face interaction and business negotiation of physical exhibitions to the online intelligent matching platform, enabling enterprises to connect with business partners, and enjoy an extended exhibition period, enhanced platforms and greater business opportunities, thereby comprehensively enhancing the effectiveness and flexibility of business promotion.

HKTDC is reviewing its existing performance indicators and will explore the introduction of new measures that can better reflect the effectiveness of its integrated online and offline operation model. The new indicators will be announced in due course upon completion of the review.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1087)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Estimates that during 2025-26, the Commerce and Economic Development Bureau continued to collaborate with the Hong Kong Trade Development Council, overseas Economic and Trade Offices and Investment Promotion Units as well as various departments, agencies and stakeholders in conducting external promotion work through the "Economic and Trade Express" (ETE) platform. Will the Government please advise on the following:

(1) What is the estimated expenditure to be involved in implementing and enhancing the ETE platform in 2026-27? What is the increase as compared with that in the preceding year?

(2) How many local, Mainland or overseas small and medium enterprises have been assisted by the Government in exploring overseas markets through the ETE platform currently?

(3) Regarding the promotion of dual-way flow of enterprises and investments, how does the Government conduct quantitative assessments on the effectiveness of the ETE platform? Have any specific key performance indicators been set?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 37)

Reply:

As a measure announced in the 2025 Policy Address, the Hong Kong Special Administrative Region Government has set up the functional platform of "Economic and Trade Express" (ETE) to strengthen trio-coordination among overseas Economic and Trade Offices (ETOs), Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC), capitalising on their complementary advantages to jointly promote Hong Kong's trade and investment abroad. ETE focuses on supporting small and medium enterprises (SMEs) and start-ups by proactively organising overseas business missions for relevant enterprises with

one-stop supporting services to assist Hong Kong enterprises in exploring business opportunities in overseas markets. In the process, InvestHK will identify overseas enterprises to connect with Hong Kong's business sectors, facilitating more enterprises to invest and establish operations in Hong Kong, thereby promoting two-way flows of enterprises and investments.

For the purpose of preparing the overseas missions under ETE, the Trade and Industry Department has earlier on consulted local industry and trade organisations, SMEs and start-ups regarding their needs and interest in exploring new markets or setting up operations abroad. When planning these overseas missions, we will take into overall consideration their needs and interest, as well as other relevant factors (such as corresponding arrangements in the target markets, appropriate timing for the missions, etc.) to ensure the effectiveness of the missions. As the actual launch of missions hinges on the participation of enterprises, their business needs as well as external factors in overseas markets, we have not set any rigid indicators for the missions. We will build on experience and continuously review the effectiveness of the missions.

ETE aims to enhance the effectiveness of overseas trade and investment promotional activities by consolidating the existing resources of the trio. The relevant work and expenditure form part of the overall work and budget estimates of ETOs, InvestHK, and HKTDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3052)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Speech that the Government will continue providing loan guarantees to enterprises through the SME Financing Guarantee Scheme. The Government has extended the application period for the 80% Guarantee Product to the end of March 2028 and also extended the application period for the principal moratorium arrangement to mid-November 2026. The total loan guarantee commitment under the Scheme will increase by $20 billion. In this connection, please inform this Committee of the following:

1. What are the respective current cumulative default rates of the Special 100% Loan Guarantee and the Special 100% Loan Guarantee for Individuals Scheme?

2. What are the respective current cumulative default rates of the 80% Guarantee Product and the 90% Guarantee Product?

3. What specific measures are taken by the Government to lower the overall default rates of the Scheme, including the enhancement actions to be taken in areas such as risk assessment, loan approval criteria, the monitoring mechanism on loan repayment, and co-ordination with partner banks? What are the expected outcomes and timetables of relevant measures?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 43)

Reply:

Having consulted the Financial Services and the Treasury Bureau, our consolidated reply is as follows.

Both the SME Financing Guarantee Scheme (SFGS) and the 100% Personal Loan Guarantee Scheme (PLGS) are administered and managed by HKMC Insurance Limited (HKMCI).

The application period of the Special 100% Guarantee Product under the SFGS and the PLGS ended on 31 March 2024 and 30 April 2023 respectively.

As at end-February 2026, the cumulative default rates of the 80%, 90% and Special 100% Guarantee Products under the SFGS were about 5.5%, 4.6% and 19.3% respectively, lower than the assumed overall default rates (12%, 16% and 25% respectively); and the cumulative default rate of the PLGS was 21.5%, lower than the assumed overall default rate (i.e. 25%). The default rates are subject to change having regard to the overall economic environment, the operational situation of individual borrowing enterprises/the repayment ability of individual borrowers, etc. The Government and HKMCI will continue to monitor the situation closely.

In processing loan applications under the SFGS, the lending institutions must, based on their policy and prevailing commercial practice, conduct customer due diligence on the borrowing enterprises to confirm that the borrowing enterprises could fulfil the eligibility requirements, and submit the verified applications complete with the documents required to HKMCI for final guarantee approval. In addition, shareholder(s) or beneficial owner(s) holding more than 50% of the equity interest in the borrowing enterprise are required to provide an irrevocable, unconditional and legally binding personal guarantee(s) in respect of the loans obtained by their own enterprise under the SFGS, so as to signify their commitment to the business continuity, repayment obligations and financial position of the relevant borrowing enterprise. HKMCI will also conduct appropriate checks in vetting the applications submitted by the lending institutions, and step up the vetting of suspicious cases, to ensure the prudent use of public money.

As regards the SFGS and the PLGS, HKMCI has been working closely with lending institutions on properly handling default cases. The borrowing enterprises/borrowers have a repayment obligation. In the event that a borrowing enterprise/a borrower defaults on repayments, the lending institution will first discuss a feasible repayment plan with the borrowing enterprise/borrower, e.g. repaying only the interest or part of the principal during a transition period, so that the borrowing enterprise/borrower can gradually resume normal repayments.

If the lending institution and the borrowing enterprise/borrower could not reach agreement on the repayment or the latter refuses to cooperate, the lending institution will consider taking appropriate recovery/legal actions in accordance with its policy, prevailing commercial practice and the terms of the schemes, including requesting the relevant enterprise/borrower and guarantor to repay the loan, filing a petition for winding-up and/or bankruptcy with the court, etc. If an individual debtor of a case could not be reached, the lending institution will attempt to contact the relevant persons continuously, including other guarantors, to pursue recovery of the outstanding loans. HKMCI and lending institutions will continue to review cases of loan default and take appropriate recovery actions in accordance with prudent commercial principles, with a view to reducing the loss of the Government.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3054)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Estimates that provision of $5 million under Subhead 88L Hong Kong Trade Development Council (HKTDC) (block vote) is for HKTDC to set up a new digital platform of cross-sectoral services under the GoGlobal Task Force to support Mainland enterprises to go global via Hong Kong. What are the specific functions of the platform? What is the expected timetable for implementation? How many Mainland enterprises will be provided with the services in the first year?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 35)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong. HKTDC is one of the GoGlobal Task Force members.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. HKTDC coordinates the relevant work to match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by

HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner.

InvestHK, as another GoGlobal Task Force member, will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises, including Chinese Mainland enterprises planning to go global through Hong Kong, to set up or expand businesses in Hong Kong between 2026 and 2027. The aforementioned cross-sectoral professional services platform will provide support services to the Chinese Mainland enterprises concerned.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3260)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the 2025-26 financial year, what "Easy BUD" applications for online sales platform projects and green transformation projects, and what "E-commerce Easy" applications for projects in the 10 member states of the Association of Southeast Asian Nations were received by the Commerce and Economic Development Bureau under the Dedicated Fund on Branding, Upgrading and Domestic Sales? What were the amounts of funding approved and the number of beneficiary enterprises? Please set out the information in tabular form.

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 39)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements. The Government has rolled out a series of enhancement measures under the BUD Fund since March 2025, including the inclusion of establishment of online sales platform as a fundable project measures under "Easy BUD", expanding the geographical scope of "E-commerce Easy" to cover the 10 countries of the Association of Southeast Asian Nations (ASEAN), as well as providing more targeted funding support for enterprises to implement green transformation projects.

Since the launch of "Easy BUD" in June 2023 till end-February 2026, around 1 870 "Easy BUD" applications with supporting documents submitted (including applications involving the project measure of establishment of online sales platform) were under processing or had been processed by the Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund.

Since the implementation of the above enhancement measures on 14 March 2025 till end-February 2026, more than 80 applications targeting at the 10 ASEAN countries were received under "E-commerce Easy". During the same period, around 235 enterprises benefitted from the above enhancement measures of "Easy BUD" and "E-commerce Easy", with the approved funding amount of around $16.9 million.

On the other hand, HKPC, the Programme Secretariat of the BUD Fund, does not maintain statistical breakdown related to the BUD Fund projects involving green transformation elements.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3261)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the follow-up and effectiveness evaluation for successful applicant enterprises under the Dedicated Fund on Branding, Upgrading and Domestic Sales:

Has the Government established a mechanism to keep track of the business development of funded enterprises over the long term, such as survival rate in overseas markets, business expansion, changes in employment figures, etc.? If so, what are the estimated expenditure and staff establishment for such follow-up work? Will the follow-up findings be published regularly?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 40)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements (FTAs) and/or investment promotion and protection agreements (IPPAs).

The Government has been conducting project completion surveys and annual tracking surveys to assess the effectiveness of the BUD Fund through the Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund. HKPC will report the survey findings to the Programme Management Committee of the BUD Fund (comprising members from the industrial, commercial and professional sectors, as well as small and medium enterprise associations) on a regular basis.

As at end-February 2026, around 98% of the enterprises that responded to the project completion surveys considered the BUD Fund useful in supporting their business development. The enterprises also indicated that the BUD Fund had helped them in various

areas, including enhancing their image, awareness of their brands/products/services, and their overall competitiveness, etc. Around 99% of the enterprises that responded to the annual tracking surveys considered the BUD Fund useful to their long term development. Moreover, 70% of the enterprises that responded to the surveys indicated that they were able to further develop business in the Chinese Mainland or in other target markets with which Hong Kong has signed FTAs/IPPAs within 1 year after completion of their projects, such as increasing the number of local distributors and establishing online shops; while around 20% of the enterprises that responded to the surveys indicated that they had hired additional employees within 1 year after completion of their projects.

The manpower and expenditure required for the relevant work have been subsumed under the manpower and other expenses for HKPC to implement the BUD Fund as the Programme Secretariat, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3262)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

(1) In 2025-26, how many cases were identified during the vetting of applications for the Dedicated Fund on Branding, Upgrading and Domestic Sales in which enterprises had submitted false documents or failed to meet the requirement of "substantive business operations"? What was the expenditure on the related investigation and enforcement work?

(2) To assist enterprises in understanding the application requirements and avoid rejection due to incomplete documentation, will the Government allocate additional resources in 2026-27 for organising more application workshops or briefing sessions? If so, what are the estimated number of sessions to be organised and the expenditure involved; if not, what are the reasons?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 41)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements.

To ensure proper utilisation of public funds, stringent vetting procedures have been established for the BUD Fund to guard against any abuse of funds or fraud. In assessing the applications, the Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund, would follow the established procedures to conduct initial assessment on all BUD Fund applications and supporting documents submitted by enterprises in accordance with the eligibility and funding criteria specified in the Guide to Application. The applications will then be submitted to the Inter-departmental Committee (comprising representatives from relevant Government bureaux/departments) for vetting, and thereafter to the Programme

Management Committee (comprising members from the industrial, commercial and professional sectors and small and medium enterprise associations) for consideration and approval. The Programme Secretariat of the BUD Fund will also conduct on-site inspections to determine whether enterprises have substantive business operations in Hong Kong, depending on the actual circumstances and needs. In 2025, around 7% of the applications received failed to meet the eligibility requirement of having substantive business operations in Hong Kong.

To facilitate enterprises in submitting BUD Fund applications, the dedicated webpage of the BUD Fund already provides information on the application process, frequently asked questions, application tips and success stories, etc. for enterprises to refer to when planning their projects. We will also introduce the BUD Fund's operation through organising seminars, the "SME ReachOut" and the "four-in-one" Integrated Services of SME Centres, etc. HKPC, the Programme Secretariat of the BUD Fund, plans to enhance promotion of the BUD Fund to enterprises in 2026-27 by organising seminars regularly, participating in trade exhibitions or information expos, placing advertisements, updating thematic websites and distributing promotional leaflets, etc. In addition, the Programme Secretariat of the BUD Fund and the "SME ReachOut" will provide free one-on-one consultation service to answer enquiries relating to application.

The manpower and expenditure of the Commerce and Economic Development Bureau and the Trade and Industry Department for implementing the BUD Fund have been subsumed under their respective overall establishment and estimates, and cannot be quantified separately. The estimated expenditure of the BUD Fund in 2026-27 is $998 million, including the manpower and other expenses for HKPC to implement the BUD Fund as the Programme Secretariat, as well as disbursements to grantees.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1165)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Matters Requiring Special Attention in 2026-27 under Programme (2), it is mentioned that the Commerce and Economic Development Bureau will continue to steer the work of the GoGlobal Task Force and co-ordinate various bureaux, departments and agencies in formulating diverse proposals for Mainland enterprises looking to go global through Hong Kong. Provision of $5 million under Subhead 88L Hong Kong Trade Development Council (block vote) is for HKTDC to set up a new digital platform of cross-sectoral services under the GoGlobal Task Force to support Mainland enterprises to go global via Hong Kong. In this connection, please inform this Committee:

1) of the relevant promotion measures to be taken by the Bureau in 2026-27 to attract more Mainland enterprises to go global via Hong Kong (in tabular form by theme of activity, time sequence, target enterprise, publicity channel, manpower involved and estimated expenditure);

2) of the details on redeployment of resources to support the Task Force on Supporting Mainland Enterprises in Going Global, with the areas, estimated expenditures and staffing provision involved in the support work set out in tabular form; and

3) of the establishment timetable, services included, target enterprises and expected effectiveness of the digital platform of cross-sectoral services, the promotion measures for matching efficiently Mainland enterprises with the resources in Hong Kong, as well as the estimated expenditure breakdown and staffing provision involved in the relevant work.

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 3)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

Apart from the Commerce and Economic Development Bureau, GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; InvestHK; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. Major work will include the following –

- To focus on attracting key or strategically valuable Chinese Mainland enterprises to establish a presence in Hong Kong for further going global, and support different Chinese Mainland enterprises to go global through the network of the GoGlobal Task Force members;

- To organise promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect;

- To match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in

setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner; and

- To organise overseas outbound missions to be led by the Hong Kong Special Administrative Region Government officials to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

InvestHK will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises, including Chinese Mainland enterprises planning to go global through Hong Kong, to set up or expand businesses in Hong Kong between 2026 and 2027.

In 2026-2027, a one-off allocation of $5 million will be allocated to HKTDC to establish a digital platform for the above-mentioned cross-sectoral professional services. Manpower and expenditure for other work by GoGlobal Task Force members have been subsumed under their respective overall establishment and estimates, and cannot be quantified separately.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

CEDB070

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3251)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Following the capital injection into the Dedicated Fund on Branding, Upgrading and Domestic Sales, will the Government promote collaboration between small and medium-sized enterprises (SMEs) and the Science Park as well as various industry associations, and streamline the application procedures specifically for the development of software for market use by SMEs?

Asked by: Hon KONG Man-wai, Vivian (LegCo internal reference no.: 38)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) is one of the initiatives of the Government in supporting small and medium enterprises (SMEs), aiming to provide funding support for Hong Kong enterprises to develop business through upgrading, restructuring and enhancing competitiveness in a total of 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements, including the Chinese Mainland.

The Government has provided online application services in respect of the BUD Fund since 2020. The application form has been simplified, and the webpage of the BUD Fund has been redesigned to provide graphical illustrations of the application process, frequently asked questions, application tips, and video clips showcasing success stories, etc., such that enterprises can obtain simple and clear information on application when planning their projects. The Government also launched "Easy BUD" in June 2023. The application form, requirements for supporting documents and the vetting arrangements have been simplified to expedite the vetting of applications involving designated measures with a funding amount of $100,000 or below.

The Government announced in the 2025 Policy Address and the 2026-27 Budget the injection of a total of $1.63 billion into the BUD Fund to implement a series of measures to strengthen the support to SMEs, including expansion of the geographical scope of the BUD Fund by 20% to cover 48 economies, enhancing promotion and facilitating enterprises' participation in exhibitions and export marketing activities through "Easy BUD", increasing the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000, as well as providing more targeted funding support for enterprises to implement BUD Fund projects which involve artificial intelligence elements.

Besides, the Government has consolidated the 4 SME centres, namely the "Support and Consultation Centre for SMEs" under the Trade and Industry Department, the "SME Centre" under the Hong Kong Trade Development Council, the "SME One" under the Hong Kong Productivity Council and the "TecONE" under Hong Kong Science and Technology Parks Corporation, since 2019 to provide "four-in-one" integrated services, such that SMEs can receive consultation and referral services in any one of the aforementioned centres. In addition, the 4 SME centres co-organise seminars on various topics, with a view to facilitating exchanges and cooperation among industries and the trade.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3252)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The growing popularity of online shopping has led to fundamental changes in consumption patterns, putting offline retail under pressure from declining foot traffic. That said, the convenience of offline shopping in Hong Kong remains a core advantage. Will the Government leverage the Dedicated Fund on Branding, Upgrading and Domestic Sales to guide small and medium enterprises (SMEs) from the retail and tourism sectors in creating online-merge-offline consumption scenarios, such as using artificial Intelligence technology to build interactive experience platforms, pop-up stores, etc.? Meanwhile, will the Government coordinate with relevant departments to introduce complementary policies, such as rent concessions and online promotion subsidies, to help SMEs activate their offline resources and cope with the impact of online shopping?

Asked by: Hon KONG Man-wai, Vivian (LegCo internal reference no.: 39)

Reply:

The 2026-27 Budget mentioned that the growing popularity of online shopping and changing consumption patterns have posed challenges to some sectors. The Government has been adopting a multi-pronged approach through various policy measures such as funding support, capacity building, publicity and promotion, market expansion, etc., to promote diversified development, upgrading and transformation of small and medium enterprises (SMEs), thereby enhancing their competitiveness.

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) is one of the Government's measures to support SMEs, which aims to provide funding support for Hong Kong enterprises to develop business through upgrading, restructuring and enhancing competitiveness in a total of 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements, including the Chinese Mainland.

As artificial Intelligence (AI) technology continues to develop, its application in commerce and trade has become more and more prevalent. The 2026-27 Budget announced that $200 million will be injected into the BUD Fund and more targeted funding support will be provided for enterprises to implement BUD Fund projects with AI elements, with a view to helping them implement eligible AI measures to further develop their businesses in markets outside Hong Kong. Enterprises can make use of the funding to adopt AI to strengthen marketing promotion and market expansion, provided that the funding criteria of the BUD Fund can be satisfied. Examples include development of AI chatbot function in enterprises' websites; and/or adoption of AI to ensuring that the production lines meet the regulatory requirements of target markets to increase enterprises' productivity and their competitiveness in the market.

Besides, the Government will continue to encourage more enterprises to take the initiative to develop cross-border electronic commerce (e-commerce) business, while enhancing brand awareness and expanding sales network at the same time. For example, we will launch the Hong Kong Shopping Festival through the Hong Kong Trade Development Council (HKTDC) for the e-commerce markets of the Mainland and the Association of Southeast Asian Nations over the 3 years between 2026 and 2028, with a view to providing a platform for Hong Kong enterprises to showcase and promote their products while helping them enhance brand influence and market coverage. Meanwhile, the Government will launch the "Creativity · E-commerce – Beyond Limits" Programme through HKTDC and the Hong Kong Productivity Council to provide Hong Kong SMEs and brands with practical advice related to e-commerce services and professional marketing that keeps abreast of the time through a series of activities like exhibitions, experts' sharing and booth display, etc., with a view to enhancing enterprises' digital marketing capabilities and market competitiveness, as well as assisting them in developing e-commerce business and exploring new business opportunities.

The Government will continue to enhance various measures from time to time, having regard to the economic situation and needs of the trade, so as to enhance the long-term competitiveness of SMEs and driving the overall economic development of Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2756)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 163 of the Budget Speech that the Intellectual Property Department, together with the Vocational Training Council, will roll out a two-year pilot programme and establish the Intellectual Property Academy (the Academy), and the Government has earmarked $52 million for the project. In this connection, will the Government inform this Committee of the following:

1. What is the breakdown of the estimate for the pilot programme, including the estimated amounts allocated for items such as curriculum development, platform creation and publicity?

2. What training courses linked to the Qualifications Framework (QF) will the Academy provide? What are the QF levels, types of course content, duration of study and number of places of the training courses?

3. What are the performance indicators for the pilot programme? Will the Government track participants' completion rates, assessment results and professional qualifications acquired, as well as the actual contribution of the pilot programme to the supply of talent for the intellectual property sector?

Asked by: Hon LAM Lam, Nixie (LegCo internal reference no.: 17)

Reply:

To strengthen intellectual property (IP)-related on-the-job training and meet the needs of different sectors in using IP across various areas, the Intellectual Property Department (IPD) is collaborating with the Vocational Training Council (VTC) to implement a two-year pilot programme to establish the Intellectual Property Academy (the Academy). The design and planning of the relevant programmes will be more systematic and better recognised, with

more diversified and in-depth content, offering varying breadth, depth, and focus tailored to market and policy needs. The programmes will cover areas such as the creation, protection, management, transformation and commercialisation of IP, as well as dispute resolution, and will include the major fields of IP such as patents, trade marks, copyright and designs. This will help participants acquire knowledge covering the full IP chain in the course of their business operations, enabling them to formulate and implement business strategies effectively. Suitable programmes will be linked to the corresponding levels under the Qualifications Framework. In the course of developing the programmes, we will widely gather feedback from different industry sectors.

The Academy targets practitioners from various sectors, including technology and innovation, cultural and creative industries, commerce and industry, and professional services. Local innovation entities (including research institutions, start-ups and small and medium enterprises), as well as enterprises and service providers engaged in IP trading and commercialisation, will all stand to benefit. During the two-year pilot period, the Academy is expected to provide training to about 2 000 participants.

The Government has earmarked $52 million to support the establishment of the Academy and its operating expenses for the first 2 years, including staff remuneration, teaching facilities, information platforms, curriculum development and design, qualification accreditation, publicity and promotion, as well as other administrative and operating expenses. As for the specific funding arrangements, IPD will further discuss with VTC and set out the details of the implementation arrangements in the funding agreement.

In the course of implementing the pilot programme, the Government will review and evaluate the Academy's initial operation and effectiveness from multiple perspectives, including using questionnaire surveys, case studies and data analysis. The main reference indicators will include industry response to the programmes, such as the completion and passing rates of participants, their satisfaction levels, and feedback from enterprises and employers. The Government will also assess the extent to which the programme content meets the actual needs of the industry, as well as the effectiveness of the programmes in enhancing practitioners' capabilities in IP management and application, so as to make timely adjustments and refine the future direction for nurturing IP talent.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0384)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the programme that the Commerce and Economic Development Bureau will continue to work with the Hong Kong Export Credit Insurance Corporation to enhance export credit insurance coverage for exporters through various support measures. A number of new initiatives on export credit insurance have been introduced, including the upcoming "SME Protect Plus" pilot scheme. In this connection, will the Government advise this Committee of the idea of the scheme, as well as its details such as the eligibility criteria and thresholds for application, or whether there are any restrictions?

Asked by: Hon LAMPORT Jonathan Stuart (LegCo internal reference no.: 22)

Reply:

As announced in the 2026-27 Budget, the Hong Kong Export Credit Insurance Corporation (ECIC) will launch the pilot scheme "SME Protect Plus" to provide protection for small and medium enterprises (SMEs) engaging in exports with higher-risk buyers, so as to assist SMEs in exploring new businesses.

The pilot scheme is specifically designed for ECIC's Small Business Policy holders, which are Hong Kong exporters with an annual turnover of less than HK$50 million. Existing and new policyholders can be benefitted from the scheme. ECIC is currently formulating the detailed arrangement of the scheme including coverage of higher-risk buyers (e.g. the number of years since their establishment), maximum liability, indemnity percentage, premium rate, and application procedures, etc., and anticipates to launch the pilot scheme in the third quarter of 2026 for 1 year. Further details of the pilot scheme will be announced in due course.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0385)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will continue to strengthen policy work related to overseas Economic and Trade Offices (ETOs), including enhancing their functions and expanding the ETO network. In this connection, will the Government advise this Committee of the specific details of "enhancing functions" as mentioned above? At the moment, has the Government formulated any specific plans or timelines regarding "expanding the ETO network"?

Asked by: Hon LAMPORT Jonathan Stuart (LegCo internal reference no.: 26)

Reply:

The Hong Kong Special Administrative Region (HKSAR) Government has been committed to expanding international economic and trade networks, and the Economic and Trade Offices (ETOs) play a vital role in deepening international exchanges and cooperation for Hong Kong. Currently, the HKSAR Government has 15 overseas ETOs. Among others, following the Chief Executive's announcement in the 2025 Policy Address, the Kuala Lumpur ETO was established on 10 December 2025 and has gradually come into operation. With the establishment of the Kuala Lumpur ETO, the HKSAR Government has expanded the coverage of the 4 ETOs in the Association of Southeast Asian Nations (ASEAN) countries accordingly. In addition to the 12 countries originally covered, Timor-Leste, Pakistan and Sri Lanka are included with a view to deepening our trade and investment promotion work in ASEAN and neighbouring Asian countries.

Meanwhile, as announced in the 2025 Policy Address, the HKSAR Government has set up the Task Force on Supporting Mainland Enterprises in Going Global to provide one-stop and customised support services to the Chinese Mainland enterprises venturing overseas through Hong Kong, and established the functional platform of "Economic and Trade Express" to proactively support Hong Kong's small and medium enterprises and start-ups in exploring high-potential markets and organising overseas business visits, while identifying enterprises

to invest and establish operations in Hong Kong, thereby promoting the two-way flows of enterprises and investments. In support of the above measures, ETOs will collaborate more systematically with the overseas offices of the Hong Kong Trade Development Council and Invest Hong Kong to strengthen Hong Kong's economic and investment relations with major trading partners, playing a more pivotal role in a trio-coordinated manner.

In the face of the constant state of flux in the international trade landscape, in addition to maintaining our ties with traditional markets, the HKSAR Government has been striving to expand Hong Kong's economic and trade network by strengthening ties with high-potential economies particularly emerging markets, with a view to assisting local enterprises in exploring new business opportunities. We will continue to follow up with the government of Saudi Arabia on the proposal to establish an ETO in Riyadh, and explore the feasibility of setting up ETOs or other overseas offices in different regions, particularly in emerging markets.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0386)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Trade Development Council will collaborate with overseas Economic and Trade Offices and Invest Hong Kong to take forward the various initiatives under the "Economic and Trade Express", including training and information services. In particular, the Mentorship Programme, which is a one-year programme organised by the Trade and Industry Department, is one of the key initiatives in the 2025 Policy Address to strengthen the support for e-commerce development. In this connection, will the Government inform this Committee of the number of trainees enrolled in the programme since its launch in August last year, the number of training courses, seminars, workshops and practical opportunities offered? What are the specific results achieved?

Asked by: Hon LAMPORT, Jonathan Stuart (LegCo internal reference no.: 27)

Reply:

As a measure announced in the 2025 Policy Address, the Government has set up the functional platform of "Economic and Trade Express" to strengthen trio-coordination among overseas Economic and Trade Offices, Invest Hong Kong and the Hong Kong Trade Development Council (HKTDC) with a view to proactively organising overseas visits for local small and medium enterprises (SMEs) and start-ups to explore business opportunities, while facilitating more enterprises to invest in and establish businesses in Hong Kong, thereby promoting two-way flow of enterprises and investments.

On the other hand, the Mentorship Programme (Branding and E-commerce Development) (the Programme) organised by the Trade and Industry Department (TID) aims at enhancing SMEs' capacity in developing brands and expanding the sales network of electronic commerce (e-commerce). The Programme was launched in August 2025 to provide a one-year mentorship for mentees with dedicated mentors who offer specific advice to respective mentees so as to strengthen support for SMEs to develop their own brands and

leverage the advantages of Hong Kong brands, thereby seizing business opportunities brought about by global cross-border e-commerce, in particular the e-commerce markets of the Mainland and the Association of Southeast Asian Nations. The Programme has received support from the Hong Kong General Chamber of Commerce, the Chinese General Chamber of Commerce, the Chinese Manufacturers' Association of Hong Kong, the Hong Kong Chinese Importers' and Exporters' Association, the Federation of Hong Kong Industries, the Hong Kong Commerce and Industry Associations, the Hong Kong General Chamber of Small and Medium Business, the Hong Kong Small and Medium Enterprises Association, HKTDC, "SME One" and "SME ReachOut" of the Hong Kong Productivity Council and "TecONE" of the Hong Kong Science and Technology Parks Corporation, in nominating mentors and SME mentees, as well as providing activities for mentees' participation.

Mentees of the Programme are from 28 enterprises engaging in manufacturing, import/export trade and wholesale, retail, restaurants and hotels, design, professional and business services, and training services, etc. In addition to mentorships, the Programme also comprises theoretical seminars and workshops, etc. to enhance mentees' understanding of the latest development of branding and e-commerce, and facilitate their application of the theories into real-world practice. As at end-February 2026, the 4 SME centres, "SME ReachOut", HKTDC and other organisations have organised more than 30 training courses, seminars and workshops on various topics related to branding and e-commerce, such as "SME E-commerce and New Market Development Academy Series" and "Profits Beyond Likes: Food Companies Monetising Social Engagement via Xiaohongshu", for interested mentees. TID will review the effectiveness of the Programme upon its completion of the one-year mentorship period in August 2026.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0387)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Trade Development Council will be committed to promoting awareness of Hong Kong brands, including silver product brands on Mainland e-commerce platforms, to develop the national domestic sales market. In this connection, will the Government inform this Committee of the specific measures to be taken to meet this target, and the estimated amount of resources and capital to be allocated?

Asked by: Hon LAMPORT, Jonathan Stuart (LegCo internal reference no.: 28)

Reply:

The Hong Kong Trade Development Council (HKTDC) has been dedicated to promoting Hong Kong brands. In addition to organising more than 40 international exhibitions and conferences in Hong Kong every year, HKTDC will step up its efforts in 2026-27 to enhance the awareness of Hong Kong brands and support Hong Kong enterprises in expanding into the Mainland domestic sales market through a series of commercial and trade activities, including:

- launching the "E-Commerce Express". Addressing the pain points encountered by Hong Kong enterprises when developing cross-border electronic commerce (e-commerce) on the Mainland and in collaboration with large-scale e-commerce or social media platforms, HKTDC conducts a series of thematic training seminars and research sharing sessions to disseminate practical knowledge such as online store operations, e-commerce supply chain management, social media strategies for brand building, e-commerce smart operations driven by artificial intelligence, etc. In view of developments of the e-commerce market, HKTDC also publishes relevant research reports so as to provide more comprehensive support for small and medium enterprises interested in tapping into the Mainland e-commerce market;

- dovetailing with the "E-Commerce Express" by organising the 3rd edition of the Hong Kong Shopping Festival on Mainland e-commerce platforms in August 2026. The event provides practical experience for enterprises, helping them leverage the extensive customer base and traffic of Mainland e-commerce platforms with a view to enhancing brand and product awareness on the Mainland and accelerating enterprises' development of the Mainland domestic sales market;

- setting up Hong Kong Pavilions in large-scale Mainland exhibitions, thereby promoting Hong Kong brands, products and professional services;

- providing consignment services for Hong Kong enterprises through the HKTDC Design Gallery. As at February 2026, the HKTDC Design Gallery has established 72 physical retail outlets in 27 Mainland cities. 33 of those physical retail outlets are located in the Guangdong-Hong Kong-Macao Greater Bay Area. The HKTDC Design Gallery has also established online stores on large-scale Mainland e-commerce platforms, attracting the participation of nearly 400 brands every year and assisting Hong Kong enterprises to tap into the Mainland e-commerce market. To better promote silver products to Mainland consumers, the HKTDC Design Gallery has set up a dedicated silver market section at its online store and promotes relevant products to senior consumers on Mainland social media platforms. Moreover, the HKTDC Design Gallery organises various online and offline promotional activities from time to time with a view to enhancing the awareness of the brands of Hong Kong enterprises; and

- hosting eTailingPulse and MarketingPulse in March every year, bringing together global marketing officers, retailers, brand representatives, elites from the advertising industry and e-commerce experts, etc., to share insights and successful case studies on global marketing and e-commerce development trends. Every year, the event attracts more than 1 600 participants. Key topics covered in the 2026 eTailingPulse include e-commerce trends and best practices, e-commerce strategies, upgrading and evolution of "instant retail", etc., assisting the trade in tapping into e-commerce market.

The expenditure of the above measures has been subsumed under the overall establishment and estimates of HKTDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0388)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under this Programme that the Government will promote the Belt and Road (B&R) capacity building platforms in Hong Kong by co-ordinating with Hong Kong's public organisations and institutes to provide training for the personnel of B&R countries. In this connection, will the Government inform this committee which organisations and institutes will be coordinated to participate in providing training? What types of training and training content will be provided? What are the expected training outcomes?

Asked by: Hon LAMPORT, Jonathan Stuart (LegCo internal reference no.: 30)

Reply:

The Belt and Road Office of the Commerce and Economic Development Bureau is coordinating with some 20 different public organisations and institutions to consolidate a list of the Belt and Road Capacity Building Platforms in Hong Kong (list at **Annex**). The Platforms provide training covering a wide range of areas for the personnel of Belt and Road (B&R) countries, including transport and logistics, financial services, legal services, development and construction, environment and ecology, innovation and technology, health and integrity, etc. Subject to the operation of the Platforms, the relevant capacity building programmes may be delivered through various modes, including courses (online and/or physical), international conferences and exchange visits, etc. Some organisations and institutions would also tailor-make training courses for B&R personnel specifically.

Through training personnel from B&R countries, we hope to further enhance Hong Kong's soft power branding, showcase Hong Kong to overseas as a partner in cross-professional and cross-regional "soft connectivity" of rules and standards, and promote people-to-people bond with B&R countries.

- End -

Annex

Belt and Road Capacity Building Platforms

1. Hong Kong International Aviation Academy
2. MTR Academy
3. Capacity-building Alliance of Sustainable Investment — partner of the Infrastructure Financing Facilitation Office of the Hong Kong Monetary Authority
4. Core Climate
5. Financial Services Development Council
6. Hong Kong International Legal Talents Training Academy
7. Asian-African Legal Consultative Organization Hong Kong Regional Arbitration Centre
8. Building Technology Research Institute
9. Spatial Data Office
10. Centre of Excellence for Major Project Leaders
11. Construction Industry Council
12. Hong Kong Green Building Council
13. Meteorological Training Centre for Belt and Road Countries
14. Belt and Road Sustainable Green Development Training Centre
15. Hong Kong Science and Technology Parks Corporation
16. Hong Kong Cyberport Management Company Limited
17. Hong Kong-Shenzhen Innovation and Technology Park Limited
18. Hong Kong Productivity Council
19. The Belt and Road Alliance for Traditional Chinese Medicine
20. Hong Kong Office of the Shenzhen Hospital Accreditation Research Center
21. Hong Kong International Academy Against Corruption

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CONTROLLING OFFICER'S REPLY

(Question Serial No. 3011)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under this Programme that the Government will continue to plan for new convention and exhibition facilities to maintain and consolidate the international status of Hong Kong's convention and exhibition industry. According to the Hong Kong Trade Development Council, the expansion works of the Hong Kong Convention and Exhibition Centre in Wan Chai is progressing slowly at present. In this connection, will the Government inform this Committee of the current progress of the relevant works? Are there any new target sites? If so, what are the locations of those sites and what are the reasons for choosing them?

Asked by: Hon LAMPORT, Jonathan Stuart (LegCo internal reference no.: 23)

Reply:

To consolidate and enhance the pre-eminent position of Hong Kong as an international convention and exhibition (C&E) hub, and in response to the keen demand for exhibition venues from the industry, the Hong Kong Special Administrative Region Government has been taking forward the Wan Chai North Redevelopment project near the Hong Kong Convention and Exhibition Centre as planned. The project involves the redevelopment of sites of the Wan Chai Government Offices Compound (WCGOC), Gloucester Road Garden and Kong Wan Fire Station into C&E facilities, hotel, etc. The construction works for the reprovisioning buildings involving the relevant user departments of WCGOC and the reprovisioning of the Kong Wan Fire Station are underway and are expected to be completed by the end of 2027.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3012)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Programme that the Commerce and Economic Development Bureau will continue to work with the Trade and Industry Department and the Hong Kong Productivity Council to strengthen the promotion of Government funding schemes and support small and medium enterprises in capacity building. Among others, in March 2025, the Dedicated Fund on Branding, Upgrading and Domestic Sales announced expansion of its geographical scope to cover an additional 8 regions, including Brazil, India, Mexico, Chile, Argentina, the United Arab Emirates, South Africa, and Kazakhstan. In this connection, will the Government inform this Committee of the status and effectiveness of applications targeting these 8 regions? Is there any plan to expand the scope to more markets in the coming year?

Asked by: Hon LAMPORT Jonathan Stuart (LegCo internal reference no.: 24)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements (FTAs) and/or investment promotion and protection agreements (IPPAs). The Government announced in the 2025 Policy Address the expansion of the geographical scope of the BUD Fund by 20% to cover 8 more economies, in addition to the current 40 economies of the Chinese Mainland and other economies with which Hong Kong has signed FTAs and/or IPPAs. The 8 economies are Saudi Arabia, Bangladesh, Egypt, Hungary, Pakistan, Kazakhstan, Mongolia and Brazil. The Government plans to seek approval from the Finance Committee of the Legislative Council in the 2nd quarter of 2026, with a view to introducing the enhancement measures and starting to accept applications targeting these 8 economies in the same quarter. The current geographical scope of the BUD Fund accounts for more than 80% of Hong Kong's total trade in goods in 2025. The

geographical scope of the BUD Fund will be gradually expanded when Hong Kong signs more FTAs or IPPAs in the future.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3013)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is learnt that the Government will continue to implement the Incentive Scheme for Recurrent Exhibitions (ISRE) 2.0 with a view to further promoting mega event economy and the development of the convention and exhibition industry and explore opportunities to further enhance the development of the industry. The ISRE 2.0, launched in July last year with a provision of $500 million, provides eligible organisers with venue rental subsidies. What effects have been achieved since its implementation? What are the utilisation rates of various exhibition venues? What is the size of funding for the scheme in the coming year? How many large-scale international exhibitions with new elements are expected to be attracted to Hong Kong?

Asked by: Hon LAMPORT Jonathan Stuart (LegCo internal reference no.: 25)

Reply:

To further promote the development of the convention and exhibition (C&E) industry and the mega event economy, thereby generating overall economic benefits for Hong Kong, as announced in the 2024 Policy Address, the Hong Kong Special Administrative Region (HKSAR) Government allocated an additional funding of $500 million for launching the Incentive Scheme for Recurrent Exhibitions (ISRE) 2.0 on 1 July 2025, focusing on attracting new and recurrent international exhibitions of large scale.

Since the launch of ISRE 2.0 last July, it has received overwhelmingly positive response and strong industry support, exceeding our expectation. To date, ISRE 2.0 has supported some 80 eligible exhibitions, involving a total incentive of over $370 million. The exhibitions supported by ISRE 2.0 have attracted numerous participants (including exhibitors and buyers), benefitting the C&E industry, while attracting high-spending business travellers and bringing in business to such related sectors as accommodation, catering, retail and entertainment.

As stipulated in the Application Guide and the Commerce and Economic Development Bureau (CEDB) previously explained to the industry on various occasions, ISRE 2.0 will conclude upon exhaustion of funds. In this connection, we have been maintaining close communication with the venue operators. Based on the latest spending position and projection, the fund under ISRE 2.0 is expected to be exhausted by April, and the Scheme will successfully conclude. CEDB has earlier on invited the venue operators to proactively communicate with relevant organisers to enable the industry to make necessary preparations for the scheme's conclusion.

The HKSAR Government will continue with its strong support for the development of the C&E industry in Hong Kong. As announced in the 2026-27 Budget, to promote the further development of the exhibition industry and brand building, the HKSAR Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing the Chinese Mainland and overseas brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. We are formulating the relevant arrangements and implementation details.

Unlike the previous arrangement of subsidising venue rental through incentive schemes, we will pilot a more flexible approach of providing financial support. By partnering with statutory bodies and relevant organisations, we will leverage their expertise, networks and supporting services to identify and attract large-scale, high-quality international exhibitions with new elements to be staged in Hong Kong, with the aim of injecting new impetus into the C&E industry and reinforcing Hong Kong's position as a premier platform for showcasing the Chinese Mainland and overseas brands.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3014)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Belt and Road Summit assists Hong Kong enterprises to interface with enterprises from the Chinese Mainland and Belt and Road countries to jointly explore business opportunities. The Government allocates resources annually to organise the Belt and Road Summit. In this connection, will the Government inform this Committee of the funding allocation in the past 3 years, and how the relationship between the funding allocated and the effectiveness of the Summit can be assessed?

Asked by: Hon LAMPORT Jonathan Stuart (LegCo internal reference no.: 29)

Reply:

The Belt and Road Summit (Summit), organised since 2016, is Hong Kong's flagship event in our participation in and contribution to the Belt and Road Initiative (B&RI). It has established itself as one of the important platforms fostering business and project matching.

The past 10 editions of Summits have cumulatively attracted more than 52 000 participants and over 800 speakers from more than 120 countries and regions; showcased more than 3 000 investment projects (including large-scale infrastructure along Belt and Road (B&R) regions), arranged over 6 300 investment and business matching sessions and featured over 820 exhibitors. In particular, the 10th Summit last year brought together some 6 200 government and business leaders from over 70 countries and regions; featured over 300 investment projects; newly added a B&R signature project session that introduced urban development projects in Thailand and Saudi Arabia, arranged over 800 investment and business matching sessions, featured over 120 exhibitors, and facilitated 45 memoranda of understanding (MoUs). The total value of these MoUs, together with projects and deals closed leading to the Summit, is about US$1 billion. As a follow-up to the signature project session at the Summit, the Belt and Road Office and the Construction Industry Council co-organised an exchange session, inviting representatives of an urban development project in Thailand to

share the latest developments of the project with the relevant professional service sectors in Hong Kong, facilitating Hong Kong industries in timely obtaining detailed information and cooperation requirements of the project, with a view to exploring further practical co-operation.

Furthermore, other institutions and organisations also organised B&R-related activities before and after the Summit for enhancing synergy, jointly promoting Hong Kong as an important bridge for showcasing the achievements of fostering people-to-people bond and exchanges under the B&RI.

Through conducting follow-up interviews and tracking project implementation, the Hong Kong Trade Development Council (HKTDC) evaluates participant satisfaction and further facilitates successful collaboration. Previous editions of the Summit introduced large-scale infrastructure projects in various B&R regions and successfully brokered numerous "small and beautiful" projects, fostering cooperation among Hong Kong, Chinese Mainland and overseas business communities. For instance, HKTDC has facilitated the collaboration between a Hong Kong start-up and an Indonesian agricultural technology company in recent year.

The expenditure for organising the Summit has been subsumed under the overall estimate and cannot be quantified separately. We will continue to review and optimise the work and arrangements related to the Summit, with a view to further enhancing its effectiveness in promoting business, trade and investment.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3015)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in Subhead 88L that provision of $5 million under Hong Kong Trade Development Council (HKTDC) (block vote) is for HKTDC to set up a new digital platform of cross-sectoral services under the GoGlobal Task Force to support Mainland enterprises to go global via Hong Kong. In this connection, please inform this Committee of the specific details of the work of the digital platform. How many enterprises are expected to be supported each year after the launch of the platform? Have specific quantitative objectives been set? Apart from the initial provision for setting up the platform, is there any need to provide working capital on an ongoing basis to ensure its effective operation in the long run?

Asked by: Hon LAMPORT Jonathan Stuart (LegCo internal reference no.: 34)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong. HKTDC is one of the GoGlobal Task Force members.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. HKTDC coordinates the relevant work

to match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner.

InvestHK, as another GoGlobal Task Force member, will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises, including Chinese Mainland enterprises planning to go global through Hong Kong, to set up or expand businesses in Hong Kong between 2026 and 2027. The aforementioned cross-sectoral professional services platform will provide support services to the Chinese Mainland enterprises concerned.

In 2026-2027, a one-off allocation of $5 million will be allocated to HKTDC to establish a digital platform for the above-mentioned cross-sectoral professional services. Other recurrent expenditure of the platform has been subsumed under HKTDC's overall estimates and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3257)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 124 of the Budget Speech that Hong Kong will strengthen its role as the functional node for the Belt and Road (B&R) Initiative, collaborate with industry players to further develop the ASEAN and Middle East markets, and explore the potential of Central Asia, South Asia and North Africa markets. In this connection, please advise this Committee of the following:

a. Does the Government have any plans to organise delegation visits to B&R countries in the coming year to continue to take forward its work in "bringing in" investments to Hong Kong from local business communities in those countries?

b. Given the persisting geographical tensions and Hong Kong's long-established status as a "safe haven" for investors, has the Government considered introducing targeted strategies to attract international capital seeking to diversify their asset allocation risks to Hong Kong?

Asked by: Hon LAMPORT, Jonathan Stuart (LegCo internal reference no.: 39)

Reply:

In 2026, we will organise business missions to 5 Belt and Road (B&R) countries to explore new business opportunities for Hong Kong enterprises and professional services.

The increasing uncertainty in geopolitical landscape may bring shocks and volatility to Hong Kong in the short-term, but it also presents new opportunities. Hong Kong enjoys the advantage of connecting the Chinese Mainland and the world under the "One Country, Two Systems" principle. Hong Kong is a free port where capital, talent, information, and goods flow freely. Coupled with our geopolitical security and stability, Hong Kong may give full play to our roles as "super-connector" and "super value adder". We note that amid

geopolitical tensions, overseas funds have been derisking through, among others, investing in Chinese Mainland and other Asian markets. Invest Hong Kong will proactively seize the opportunity to promote Hong Kong's unique advantages and attract more foreign investment.

The Hong Kong Trade Development Council (HKTDC) has been actively promoting Hong Kong as an international business and trade platform for B&R. Through large-scale international conferences, business missions, promotional and outreach activities, HKTDC fosters collaboration between enterprises, investors and professional service providers from the Chinese Mainland and Hong Kong and owners of projects in B&R countries. In exploring emerging markets, HKTDC formulates relevant promotion and co-operation strategies tailored for different markets taking into account the latest economic and trade situations of individual markets as well as bilateral industry co-operation opportunities. Meanwhile, HKTDC would flexibly respond to the impacts of geopolitical situations on the overall planning of business activities in certain regions, ensuring that its strategies remain forward-looking and feasible.

HKTDC will continue to strengthen ties with the Association of Southeast Asian Nations, the Middle East and other B&R markets. By inviting government representatives, investment institutions and project owners from B&R countries and regions to participate in relevant activities, HKTDC promotes cross-market information exchange and project matching to assist international investors in understanding the investment needs and risk considerations of different markets, so as to make appropriate asset allocation arrangements. In light of market developments and feedback from businesses, HKTDC would also refine its strategies to ensure the relevant work would be more targeted and effective.

Moreover, we will closely monitor the development of the geopolitical landscape and explore the expansion of Hong Kong's networks of free trade agreements and investment promotion and protection agreements to economies with strong trade connections with Hong Kong and markets with development potentials or at strategic locations, including regions along the B&R.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0120)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the latest Budget, how does the Government plan to allocate specific funding to continue and deepen the implementation of the 30 measures announced by the Working Group on Promoting Silver Economy? What are the respective budget measures under the 5 areas, namely boosting silver consumption, developing silver industry, promoting quality assurance of silver products, enhancing silver financial and security arrangements, and unleashing silver productivity? Furthermore, regarding collaboration with the industry, such as support for gerontechnology, retail concessions, employment training for elderly persons and quality assurance schemes, is there detailed planning with regard to resource injection and expected economic benefits to ensure that the silver economy becomes a sustainable new growth area for Hong Kong?

Asked by: Hon LAU Chi-pang (LegCo internal reference no.: 17)

Reply:

The Working Group on Promoting Silver Economy is examining the work under the 5 areas, namely boosting "silver consumption", developing the "silver industry", promoting "quality assurance of silver products", enhancing "silver financial and security arrangements" and unleashing "silver productivity", for enhancement or new measures and will continue to liaise with the industry and stakeholders closely for further promoting the silver economy. Relevant bureaux (including the Commerce and Economic Development Bureau, Financial Services and the Treasury Bureau, Innovation, Technology and Industry Bureau and Labour and Welfare Bureau) are responsible for taking forward the measures under their respective purview using the existing manpower. The required expenditure has been subsumed under their respective overall estimates and cannot be quantified separately. The Government will strengthen collaboration with the industry to introduce and implement more measures to promote the silver economy in the future.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0373)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 136 of the Budget Speech that the Government will earmark $100 million to promote further development of the exhibition industry and brand building as an international convention and exhibition hub. In this connection, please advise this Committee of the following:

(1) How will the Government strengthen collaboration with international large-scale exhibition organisations to organise exhibitions that have never been held in Hong Kong before?

(2) What measures has the Government taken over the past year to promote Hong Kong's exhibition industry overseas?

(3) Does the Government have any plans to comprehensively review and enhance the overall supply of convention and exhibition venues in Hong Kong, such as expediting the relocation and demolition of the 3 government towers in Wan Chai North to facilitate the expansion of the Hong Kong Convention and Exhibition Centre, as well as developing new exhibition facilities in the Northern Metropolis?

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 26)

Reply:

The Hong Kong Special Administrative Region (HKSAR) Government allocated $1.4 billion to first launch the Incentive Scheme for Recurrent Exhibitions (ISRE) on 1 July 2023, providing venue rental incentives to attract local and international exhibitions of different scales to be staged recurrently in Hong Kong. ISRE ended on 30 June 2025, and was very well received. To further promote the development of the convention and exhibition (C&E) industry and the mega event economy, thereby generating overall economic benefits for Hong

Kong, the HKSAR Government allocated an additional funding of $500 million for launching ISRE 2.0 on 1 July 2025, focusing on attracting new and recurrent international exhibitions of large scale.

As announced in the 2026-27 Budget, to promote the further development of the exhibition industry and brand building, the HKSAR Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing the Chinese Mainland and overseas brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. We are formulating the relevant arrangements and implementation details.

Unlike the previous arrangement of subsidising venue rental through incentive schemes, we will pilot a more flexible approach of providing financial support. By partnering with statutory bodies and relevant organisations, we will leverage their expertise, networks and supporting services to identify and attract large-scale, high-quality international exhibitions with new elements to be staged in Hong Kong, with the aim of injecting new impetus into the C&E industry and reinforcing Hong Kong's position as a premier platform for showcasing the Chinese Mainland and overseas brands. To ensure the prudent use of public funds, we will consider the suitable form of resource allocation and level of funding subject to the nature and contents of individual exhibitions. Apart from the proactive efforts of the C&E industry to attract large-scale international exhibitions to Hong Kong, the overseas Economic and Trade Offices of the HKSAR Government continue to actively promote the strengths of Hong Kong's C&E industry.

In addition, to consolidate and enhance the pre-eminent position of Hong Kong as an international C&E hub, and in response to the keen demand for exhibition venues from the industry, the HKSAR Government has been taking forward the Wan Chai North Redevelopment project near the Hong Kong Convention and Exhibition Centre as planned and the phase 2 expansion of Asia World-Expo (AWE). The Airport Authority Hong Kong has commenced the construction of the AWE expansion, and the project is expected to be completed by 2028. As for the Wan Chai North Redevelopment project, it involves the redevelopment of sites of the Wan Chai Government Offices Compound (WCGOC), Gloucester Road Garden and Kong Wan Fire Station into C&E facilities, hotel, etc. The construction works for the reprovisioning buildings involving the relevant user departments of WCGOC and the reprovisioning of the Kong Wan Fire Station are underway and are expected to be completed by the end of 2027.

In the meantime, to support the development of innovation and technology and other industries in the Northern Metropolis, the relevant policy bureau and departments will identify suitable sites in the area for development of relevant facilities (e.g. C&E facilities). In the process, we will maintain communication with key stakeholders to keep abreast of the latest industry demand for C&E facilities.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1118)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 163 of the Budget Speech that the Intellectual Property Department (IPD), together with the Vocational Training Council, will roll out a two-year pilot programme and establish the Intellectual Property Academy (the Academy) to provide on-the-job training linked to the Qualifications Framework. In this connection, will the Government inform this Committee of:

1. the content of the proposed curriculum, training targets and the number of training places of the Academy;

2. the staffing establishment and estimated expenditure proposed by the Government for the establishment of the Academy;

3. how the Government will determine the level of tuition fees, and whether it will consider providing tuition fee subsidies; if yes, the details; if not, the reasons; and

4. how the establishment of the Academy will complement with the Pilot Patent Valuation Support Scheme and IPD's measure to expand its team of patent examiners mentioned in paragraphs 161 and 162 of the Budget Speech, with a view to fostering the development of a regional intellectual property trading centre?

Asked by: Hon LAU Ka-keung (LegCo internal reference no.: 1)

Reply:

Intellectual Property Academy

To strengthen intellectual property (IP)-related on-the-job training and meet the needs of different sectors in using IP across various areas, the Intellectual Property Department (IPD)

is collaborating with the Vocational Training Council (VTC) to implement a two-year pilot programme to establish the Intellectual Property Academy (the Academy). The design and planning of the relevant programmes will be more systematic and better recognised, with more diversified and in-depth content, offering varying breadth, depth, and focus tailored to market and policy needs. The programmes will cover areas such as the creation, protection, management, transformation and commercialisation of IP, as well as dispute resolution, and will include the major fields of IP such as patents, trade marks, copyright, and designs. This will help participants acquire knowledge covering the full IP chain in the course of their business operations, enabling them to formulate and implement business strategies effectively. Suitable programmes will be linked to the corresponding levels under the Qualifications Framework. In the course of developing the programmes, we will widely gather feedback from different industry sectors.

The Academy targets practitioners from various sectors, including technology and innovation, cultural and creative industries, commerce and industry, and professional services. Local innovation entities (including research institutions, start-ups, and small and medium enterprises (SMEs)), as well as enterprises and service providers engaged in IP trading and commercialisation, will all stand to benefit. During the two-year pilot period, the Academy is expected to provide training to about 2 000 participants.

The Government has earmarked $52 million to support the establishment of the Academy and its operating expenses for the first 2 years, including staff remuneration, teaching facilities, information platforms, curriculum development and design, qualification accreditation, publicity and promotion, as well as other administrative and operating expenses. As for the specific funding arrangements, IPD will further discuss with VTC and set out the details of the implementation arrangements in the funding agreement. Regarding tuition fees, the Academy will determine the tuition fee levels with reference to factors such as programme content, teaching mode, teaching hours, and comparable programmes in the market, so as to align with programme development and industry needs.

In terms of staffing, to prepare for the establishment of the Academy, IPD will first redeploy internal staff to discuss related work with VTC. As for other staffing arrangements involved in the overall operation of the Academy, IPD will further finalise them with VTC when implementing the overall work plan and specific implementation arrangements.

Regional IP Trading Centre

The Government continues to adopt a multi-pronged approach to further develop and consolidate Hong Kong's position as a regional IP trading centre from various perspectives. In addition to establishing the Academy to comprehensively enhance local human resources and promote awareness and implementation capabilities across industries in relation to IP trading, the Government plans to gradually expand the team of patent examiners, particularly to strengthen institutional autonomy in conducting substantive examination for original grant patent applications in major technology fields. The Government also plans to launch a two-year Pilot Patent Valuation Subsidy Scheme in 2026 to support eligible local SMEs to conduct valuation of their patents and other IP assets, which will provide concrete information on the enterprises' assets to serve as a reference for credit financing.

The above measures cover different areas including talent training, rights protection, valuation and financing applications. They complement each other and are closely linked to improve the local IP trading ecosystem from multiple aspects, continuously promoting and driving the development of local IP-intensive industries in areas such as the creation, protection, management, commercialisation and trading of IP, thereby strengthening Hong Kong's position as a regional IP trading centre.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1119)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in Matters Requiring Special Attention in 2026-27 under Programme (2) that the Commerce and Economic Development Bureau will continue to strengthen policy work related to overseas Economic and Trade Offices (ETOs), including enhancing their functions and expanding the ETO network. In this connection, will the Government inform this Committee of the following:

1. the staffing establishment, number of vacancies and total expenditure of respective overseas ETOs in each of the past 3 years (2023-24 to 2025-26)(in tabular form);

2. the staffing establishment and estimated expenditure of respective overseas ETOs in 2026-27;

3. whether respective overseas ETOs have formulated their annual work plan and key performance indicators to better promote Hong Kong's roles as a "super connector" and "super value-adder"; if yes, the details; if not, the reasons;

4. how the Government will further enhance collaboration between the overseas ETOs and the Hong Kong Trade Development Council, Invest Hong Kong, local chambers of commerce and professional bodies, with a view to assisting local enterprises in developing overseas markets more effectively; and

5. how the overseas ETOs will interface with the Task Force on Supporting Mainland Enterprises in Going Global to support Mainland enterprises in going global through Hong Kong?

Asked by: Hon LAU Ka-keung (LegCo internal reference no.: 2)

Reply:

Under Head (96), the staff establishment and total operational expenses of the overseas Hong Kong Economic and Trade Offices (ETOs) in the past 3 years and in 2026-27 are tabulated as follows:

	Staff establishment (number of posts)	**Total operational expenses ($ million)**
2023-24 ^	213	413
2024-25 ^	213	452
2025-26 # **(Revised Estimate)**	218	471
2026-27 # **(Estimate)**	239	560

^ The 14 ETOs are located in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington D.C. respectively.

Including the Kuala Lumpur ETO, which was established on 10 December 2025, making a total of 15 ETOs.

To promote Hong Kong's trade and commercial interests, the ETOs have all along maintained close connections with government officials, business leaders and chambers of commerce in the countries under their purview. Through various work, including supporting Hong Kong officials and business delegations in conducting overseas visits, as well as organising seminars, exhibitions, dinner/lunch meetings, and other business/promotional activities, the ETOs deepen and broaden bilateral relationships between Hong Kong and relevant countries, advocate multilateralism and proactively clarify misunderstandings of relevant individuals about Hong Kong, with a view to promoting and deepening Hong Kong's bilateral, plurilateral and multilateral relationships with various regions.

In strengthening Hong Kong's global economic and trade network and promoting agreements on multilateral and regional co-operation, the ETOs have supported discussions with relevant countries and the signing of agreements that could benefit Hong Kong, including free trade agreements, investment promotion and protection agreements and comprehensive avoidance of double taxation agreements. The ETOs, in collaboration with the Hong Kong Trade Development Council (HKTDC), chambers of commerce and other relevant organisations, have promoted the vast business opportunities in Hong Kong and its unique advantages as a "super connector" and "super value-adder", as well as assisted Hong Kong businesses in exploring and investing in new markets (including those in the Association of Southeast Asian Nations and the Middle East), thereby reducing reliance on traditional markets.

At the same time, the ETOs have supported the work of the Commerce and Economic Development Bureau and other policy bureaux and departments, in advancing Hong Kong's development as the "eight centres", and supporting different policy bureaux in promoting their globally-focused initiatives through organisation of relevant activities from time to time. Hong Kong has been making progress in the economic development of emerging industries. Building on its traditional strengths as an international financial and trade centre, Hong Kong has also been developing as a hub for innovation and technology, as well as an arts and culture

centre where Eastern and Western cultures meet. On the other hand, the ETOs have endeavoured to actively assist in coordinating the visit programmes and/or providing related support for the duty visits of the Chief Executive and principal officials.

Besides, on issues related to Hong Kong (including tariffs, sanctions, etc.), the ETOs from time to time clarify misconceptions and make Hong Kong's stance clear to the political and business sectors in the countries concerned, thereby enhancing relevant stakeholders' understandings on Hong Kong.

The Government has also set up the functional platform of "Economic and Trade Express" (ETE) to strengthen trio-coordination among ETOs, HKTDC and Invest Hong Kong (InvestHK), focusing on supporting local small and medium enterprises and start-ups in conducting overseas business missions, as well as assisting Hong Kong enterprises in exploring business opportunities in overseas markets, while facilitating more enterprises to invest in and establish operations in Hong Kong, thereby promoting two-way flows of enterprises and investments. Subject to the nature and contents of individual economic and trade promotional activities, ETE will also collaborate with relevant chambers of commerce and professional bodies, with a view to further enhancing the effectiveness of these activities.

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under InvestHK and HKTDC as well as the Hong Kong offices in the Chinese Mainland and ETOs, to form a one-stop platform and establishment of the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies (including ETOs) in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

We have already set indicators to evaluate the performance of ETOs' services under the 3 programmes, namely Commercial Relations, Public Relations and Investment Promotion. The estimated performance indicators for the ETOs in 2026 have been listed in the Controlling Officer's Report.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0464)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (6) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As our country is advancing with high-level, two-way opening-up, more Mainland enterprises are actively expanding overseas markets. The Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) will organise promotional activities to attract Mainland enterprises to venture into global markets through Hong Kong. It was mentioned in paragraph 130 of the Budget Speech that a cross-sectoral professional services platform would be set up, bringing together Hong Kong's professional services providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. In this connection, would the Government please advise this Committee of:

1. the anticipated staffing establishment, as well as operational and salary expenditure for the cross-sectoral professional services platform;

2. whether key performance indicators will be set for the cross-sectoral professional services platform;

3. whether such a measure will be applied to support local enterprises venturing into the Mainland market and expanding in overseas markets.

Asked by: Hon LEE Hoey Simon (LegCo internal reference no.: 33)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to

encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong. HKTDC is one of the GoGlobal Task Force members.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. HKTDC coordinates the relevant work to match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform, the 1st phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner.

InvestHK, as another GoGlobal Task Force member, will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises, including Chinese Mainland enterprises planning to go global through Hong Kong, to set up or expand businesses in Hong Kong between 2026 and 2027. The aforementioned cross-sectoral professional services platform will provide support services to the Chinese Mainland enterprises concerned.

In 2026-2027, a one-off allocation of $5 million will be allocated to HKTDC to establish a digital platform for the above-mentioned cross-sectoral professional services. Other relevant manpower and expenditure of HKTDC for supporting Chinese Mainland enterprises to go global have been subsumed under its overall establishment and estimates, and cannot be quantified separately.

As a measure announced in the 2025 Policy Address, the Government has set up the functional platform of "Economic and Trade Express" (ETE) to strengthen trio-coordination among overseas Economic and Trade Offices, InvestHK and HKTDC, capitalising on their complementary advantages to jointly promote Hong Kong's trade and investment abroad. ETE focuses on supporting small and medium enterprises and start-ups by proactively organising overseas business missions for relevant enterprises with one-stop supporting services (including business matching) to assist Hong Kong enterprises in exploring business opportunities in overseas markets. In the process, InvestHK will identify overseas enterprises to connect with Hong Kong's business sectors, facilitating more enterprises to invest and establish operations in Hong Kong, thereby promoting two-way flow of enterprises and investments.

The Government strives to assist Hong Kong's enterprises in entering the Chinese Mainland market through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), and promotes CEPA and introduces the details of various CEPA liberalisation measures and their implementation arrangements through different channels. Amongst others, the Trade and Industry Department (TID) has set up a dedicated website on CEPA (https://www.tid.gov.hk/en/our_work/cepa.html), providing the latest information on the contents of liberalisation and their implementation details. The latest CEPA liberalisation

measures, the relevant Chinese Mainland rules and regulations as well as frequently asked questions are categorised and listed out by services sectors for the trade's reference. Besides, TID also provides enquiry hotlines and e-mail service to handle various kinds of public enquiries on CEPA.

In addition, the Government has established various funding schemes and support measures with a view to assisting enterprises in tapping into non-local markets (including the Chinese Mainland and overseas markets). For example, the Dedicated Fund on Branding, Upgrading and Domestic Sales currently provides funding support for non-listed Hong Kong enterprises to develop business in a total of 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements, including the Chinese Mainland, through upgrading, restructuring and enhancing competitiveness.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0688)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The 2026-27 Budget has proposed to earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis with the objective of developing Hong Kong into the first-choice platform for showcasing Mainland and international brands while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. The development of the exhibition industry, a key pillar of Hong Kong as a convention and exhibition hub, does not only bring economic benefits but also embraces the functions of cultural promotion and brand building. The focus of social concern is how to ensure the above pilot scheme can attract more cultural and creative exhibitions (e.g. the National Book Expo and the China (Shenzhen) International Cultural Industries Fair (ICIF)) to Hong Kong, thereby giving play to Hong Kong's role as a platform connecting the Mainland and the world, driving the economy through mega cultural events, as well as enhancing the quality of cultural life of the public. In this connection, will the Government advise this Committee of the following:

1. According to the Government's plan, which organisers may apply for the funding? What are the required qualifications or criteria for an exhibition to apply for the funding? Is the funding applicable to new exhibitions or also to those that have been held before? When will the Government announce the details and means of application?

2. What is the proposed spending period for the $100 million of funding? What are the estimated amounts of annual funding allocation and the estimated expenditures, broken down by use (e.g. subsidies for exhibition organisers, marketing, matching services, venue support, etc.), for the next 3 financial years?

3. Will the Government set key performance indicators (KPIs) for the funding, such as the numbers of international exhibitions, exhibitors and visitors successfully attracted each year, its contribution to tourism, and the associated economic benefits generated? If

yes, what are the specific KPIs? If no, how will the Government assess the effectiveness of the initiative?

4. Will the Government consider inviting the ICIF or other large-scale Mainland cultural and creative exhibitions to host sub-sessions or sister exhibitions in Hong Kong? If yes, what are the details? If no, what are the reasons?

5. Apart from Mainland exhibitions, does the Government aim to attract any internationally renowned cultural and creative exhibitions (e.g. the International Licensing Show, Art Publication Exhibition, Design Week, etc.) to Hong Kong? Please set out the exhibitions prioritised for negotiation in the next 2 years and the progress of preliminary contacts.

6. Have the Government contacted relevant Mainland authorities (e.g. the Publishers Association of China, Art Exhibitions China, etc.) in the past 3 years to explore the possibility of organising exhibitions in Hong Kong? If yes, what are the details and progress of such contacts? If no, will the Government consider taking proactive follow-up actions in the coming year?

Asked by: Hon LEE Ka-kui, Elvin (LegCo internal reference no.: 9)

Reply:

As announced in the 2026-27 Budget, to promote the further development of the exhibition industry and brand building, the Hong Kong Special Administrative Region Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing the Chinese Mainland and overseas brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. We are formulating the relevant arrangements and implementation details.

Unlike the previous arrangement of subsidising venue rental through incentive schemes, we will pilot a more flexible approach of providing financial support. By partnering with statutory bodies and relevant organisations, we will leverage their expertise, networks and supporting services to identify and attract large-scale, high-quality international exhibitions with new elements to be staged in Hong Kong, with the aim of injecting new impetus into the convention and exhibition industry and reinforcing Hong Kong's position as a premier platform for showcasing the Chinese Mainland and overseas brands. We will consider the suitable form of resource allocation and level of funding subject to the nature and contents of individual exhibitions. To ensure the prudent use of public funds, we will formulate appropriate performance indicators with the organisers (e.g. number of exhibitors, anticipated economic benefits, etc.), closely monitor the implementation effectiveness throughout the process, and conduct timely reviews to refine the arrangements where necessary.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0689)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The 2026-27 Budget announced the injection of $200 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to increase the funding ceiling per "Easy BUD" application to $150,000 and to provide more targeted funding support for enterprises to implement BUD Fund projects which involve artificial intelligence (AI) elements. The BUD Fund has always been well-received by enterprises, and the aforementioned measures are of vital importance to the publishing and cultural and creative enterprises in developing markets and embracing technology transformation. However, how to ensure the additional new resources can accurately meet the needs of the trade, how to simplify the application procedures and to enhance the efficiency of vetting, as well as how to effectively assess the practical assistance to enterprises in developing business are the key concerns of the society. In this connection, will the Government inform this Committee:

1. The (i) estimated utilisation period, (ii) the expenditure breakdown, and (iii) the amount reserved for additional funding for "Easy BUD" of the $200 million injection;

2. With the Government's breakdown by trade (including the cultural and creative industries), (i) the number of applications received, (ii) the number of applications approved, (iii) the total amount of funding approved, and (iv) the average funding amount per approved application of the BUD Fund in each of the past 3 years;

3. In the past 3 years, (i) the number of applications received, (ii) the average vetting time, (iii) the number of applications approved, and (iv) the total amount of funding approved for "Easy BUD"; upon the increase of the funding ceiling, the Government's estimation of the change in the number of applications received and approved for "Easy BUD";

4. Will the Government consider further simplifying the requirements for supporting documents and vetting arrangements of "Easy BUD" so as to meet the actual needs of

the small and medium enterprises for quick cash flow, especially to enable those small-scale cultural and creative enterprises to obtain the funding support more easily?

5. In the past 3 years, the number of projects with application of technology (including AI technology) involved in the applications received from the publishing and cultural and creative enterprises as well as the funding amount and the approval rate; did the Government assess the effectiveness of this type of projects so as to understand the practical assistance in enterprises' upgrading and transformation;

6. Will the Government consider providing funding support to projects conducted in Hong Kong and at the same time targeting Hong Kong and markets outside Hong Kong under the BUD Fund?

Asked by: Hon LEE Ka-kui, Elvin (LegCo internal reference no.: 10)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements. To further support small and medium enterprises to cope with economic transformation and to harness market opportunities, the Government has announced in the 2026-27 Budget the injection of $200 million into the BUD Fund to increase the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000 and to provide more targeted funding support for enterprises to implement BUD Fund projects which involve artificial intelligence (AI) elements, thereby developing businesses in the Chinese Mainland and target markets outside Hong Kong. The relevant injection amount will form part of the total commitment of the BUD Fund in supporting the all types of application.

From 2023 to 2025, the implementation of the BUD Fund in the cultural and creative sector (including creative industries, advertisement, sales and marketing, film and entertainment, and printing and publishing industries) is as follows:

	2023	**2024**	**2025**
Number of applications received Note 1, Note 2	244	375	254
Number of applications approved	134	200	218
Total amount of funding approved ($)	92.52 million	110 million	140 million
Average funding amount per approved application ($)	690,000	570,000	640,000

Note 1: Applications received may not be processed in the same year. The figures include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

Note 2: We do not have statistical breakdown related to projects with application of technology (including AI technology) involved in the applications received from enterprises of the publishing and cultural and creative sectors.

The Government launched "Easy BUD" in June 2023 to expedite the vetting of applications involving designated measures, hence the application form, the requirements for supporting documents and vetting arrangements have been simplified. The processing time of an "Easy BUD" application has also been significantly reduced by half to 30 working days as compared with the performance pledge of 60 working days for general applications of the BUD Fund. Although "Easy BUD" applications cover relatively simpler project measures, the Hong Kong Productivity Council (HKPC) still needs to verify whether the enterprises meet the eligibility for application and have substantive business operations in Hong Kong to guard against fraud. Therefore, the current performance pledge is a reasonable balance. To date, all "Easy BUD" applications could be processed within 30 working days upon receipt of all required documents and information of the applications by HKPC. As at end-February 2026, around 1 870 "Easy BUD" applications with supporting documents submitted were under processing or had been processed by HKPC, of which over 880 applications had been approved/approved with conditions, with the relevant funding amount being around $61 million. We expect the number of "Easy BUD" applications to be received will continue to rise after the increase of the funding ceiling per "Easy BUD" application to $150,000.

The BUD Fund was established with the aim to assist Hong Kong enterprises to develop more diversified markets through branding, upgrading and restructuring, and promoting sales. The fundable project measures under general application and "Easy BUD" include participation in trade exhibitions targeting markets covered by the BUD Fund, placement of online advertisements, and production or enhancement of company websites, etc. If a Hong Kong exhibition is involved, the applicant enterprise needs to demonstrate the direct relevance between the exhibition and its business development in the target market, such as the past editions' effectiveness.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2997)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the 2026-27 Budget Speech, 2 major plans are proposed to advance the development of a regional intellectual property (IP) trading centre. First, the Government is consulting the trade on tax deduction arrangements for capital expenditure incurred for purchasing IP or the rights to use IP, and plans to introduce an amendment bill this year in order to reduce IP trading costs. Second, the Government has earmarked $52 million for the Intellectual Property Department (IPD) to collaborate with the Vocational Training Council (VTC) in establishing the IP Academy (the Academy) to provide on-the-job training linked to the Qualifications Framework, which is expected to commence at the end of this year. These measures will bring significant benefits to the cultural and creative industries such as publishing, film and design, thereby facilitating the consolidation of Hong Kong's position as a regional IP trading centre while supporting the development of the city as the East-meets-West centre for international cultural exchange. However, pubic concerns centre around how to ensure the timely completion of the legislative amendments, alignment of the Academy's curriculum with industry needs, and whether relevant measures will genuinely benefit practitioners of the cultural and creative industries. In this connection, will the Government inform this Committee of the following:

1. Regarding the programme launched by the Academy together with the VTC, what are the main contents of the programme? Will the trade be consulted when developing the training contents? What are the details of role differentiation between the 2 parties and the collaboration mode? Will tertiary institutions, professional bodies and industry associations be invited to jointly take part in programme design and the supply of teachers?

2. How many trainees are expected to be trained by the Academy each year? Will a certain number of training places be reserved for the practitioners of the cultural and creative industries to ensure that the use of resources will be aligned with the most needy groups?

3. What are the specific arrangements regarding the programme being linked to the Qualifications Framework (such as the level concerned within the Qualifications Framework, recognised qualifications to be obtained by trainees after completing the programme)? Will the qualifications be widely recognised by the trade?

4. What are the specific strategies of the Government to ensure that the IP-related tax concession measures and talent development initiatives will create synergy with the development of the East-meets-West centre for international cultural exchange (such as encouraging local cultural and creative enterprises to export their IP to overseas markets, while attracting international high-quality IP to engage in trading and transformation in Hong Kong)?

5. Will the Government consider strengthening collaboration with the Hong Kong Trade Development Council, Invest Hong Kong, and overseas Economic and Trade Offices to promote the strengths of Hong Kong in IP trading services and professionals internationally for attracting more overseas enterprises to engage in IP trading with the Hong Kong platform?

6. It is mentioned in the Budget that the IPD, together with the VTC, will roll out a two-year pilot programme and establish the Academy to provide on-the-job training linked to the Qualifications Framework. An amount of $52 million has been earmarked for the project, which is targeted to commence at the end of this year. What are the breakdown of the specific estimates of the earmarked provision of $52 million, its implementation timetable and the staff establishment for carrying out the project?

Asked by: Hon LEE Ka-kui, Elvin (LegCo internal reference no.: 11)

Reply:

Intellectual Property Academy

To strengthen intellectual property (IP)-related on-the-job training and meet the needs of different sectors in using IP across various areas, the Intellectual Property Department (IPD) is collaborating with the Vocational Training Council (VTC) to implement a two-year pilot programme to establish the Intellectual Property Academy (the Academy). The design and planning of the relevant programmes will be more systematic and better recognised, with more diversified and in-depth content, offering varying breadth, depth, and focus tailored to market and policy needs. The programmes will cover areas such as the creation, protection, management, transformation and commercialisation of IP, as well as dispute resolution, and will include the major fields of IP such as patents, trade marks, copyright, and designs. This will help participants acquire knowledge covering the full IP chain in the course of their business operations, enabling them to formulate and implement business strategies effectively. Suitable programmes will be linked to the corresponding levels under the Qualifications Framework. In the course of developing the programmes, we will widely gather feedback from different industry sectors.

The Academy targets practitioners from various sectors, including technology and innovation, cultural and creative industries, commerce and industry, and professional services. Local innovation entities (including research institutions, start-ups, and small and medium

enterprises) as well as enterprises and service providers engaged in IP trading and commercialisation, will all stand to benefit. During the two-year pilot period, the Academy is expected to provide training to about 2 000 participants.

IPD is also considering establishing a committee to advise the Academy on programme design and training directions. In addition to representatives from government departments, the committee will also include representatives from the legal, innovation and technology, and cultural and creative sectors as well as the academia. In preparing its programmes, the Academy will invite local practitioners with relevant professional qualifications and industry experience, as well as seasoned scholars and practitioners from the Chinese Mainland and overseas to participate in teaching. At the same time, the Academy will actively explore collaboration, including co-organising programmes, holding exchange activities, and exploring arrangements for qualification recognition, with local and overseas tertiary institutions, as well as organisations such as the World Intellectual Property Organization.

The Government has earmarked $52 million to support the establishment of the Academy and its operating expenses for the first 2 years, including staff remuneration, teaching facilities, information platforms, curriculum development and design, qualification accreditation, publicity and promotion, as well as other administrative and operating expenses. As for the specific funding arrangements, IPD will further discuss with VTC and set out the details of the implementation arrangements and implementation timetable in the funding agreement, with a target to commence at the end of this year.

In terms of staffing, to prepare for the establishment of the Academy, IPD will first redeploy internal staff to discuss related work with VTC. As for other staffing arrangements involved in the overall operation of the Academy, IPD will further finalise them with VTC when implementing the overall work plan and specific implementation arrangements.

IP Trading

The Government is taking forward the development of Hong Kong as a regional IP trading centre from multiple fronts, including reviewing the tax deduction arrangements relating to IP, as well as strengthening IP talent training and enhancing the capabilities of the industry. These measures can all generate synergy with the development of Hong Kong into an East-meets-West centre for international cultural exchange.

Following a review of the tax deduction arrangements for relevant capital expenditure incurred by enterprises for purchasing IP or the rights to use IP, the Government plans to suitably broaden the scope of relevant profits tax deductions, including allowing tax deduction of the acquisition cost of certain IP from associates, and allowing tax deduction for upfront licence fees for the right to use IP in a licensing arrangement, thereby reducing the cost of relevant transactions and further promoting the development of IP trading. We launched a two-month stakeholder consultation in January this year to finalise the legislative proposals.

On the other hand, the establishment of the Academy will provide practitioners from various sectors, including the cultural and creative industries, with more systematic and better recognised on-the-job IP training programmes, with more diversified and in-depth content. This will help strengthen practitioners' understanding across the full chain of issues relating to the creation, protection, management, transformation and commercialisation of IP, as well

as dispute resolution, thereby enabling them to formulate and implement different IP trading activities more effectively, including the commercialisation of IP through licensing arrangements.

As for external promotion, IPD will continue its liaison with the Chinese Mainland, regional and international organisations to promote Hong Kong's role as the regional IP trading centre. It will also continue to work closely with the Hong Kong Trade Development Council (HKTDC) and stakeholders to promote Hong Kong's competitive advantages in IP trading and IP professional services to enterprises in the Chinese Mainland and other regions through trade missions, seminars, publicity programmes and the annual Business of IP Asia Forum co-organised with the HKTDC. In addition, overseas Hong Kong Economic and Trade Offices and Invest Hong Kong will proactively promote Hong Kong's business advantages to representatives from overseas business communities, professional bodies, media, etc. through various channels, such as organising trade and investment promotion activities, business exchanges, seminars, etc. This includes promoting Hong Kong's role as a regional IP trading centre, introducing the Government's ongoing efforts to drive IP trading and financing, and attracting overseas enterprises to set up or expand their businesses in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2998)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the implementation of the SME Export Marketing Fund (EMF), will the Government inform this Committee of the following:

(1) The number of applications received and approved by the EMF per year over the past 3 years (categorized by industry, such as wholesale and retail, printing and publishing, import and export trade, etc.), and the cumulative amount of approved funding;

(2) From 30 April 2021 to 30 June 2026, the Government expanded the EMF's funding scope from overseas to large-scale exhibitions targeting the "local market." As of March 2026, how many applications were received and approved each year, and what was the total funding amount?

(3) In view that the EMF will be consolidated into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) on 30 June 2026, will the Government consider allocating a special quota under the BUD Fund (e.g. using the Fund's total funding amount of $1 million) to support industries whose main source of income is the local market, for participating in large-scale exhibitions targeting the local market (e.g. the Hong Kong Book Fair)? If so, what are the details? If not, why?

Asked by: Hon LEE Ka-kui, Elvin (LegCo internal reference no.: 19)

Reply:

The implementation of the SME Export Marketing Fund (EMF) in the recent 3 years is as follows:

	2023	2024	2025
Number of applications received Note	29 863	30 918	27 033
Number of applications approved	21 105	24 875	15 790
Total amount of funding approved ($)	588 million	809 million	448 million
Major beneficiary sectors for applications approved (in descending order of the number of applications approved)	1. Wholesale and Retail (5 351) 2. Import and Export Trade (5 076) 3. Jewellery (1 686) 4. Electronics (768) 5. Printing and Publishing (723)	1. Wholesale and Retail (6 583) 2. Import and Export Trade (6 449) 3. Jewellery (1 747) 4. Electronics (908) 5. Printing and Publishing (799)	1. Import and Export Trade (4 282) 2. Wholesale and Retail (3 885) 3. Jewellery (1 069) 4. Electronics (638) 5. Printing and Publishing (488)

Note: Applications received may not be processed in the same year. The figures include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

The EMF provides funding to encourage small and medium enterprises (SMEs) to participate in export marketing activities. In view of the COVID-19 pandemic, the Government implemented the special measures in 2021 for a period of 2 years to expand the funding scope of the EMF to cover exhibitions targeting the local market and online exhibitions, as well as relaxing the eligibility criteria to cover non-SMEs. In 2022, the Government extended the special measures to end-June 2026. From May 2021 to end-February 2026, a total of 45 173 applications involving exhibitions targeting the local market and online exhibitions under the EMF have been received. Among the 45 173 applications, a total of 32 501 applications have been processed and approved, involving a funding amount of around $940.27 million.

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was established with the aim to assist Hong Kong enterprises in developing more diversified markets outside Hong Kong through branding, upgrading and restructuring, and promoting sales. The Government announced in March 2025 that the EMF will, upon expiry of its special measures launched in 2021 in view of the pandemic (including the expansion of the funding scope to cover large-scale exhibitions targeting the local market), be consolidated into the BUD Fund in July 2026. After the EMF is consolidated into the BUD Fund, applicant enterprises shall submit applications in accordance with the framework and requirements of the BUD Fund. According to the prevailing requirements, fundable project measures of the BUD Fund include participation in trade exhibitions targeting markets covered by the fund. If a Hong Kong exhibition is involved, the applicant enterprise is required to demonstrate the direct relevance between the exhibition and its business development in the target market, such as the past editions' effectiveness.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0493)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

(a) It is mentioned in Programme (2) that the Hong Kong Shopping Festival (HKSF) will continue to be organised to promote Hong Kong products. When is the 3rd HKSF expected to be held? Will consideration be given to holding the HKSF in the Association of Southeast Asian Nations markets? If so, what are the details;

(b) Please provide the numbers of enterprises participating in the Mentorship Programme (Branding and E-commerce Development) and the sectors involved;

(c) The Government plans to implement the Creativity•E-commerce-Beyond Limits programme this year to strengthen Hong Kong enterprises' capability in digital marketing. What specific support measures will be provided under the programme, and what is the amount of dedicated provision earmarked for this programme for 2026-27?

Asked by: Hon LEE Kwong-yu (LegCo internal reference no.: 18)

Reply:

In view of the rapid development of global electronic commerce (e-commerce), the Government will continue to encourage more enterprises to take the initiative to develop e-commerce business, enhance brand awareness and expand sales network through various measures.

The Hong Kong Trade Development Council (HKTDC) has launched the "E-Commerce Express" since 2025-26. Addressing the pain points encountered by Hong Kong enterprises when developing cross-border e-commerce and in collaboration with large-scale e-commerce or social media platforms, HKTDC conducts a series of thematic training seminars and research sharing sessions to disseminate practical knowledge such as online store operations,

e-commerce supply chain management, social media strategies for brand building, e-commerce smart operations driven by artificial intelligence, etc. In view of developments of the e-commerce market, HKTDC also publishes relevant research reports so as to provide more comprehensive support for small and medium enterprises (SMEs) interested in tapping into the Mainland e-commerce market.

As one of the flagship events which dovetails with the "E-Commerce Express", the Hong Kong Shopping Festival (HKSF) aims at providing practical experience for enterprises, helping them leverage the extensive customer base and traffic of Mainland e-commerce platforms with a view to enhancing brand and product awareness on the Mainland and accelerating enterprises' development of the Mainland domestic sales market. Having regard to the experience of the 2 editions of HKSF, the Government will launch HKSF through HKTDC in the e-commerce markets of the Mainland and the Association of Southeast Asian Nations (ASEAN) over the next 3 years between 2026 and 2028. HKTDC will organise the 3rd edition of HKSF on Mainland e-commerce platforms in August 2026 and plans to launch HKSF for major ASEAN markets such as Singapore and Malaysia in the 2nd half of 2026, with a view to providing a platform for Hong Kong enterprises to showcase and promote their products while helping them enhance brand influence and market coverage. HKTDC has commenced its preparatory work of HKSF, and will announce the details in due course.

In addition, the Mentorship Programme (Branding and E-commerce Development) is organised by the Trade and Industry Department (TID). Its mentees are from 28 SMEs engaging in sectors including manufacturing, import/export trade and wholesale, retail, restaurants and hotels, design, professional and business services, and training services, etc.

On the other hand, the Government will launch the "Creativity•E-commerce-Beyond Limits" Programme (the Programme) through HKTDC and the Hong Kong Productivity Council (HKPC) in 2026 to assist enterprises in collaborating with brands, enhancing brand awareness and developing cross-border e-commerce business. The Programme comprises:

- Setting up e-commerce service zones at major exhibitions/conferences: HKTDC has newly set up an E-commerce Connect Zone at the eTailingPulse and Marketing Pulse held on 19 March 2026, providing Hong Kong SMEs and brands with practical advice related to e-commerce services and professional marketing that keeps abreast of the time. Besides, HKTDC will newly set up an Intellectual Property (IP) and E-commerce Services Zone at the Hong Kong International Licensing Show in April 2026. This zone will provide consultation services and networking opportunities for SMEs interested in exploring how to uncover new business opportunities of cultural and creative IPs in the e-commerce field;

- Organising thematic seminars on e-commerce, providing advisory and consultation services: HKTDC will continue to provide a wide array of support services for SMEs and start-ups in fields such as training, advisory services, business matching, etc, including the "E-Commerce Express", the HKTDC Transformation Sandbox programme, the Digital Academy, etc. These support services offer free training on e-commerce marketing and digital transformation. In 2026-27, HKTDC plans to organise about 16 thematic seminars on e-commerce, offering comprehensive assistance to Hong Kong enterprises in developing e-commerce businesses and enhancing market

competitiveness; and

- E-commerce Innovation Expo: Supported by the TID, the "SME ReachOut " operated by HKPC will organise the two-day "E-Commerce Innovation Expo 2026 – Expanding Brand Horizons" in June 2026. The Expo focuses on cross-border e-commerce and covers enhancement of products' value and innovation elements (including technology upgrades, branding, IP, platforms support and market expansion, etc.), thereby encouraging SMEs to explore the integration of cultural and creative industries with businesses, as well as enhancing their brand awareness and market competitiveness through brand building or transforming cultural and creative IPs into merchandise. The Expo also provides SMEs with practical e-commerce strategies through thematic seminars/workshops, e-commerce livestreaming demonstrations and one-on-one consultation sessions, etc., with a view to enhancing enterprises' digital marketing capabilities and helping them explore new business opportunities.

The manpower and expenditure of the Commerce and Economic Development Bureau, TID, HKTDC and HKPC for launching the Programme have been subsumed under the respective overall establishment and estimates, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3004)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

(a) Please set out in tabular form the total expenditures for each Belt and Road Summit in the past 5 years, along with major expenditure items involved (e.g. venue rental, guest invitation, publicity and promotion) and their proportion to the total expenditures.

(b) Please set out in tabular form the numbers of co-operation agreements signed between Hong Kong enterprises and Belt and Road enterprises at the Belt and Road Summit in the past 5 years, with a breakdown by major sector (e.g. finance, technology, logistics, professional services, etc.) and country.

Asked by: Hon LEE Kwong-yu (LegCo internal reference no.: 19)

Reply:

The Belt and Road Summit (Summit), organised since 2016, is Hong Kong's flagship event in our participation in and contribution to the Belt and Road Initiative (B&RI). The past 5 editions of Summit have successfully facilitated numerous co-operation agreements/ memoranda of understanding (MoUs) involving different countries/regions and sectors, highlighting Hong Kong's role as the functional platform for B&RI. The following table lists the co-operation agreements/MoUs signed between Hong Kong enterprises and other enterprises (including those from the Belt and Road (B&R) region) during the past 5 editions of Summit, categorised by major sectors and countries/regions involved, is tabulated as follows:

Year of hosting the Summit	Number of co-operation agreements/MoUs signed between Hong Kong enterprises and other enterprises (including those from the B&R region)	Major sectors involved in the co-operation agreements/MoUs	Countries/regions involved in relation to the co-operation agreements/MoUs [Note]
2025	36	Agri-tech, economic and trade co-operation, education, energy and natural resources, financial services, green building, medical technology, mining, public utilities and environmental, social and governance (ESG), technology, tourism, transport, logistics and infrastructure, urban development	Chinese Mainland, Hong Kong, Indonesia, Laos, Malaysia, Singapore, Thailand, Kuwait, Oman, Qatar, United Arab Emirates (UAE), Kazakhstan, Uzbekistan, Nigeria, New Zealand, Australia, Germany, United States
2024	21	Agri-tech, financial services, green construction, green building, information and communications technology, medical technology, technology, economic and trade co-operation	Chinese Mainland, Hong Kong, Indonesia, Malaysia, Singapore, Vietnam, Bahrain, Kuwait, Oman, UAE, Kazakhstan, Bangladesh, Australia
2023	17	Energy and natural resources, production and manufacturing, public utilities and ESG, technology, urban development, economic and trade co-operation	Chinese Mainland, Hong Kong, Malaysia, Thailand, Vietnam, Saudi Arabia, UAE, Kazakhstan, New Zealand, Kenya
2022	2	Technology, transport, logistics and infrastructure	Chinese Mainland, Hong Kong, Thailand, Malaysia
2021	1	Medical technology	Hong Kong, Kazakhstan

Note: A co-operation agreement/MoU may involve enterprises from more than 2 countries/regions, or more than 1 enterprise from the same country/region.

The detailed breakdown of expenditure and establishment in relation to the Summit has been subsumed under the overall estimate and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3005)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

(a) It is mentioned in paragraph 132 of the Budget Speech that the Government will inject $200 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and provide more targeted funding support for enterprises in artificial intelligence (AI) application. In this connection, will the Government inform this Committee of the ratio of the estimate for AI application projects to the total amount of injection? Will different funding ceiling or approval criteria be set for the AI application proposals of different industries (such as retail, manufacturing, professional services)?

(b) Please provide information on the total number of applications received under "Easy BUD" in the previous year, number of applications approved, number of applications pending approval and approved amount per application.

(c) The SME Export Marketing Fund will be consolidated into the BUD Fund upon expiry of the former's special measures in end-June 2026. Will the estimate for the BUD Fund increase as a result of the consolidation? If so, what is the rate of increase? What is the proportion of the estimate used for marketing after consolidation?

Asked by: Hon LEE Kwong-yu (LegCo internal reference no.: 20)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements.

The 2026-27 Budget announced the injection of $200 million into the BUD Fund to provide more targeted funding support for enterprises to implement BUD Fund projects with artificial

intelligence (AI) elements and to increase the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000. The injection will form part of the total commitment of the BUD Fund, and there is no limit designated for projects with AI elements. To maintain a wide spread of beneficiaries, all non-listed enterprises registered in Hong Kong under the Business Registration Ordinance (Cap. 310) with substantive business operations in Hong Kong are eligible to apply for the BUD Fund. Considering that the vetting criteria and funding amount should be kept simple and clear for small and medium enterprises to understand, and to ensure the vetting efficiency of the fund, we have no plan to set different funding ceilings or approval criteria for different industries under the BUD Fund.

The Government launched "Easy BUD" in June 2023. As at end-February 2026, around 1 870 "Easy BUD" applications with supporting documents submitted were under processing or had been processed by the Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund, of which over 880 applications were approved/approved with conditions, with the average approved funding amount being around $70,000.

The SME Export Marketing Fund (EMF) will be consolidated into the BUD Fund upon expiry of the former's special measure on 30 June 2026. This allows enterprises to undertake promotional activities in the context of upgrading and transformation under the BUD Fund, thereby attaining synergy. After the EMF is consolidated into the BUD Fund, applicant enterprises shall submit applications to HKPC, the Programme Secretariat of the BUD Fund, in accordance with the framework and requirements of the BUD Fund. Besides, the Government's injection of $1.63 billion into the BUD Fund in the financial year of 2026-27 has taken into account the expenditure required arising from the consolidation of the EMF into the BUD Fund.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2683)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 134 of the Budget Speech, the Government has extended the application period for the 80% Guarantee Product to the end of March 2028 and also extended the application period for the principal moratorium arrangement to mid-November this year. The total loan guarantee commitment under the SME Financing Guarantee Scheme (SFGS) will increase by $20 billion. In this connection, will the Government inform this Committee of:

i. the direct expenditures incurred by the Government for providing loan guarantees under the SFGS and the expenditures incurred by the Government under the principal moratorium arrangement in the past 3 years, with a breakdown by financial year; and

ii. noting the default on repayments by some enterprises, the measures the Government put in place to recover the money or assist enterprises in loan restructuring and repayment arrangements?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 15)

Reply:

The SME Financing Guarantee Scheme (SFGS) is administered and managed by HKMC Insurance Limited (HKMCI). In the past 3 years, the Government's expenditures for implementing the SFGS are as follows:

Year	Expenditures ($)
2023-24	3.14 billion
2024-25	12.50 billion
2025-26 (Revised Estimates)	10.38 billion

The above expenditures were deployed to cater for the relevant expenses of the various guarantee products, including payments of loan servicing fee in respect of the Special 100% Guarantee Product to the participating lending institutions, the administrative costs and the necessary out-of-pocket expenses of HKMCI as well as the default claim payments.

The implementation of the principal moratorium arrangement is meant to provide more repayment flexibility to borrowing enterprises, so as to give them more room to juggle the cash flow, thereby reducing the risk of default and the loss of the Government. The administrative costs of processing these applications are already included in the administrative fees paid by the Government to the lending institutions and HKMCI, hence the implementation of the principal moratorium arrangement is not expected to increase the estimated expenditure of implementing the SFGS.

HKMCI has been working closely with lending institutions on properly handling default cases. The borrowing enterprises have a repayment obligation. In the event that a borrowing enterprise defaults on repayments, the lending institution will first discuss a feasible repayment plan with the borrowing enterprise, e.g. repaying only the interest or part of the principal during a transition period, so that the borrowing enterprise can continue its operation while making a debt restructuring arrangement as soon as possible, with a view to gradually resuming normal repayments.

If the lending institution and the borrowing enterprise could not reach agreement on the repayment or the latter refuses to cooperate, the lending institution will consider taking appropriate recovery/legal actions in accordance with its policy and prevailing commercial practice, including requesting the relevant enterprise and guarantor to repay the loan, filing a petition for winding-up and/or bankruptcy with the court, etc. If an individual debtor of a case could not be reached, the lending institution will attempt to contact the relevant persons continuously, including other guarantors, to pursue recovery of the outstanding loans. HKMCI and lending institutions will continue to review cases of loan default and take appropriate recovery actions in accordance with prudent commercial principles, with a view to reducing the loss of the Government.

As at end-February 2026, the cumulative default rates of the 80%, 90% and Special 100% Guarantee Products under the SFGS were about 5.5%, 4.6% and 19.3% respectively, lower than the assumed overall default rates (12%, 16% and 25% respectively). The default rates are subject to change having regard to the overall economic environment, the operational situation of individual borrowing enterprises, etc. The Government and HKMCI will continue to monitor the situation closely.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2684)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in paragraph 132 of the Budget Speech, the Government will inject $200 million into the fund to increase the funding ceiling per "Easy BUD" to $150,000 and to provide more targeted funding support for enterprises adopting artificial intelligence (AI). In this connection, please provide this Committee with the following:

(1) the remaining funding balance for "Easy BUD" as at end December last year?

(2) will the Government provide specific details on how to provide more targeted funding support for enterprises adopting AI?

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 19)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements. The current approved commitment of the BUD Fund is $8.75 billion, which would be utilised by all application types of the fund (including "Easy BUD"). As at end-December 2025, the remaining commitment balance is around $1.4 billion.

The 2026-27 Budget announced that $200 million will be injected into the BUD Fund and more targeted funding support will be provided for enterprises to implement BUD Fund projects with artificial intelligence (AI) elements, with a view to helping them implement eligible AI measures to further develop their businesses in markets outside Hong Kong. The Government will provide clear guidelines to enterprises to explicitly state that the application of AI would be fundable in eligible projects, provided that the funding criteria of the BUD Fund can be satisfied. Examples include development of AI chatbot function in enterprises'

websites to strengthen their sales promotion for market expansion; and/or adoption of AI to ensure that the production lines meet the regulatory requirements of target markets to increase enterprises' productivity and their competitiveness in the market.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **CEDB098**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2685)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 136 of the Budget Speech that the Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. The objective is to develop Hong Kong into the first-choice platform for showcasing Mainland and international brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. In this connection, please advise this Committee on the following:

i. What types of exhibitions with new elements does the Government aim to attract to Hong Kong? How can the definition of new elements be fulfilled?

ii. Please give an account of the uses of the funding of $100 million so earmarked, the maximum funding for each exhibition, and the application threshold.

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 20)

Reply:

As announced in the 2026-27 Budget, to promote the further development of the exhibition industry and brand building, the Hong Kong Special Administrative Region Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing the Chinese Mainland and overseas brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. We are formulating the relevant arrangements and implementation details.

Unlike the previous arrangement of subsidising venue rental through incentive schemes, we will pilot a more flexible approach of providing financial support. By partnering with statutory bodies and relevant organisations, we will leverage their expertise, networks and supporting services to identify and attract large-scale, high-quality international exhibitions with new elements to be staged in Hong Kong, with the aim of injecting new impetus into the convention and exhibition industry and reinforcing Hong Kong's position as a premier platform for showcasing the Chinese Mainland and overseas brands. To ensure the prudent use of public funds, we will consider the suitable form of resource allocation and level of funding subject to the nature and contents of individual exhibitions.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2687)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 126 of the Budget Speech, the Government will reach out to relevant authorities in the Belt and Road (B&R) regions to seek more project matching opportunities for Hong Kong enterprises and professional services, while encouraging and assisting external organisations to stage roadshows in Hong Kong. In this connection, please inform this Committee:

i. of the number of projects matched for Hong Kong enterprises and professional services with Government-led assistance, as well as the amounts of the successful collaborative projects in each of the past 3 years;

ii. of the number of external organisations from B&R regions having staged roadshows in Hong Kong in each of the past 3 years;

iii. how the Government will reach out to B&R regions more proactively to assist Hong Kong enterprises in expanding development opportunities.

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 22)

Reply:

The Belt and Road Summit (Summit), organised since 2016, is Hong Kong's flagship event in our participation in and contribution to the Belt and Road Initiative (B&RI). It has established itself as one of the most important platforms for facilitating matching of enterprises and projects.

The past 10 editions of Summit have cumulatively attracted more than 52 000 participants and over 800 speakers from more than 120 countries and regions; showcased more than 3 000 investment projects, arranged over 6 300 investment and business matching sessions; and

featured over 820 exhibitors. In particular, the 10th Summit last year brought together some 6 200 government and business leaders from over 70 countries and regions; featured over 300 investment projects; newly added a Belt and Road (B&R) signature project session that introduced urban development projects in Thailand and Saudi Arabia, arranged over 800 investment and business matching sessions, featured over 120 exhibitors, and facilitated 45 memoranda of understanding (MoUs). The total value of these MoUs, together with new projects and deals closed leading to the Summit, is about US$1 billion. As a follow-up to the signature project session at the Summit, the Belt and Road Office (BRO) and the Construction Industry Council co-organised an exchange session, inviting representatives of the urban development project in Thailand to share the latest developments of the project with the relevant professional service sectors in Hong Kong, facilitating Hong Kong industries in timely obtaining detailed information and cooperation requirements of the project, with a view to exploring further practical co-operation. In the past 3 years, BRO participated in or supported 7 roadshows staged in Hong Kong by external parties from B&R regions.

Through conducting follow-up interviews and tracking project implementation, the Hong Kong Trade Development Council (HKTDC) evaluates participant satisfaction and further facilitates successful collaboration. Previous editions of the Summit introduced large-scale infrastructure projects in various B&R regions and successfully brokered numerous "small and beautiful" projects, fostering cooperation among Hong Kong, Chinese Mainland and overseas business communities.

We will continue to lead and co-ordinate Hong Kong's participation in B&RI; organise the annual flagship event, the Belt and Road Summit; proactively reach out to agencies in charge of projects in B&R countries and regions; organise missions to B&R markets as well as roadshows of the Belt and Road Cross-Profession Forum there; organise business/project matching activities; and encourage and assist external organisations to stage roadshows in Hong Kong, with a view to promoting Hong Kong's diversified, professional and international professional services, thereby seeking more project matching opportunities for Hong Kong enterprises and professional services.

Moreover, through its global network of 51 offices, enhanced information platforms, and outreach activities, HKTDC actively promotes Hong Kong's unique strengths. It also assists Hong Kong enterprises in expanding overseas markets and participating more effectively in economic and trade activities in B&R markets through diverse business and trade activities, promotion and support measures. HKTDC will continue to forge platforms of business exchange and matching between Hong Kong enterprises and government departments, project owners, investors and business communities in B&R countries/regions through hosting major international conferences and promotional activities, including the Belt and Road Summit and the Asian Financial Forum, with a view to fostering practical business cooperation. HKTDC will also plan and organise business and industry missions to B&R markets based on their economic and trade conditions as well as cooperation potential, assisting enterprises in understanding local business environments and industry developments while deepening ties with local governments, chambers of commerce and businesses.

We strive to strengthen the economic and trade ties with other economies and actively seeks to forge free trade agreements (FTAs) and investment promotion and protection agreements (IPPAs) with more trading partners. So far, Hong Kong has signed 9 FTAs with 21 economies and 24 IPPAs with 33 foreign economies[Note]. In 2025-26, we concluded

negotiations of IPPAs with Qatar, Bangladesh and Peru respectively and will arrange signing of the agreements after completion of relevant internal procedures. We will closely monitor the development of the geopolitical landscape and continue to explore the expansion of Hong Kong's FTA and IPPA network to economies with strong trade connections with Hong Kong and markets with development potentials or at strategic locations, including regions along the B&R.

Note: The 21 economies having signed FTAs with Hong Kong include the Chinese Mainland, New Zealand, Member States of the European Free Trade Association (viz. Iceland, Liechtenstein, Norway and Switzerland), Chile, the Macao Special Administrative Region, the 10 Member States of the Association of Southeast Asian Nations (ASEAN) (viz. Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. Timor-Leste became the 11th Member State on 26 October 2025.), Georgia, Australia and Peru. Except the one with Peru, other FTAs have entered into force.

The 33 foreign economies having signed IPPAs with Hong Kong include the 10 Member States of ASEAN, Australia, Austria, Bahrain, Belgium, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, Luxembourg, Mexico, the Netherlands, New Zealand, Sweden, Switzerland, Türkiye, the United Arab Emirates and the United Kingdom. All IPPAs have entered into force.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2693)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 130 of the Budget Speech that the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) will organise promotional activities to attract Mainland enterprises to venture into global markets through Hong Kong. In addition, a cross-sectoral professional services platform will be set up, bringing together Hong Kong's professional services providers in the fields of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. In this connection, will the Government advise this Committee of:

i. the current number of staff in, and the expenditures related to, the GoGlobal Task Force;

ii. whether the financial services industry (e.g. securities, asset management, listing, financing, etc.) will be included in the cross-sectoral professional services platform to be set up by the Government. If not, please explain why.

Asked by: Hon LEE Wai-wang, Robert (LegCo internal reference no.: 34)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

Apart from the Commerce and Economic Development Bureau, GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; InvestHK; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. HKTDC coordinates the relevant work to match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner.

The manpower and expenditure for the above work by GoGlobal Task Force members have been subsumed under their respective overall establishment and estimates, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3235)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The 5G network coverage in Hong Kong has exceeded 99%. However, most operators are still primarily using "non-standalone networking", where the core network still relies on the 4G architecture. This approach has yet to fully leverage the technological advantages of "standalone networking" (hereinafter referred to as "SA") in areas such as network slicing, ultra-low latency and Internet of Things applications. In this connection, would the Government inform this Committee of the following:

(1) Has the Government set aside dedicated resources or drawn up a timetable to facilitate the gradual transition of telecommunications operators from non-standalone networking to SA? If yes, what is the allocated funding, and how long is the core network upgrade expected to take?

(2) Will the Government, through the Office of the Communications Authority, introduce incentives or regulatory requirements in spectrum allocation, licence terms or licence renewal arrangements, such as mandating the adoption of the SA architecture for specified application scenarios?

(3) In major government infrastructure and public sector projects, will contractors be required to meet "SA-ready" technical specifications, such as supporting network slicing or reserving interfaces for edge computing? Will these requirements be incorporated into tender evaluation criteria or contract key performance indicators?

(4) In promoting the development of SA, how will network security and supply chain security be safeguarded? Will a more robust mechanism for equipment review and risk assessment be put in place?

Asked by: Hon LEUNG Man-kwong (LegCo internal reference no.: 39)

Reply:

The telecommunications services market in Hong Kong has been fully liberalised. In tandem with the continuous development of mobile technologies, telecommunications services operators may deploy mobile networks and refarm spectrum with flexibility in accordance with their commercial considerations and marketing strategies to meet customer needs, thereby realising greater commercial potentials and enhancing their market competitiveness. Regarding the development of "Standalone" (SA) networks, most major mobile network operators have already upgraded their mobile networks to support SA mode and are offering a range of related mobile services to their consumer and/or business customers. As for major government infrastructure and public organisation projects, the relevant government departments or public organisations may continue to follow the existing mechanisms in the inclusion of appropriate requirements, including the provision of specific mobile network technologies.

Regarding network security and supply chain security, the Protection of Critical Infrastructures (Computer Systems) Ordinance (Cap. 653) (the Ordinance) came into effect on 1 January 2026. The Ordinance aims to impose statutory requirements on designated operators of critical infrastructures (CI operators) to ensure they adopt appropriate measures to protect their computer systems, minimising the risk of essential services being disrupted or compromised due to cyberattacks, thereby maintaining the normal functioning of Hong Kong society and the daily lives of citizens. The Code of Practice issued under the Ordinance sets out a series of related requirements, for example, CI operators should establish processes to identify and manage supply chain risks and avoid over-dependence on a single supplier; document and implement corresponding security measures, service-level expectations, and management requirements based on data sensitivity and business requirements, define and agree on the security responsibilities of suppliers, etc. with a view to managing supply chain risks as far as practicable.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0637)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 159 of the Budget Speech that the Government is consulting the trade on tax deduction arrangements for capital expenditure incurred for purchasing intellectual property (IP) or the rights to use IP, and plans to introduce an amendment bill this year. Reducing cost will facilitate more relevant trading activities, which would be conducive to the development of knowledge-intensive industries and could reinforce Hong Kong's position as a regional IP trading centre. In this connection, will the Government inform this Committee of the following:

1. What are the details of the cost reduction mentioned above?

2. As regards the selling or licensing of patents to enterprises in the United States (US), it is noted that Hong Kong companies are subject to a withholding tax at a rate of 30%, whereas the rate is 10% for Mainland companies under the agreement between China and the US, while companies from the United Kingdom are tax-exempt. Will the Government explore the feasibility of reducing the relevant tax to enhance our competitiveness?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 27)

Reply:

Having consulted the Inland Revenue Department, our reply is as follows.

Following a review of the tax deduction arrangements for relevant capital expenditure incurred by enterprises for purchasing intellectual property (IP) or the rights to use IP, the Government plans to suitably broaden the scope of relevant profits tax deductions, including allowing tax deduction of the acquisition cost of certain IP from associates, and allowing tax deduction for upfront licence fees for the right to use IP in a licensing arrangement, thereby

reducing the cost of relevant transactions and further promoting the development of IP trading. We launched a two-month stakeholder consultation in January this year to finalise the legislative proposals.

Income earned by Hong Kong enterprises from the licensing of patents to companies in the United States (US) is subject to withholding tax in the US, as required by that country's regulations. Although Hong Kong and the US have not entered into a comprehensive avoidance of double taxation agreement (CDTA) currently, under section 16(1)(ca) of the Inland Revenue Ordinance (Cap. 112), withholding tax paid by a person carrying on a business in Hong Kong to non-CDTA territories (including the US) on profits chargeable to Hong Kong profits tax (such as withholding tax on royalties) is deductible in calculating the assessable profits for Hong Kong profits tax purpose, provided that the specified conditions could be met.

Regarding the sale of patents by Hong Kong enterprises to the US, such transactions are generally considered disposals of capital assets and are generally not subject to Hong Kong profits tax. In other words, there is no double taxation issue in this case.

The Government will continue to expand Hong Kong's CDTA network to promote the development of Hong Kong enterprises in overseas markets and attract more enterprises to Hong Kong to enhance Hong Kong's competitiveness.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0798)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 161 of the Budget Speech that the Government has earmarked $28 million to support the Hong Kong Technology and Innovation Support Centre in providing innovation and technology (I&T) enterprises with patent evaluation based on Guobiao, and implementing the two-year Pilot Patent Valuation Support Scheme to assist I&T enterprises for conducting valuation of their patent assets. In this connection, will the Government inform this Committee of the following:

1. What are the details of application for the Pilot Patent Valuation Support Scheme?

2. Will it consider establishing an intellectual property (IP) trading and information platform to disclose detailed information of each IP as well as its reference price?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 29)

Reply:

To promote the development of local intellectual property (IP) financing, the Government plans to launch a two-year Pilot Patent Valuation Support Scheme (Pilot Scheme) in the 3rd quarter of 2026 to support eligible local small and medium enterprises (SMEs) to conduct valuation of their patents and other IP assets, which will provide concrete information on the enterprises' assets to serve as a reference for credit financing.

The Intellectual Property Department (IPD) will collaborate with the Hong Kong Technology and Innovation Support Centre (HKTISC) to implement the Pilot Scheme. The Pilot Scheme will adopt a matching grant model of 1 (Government):1 (eligible local SME) and provide each enterprise of an approved application (approved enterprise) with a one-off funding capped at $80,000 to support them in commissioning qualified service providers

(mainly accountants, financial analysts and surveyors) to conduct quantitative valuation of their patents and other IP assets.

In addition, if the IP assets of the approved enterprises include at least one Hong Kong patent granted under the Patents Ordinance (Cap. 514) that has also undergone substantive examination, IPD's patent examiners will, through HKTISC, provide free qualitative patent evaluation service based on the national standard for 1 Hong Kong patent designated by the approved enterprise concerned. Valuation service providers, banks or other financial institutions may, where appropriate, refer to the results of such qualitative patent evaluation in conducting quantitative valuation.

The Pilot Scheme will be open for application all year round. An applicant of the Pilot Scheme must meet the following eligibility criteria –

- it is a company incorporated in Hong Kong under the Companies Ordinance (Cap. 622) or its predecessor (Cap. 32), and registered in Hong Kong under the Business Registration Ordinance (Cap. 310);

- it is an SME;

- it has not received any prior funding under the Pilot Scheme (i.e. only 1 application would be approved per applicant);

- it has applied for or registered/been granted at least 1 patent, trade mark, design, or plant variety right in Hong Kong; and

- it is a proprietor of at least 1 patent that has been granted in Hong Kong or elsewhere through substantive examination.

An eligible SME should submit to the HKTISC Secretariat an application, together with its relevant IP information. Applications must pass the eligibility checking of the Secretariat, as well as the preliminary assessment conducted with the assistance from IPD's patent examiners. This preliminary assessment will cover aspects such as the scope of protection, remaining term of protection and usage of the relevant IP.

On IP trading and information platform, the Hong Kong Trade Development Council (HKTDC) has launched the free Asia IP Exchange (AsiaIPEX), which features the dedicated Creative Hub and Tech Hub to showcase creative IPs and innovation and technology (I&T) IPs respectively. Currently, AsiaIPEX displays over 38 000 I&T and creative IPs, including over 28 000 IPs on the Tech Hub and over 10 000 creative IPs from the film and television, character and design licensing, and publishing industries on the Creative Hub. These IPs are primarily sourced from HKTDC-related exhibitions and industry associations.

HKTDC will continue to leverage AsiaIPEX, alongside its trade platforms and events, including the Business of IP Asia Forum, InnoEX, Entrepreneur Day, Hong Kong International Film & TV Market, Hong Kong International Licensing Show, Asian Licensing Conference, etc. to continuously facilitate exchanges among brand owners, creators, technology developers and start-ups, and promote the commercialisation and trading of IP and cultural and creative products.

On public information about IP, IPD has been providing electronic search services in respect of information on registration of local trade marks, patents and designs since 2003. IPD has also been providing transaction registration services for owners of trade marks, patents and designs, or other parties to the transactions to register information on IP-related charges and other IP transactions, which is available for public inspection.

The valuation, financing, loan, licensing or trading of an enterprise's IP involves management and transactions of private property rights. The relevant commercial information is not suitable for public disclosure.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2197)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 130 of the Budget Speech, as our country is advancing with high-level, two-way opening-up, more Mainland enterprises are actively expanding overseas markets. The Task Force on Supporting Mainland Enterprises in Going Global will organise promotional activities to attract Mainland enterprises to venture into global markets through Hong Kong. We will also set up a cross-sectoral professional services platform, bringing together Hong Kong's professional services providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. In this connection, please inform this Committee of the following:

1. What specific promotional activities were organised by the Task Force over the past year and what expenditures were involved?

2. What specific support has been provided through the cross-sectoral professional services platform in areas such as innovation and technology, as well as intellectual property protection?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 25)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive

support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. The work includes organising promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, innovation and technology, intellectual property, etc. to support enterprises going global. HKTDC coordinates the relevant work to match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2605)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 134 of the Budget Speech that as at the end of last year, the application period for the 80% Guarantee Product under the SME Financing Guarantee Scheme (SFGS) has been extended to the end of March 2028, while that for the principal moratorium arrangement has also been extended to mid-November this year. The total loan guarantee commitment under the SFGS will increase by $20 billion. In this connection, will the Government inform this Committee of:

1. the number of small and medium enterprise beneficiaries to date under the SFGS;

2. the respective cumulative default rates of the 80%, 90% and Special 100% Guarantee Products under the SFGS;

3. the total amount of default claims to date under the SFGS; and

4. the measures taken by the Government to recover the default amount?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 3)

Reply:

The SME Financing Guarantee Scheme (SFGS) is administered and managed by HKMC Insurance Limited (HKMCI). As at end-February 2026, a total of $304.2 billion of loans has been approved, benefitting over 68 600 enterprises and 857 000 employees. The cumulative application and default figures of the various guarantee products of the SFGS are as follows:

	80% Guarantee Product (launched in 2012)	90% Guarantee Product (launched in 2019 and the application period ended in end-March 2026)	Special 100% Guarantee Product [Note] (launched in 2020 and the application period ended in end-March 2024)
Number of Applications Received	33 298	21 202	72 824
Number of Applications Approved	29 627	19 220	67 198
Total Loan Amount of Approved Applications ($)	126.8 billion	33.5 billion	143.9 billion
Number of Approved Applications by Beneficiary Sectors			
• Trading, Wholesale and Retail	15 692 (53%)	9 120 (47%)	23 819 (35%)
• Engineering and Construction	2 314 (8%)	1 800 (9%)	5 685 (9%)
• Manufacturing	4 243 (14%)	703 (4%)	3 796 (6%)
• Others (e.g. Catering, Transportation)	7 378 (25%)	7 597 (40%)	33 898 (50%)
Number of Default Cases	2 467	1 394	13 231
Loan Guarantee Amount of Default Cases ($)	5.6 billion	1.4 billion	27.8 billion
Default Rates	5.5%	4.6%	19.3%

Note: Some applications submitted before the end of the application period were approved in April 2024 or later.

In processing loan applications, the lending institutions must, based on their policy and prevailing commercial practice, conduct customer due diligence on the borrowing enterprises to confirm that the borrowing enterprises could fulfil the eligibility requirements, and submit the verified applications complete with the documents required to HKMCI for final guarantee approval. In addition, shareholder(s) or beneficial owner(s) holding more than 50% of the equity interest in the borrowing enterprise are required to provide an irrevocable, unconditional and legally binding personal guarantee(s) in respect of the loans obtained by their own enterprise under the SFGS, so as to signify their commitment to the business continuity, repayment obligations and financial position of the relevant borrowing enterprise. HKMCI will also conduct appropriate checks in vetting the applications submitted by the lending institutions, and step up the vetting of suspicious cases, to ensure the prudent use of public money.

HKMCI has been working closely with lending institutions on properly handling default cases. The borrowing enterprises have a repayment obligation. In the event that a borrowing enterprise defaults on repayments, the lending institution will first discuss a

feasible repayment plan with the borrowing enterprise, e.g. repaying only the interest or part of the principal during a transition period, so that the borrowing enterprise can continue its operation while making a debt restructuring arrangement as soon as possible, with a view to gradually resuming normal repayments.

If the lending institution and the borrowing enterprise could not reach agreement on the repayment or the latter refuses to cooperate, the lending institution will consider taking appropriate recovery/legal actions in accordance with its policy and prevailing commercial practice, including requesting the relevant enterprise and guarantor to repay the loan, filing a petition for winding-up and/or bankruptcy with the court, etc. If an individual debtor of a case could not be reached, the lending institution will attempt to contact the relevant persons continuously, including other guarantors, to pursue recovery of the outstanding loans. HKMCI and lending institutions will continue to review cases of loan default and take appropriate recovery actions in accordance with prudent commercial principles, with a view to reducing the loss of the Government.

As at end-February 2026, the cumulative default rates of the 80%, 90% and Special 100% Guarantee Products under the SFGS were about 5.5%, 4.6% and 19.3% respectively, lower than the assumed overall default rates (12%, 16% and 25% respectively). The default rates are subject to change having regard to the overall economic environment, the operational situation of individual borrowing enterprises, etc. The Government and HKMCI will continue to monitor the situation closely.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0524)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 130 of the Budget Speech that the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) will organise promotional activities to attract Mainland enterprises to venture into global markets through Hong Kong. In this connection, would the Government inform this Committee of the following:

(a) the current specific structure and staffing establishment of the GoGlobal Task Force since its establishment in 2025, and the total amount of funding earmarked for its operation, promotion and manpower training in the 2026-27 Budget;

(b) it is mentioned under Programme (2) that in the new year, diverse proposals will continue to be formulated for Mainland enterprises looking to go global through Hong Kong. Please explain the specific contents of these proposals, and whether they cover areas such as assisting in the alignment with international standards and providing advice on laws and regulations in overseas markets;

(c) so far, are there any success stories of Mainland enterprises that have set up businesses in overseas markets through the GoGlobal Task Force? If yes, what are the details?

Asked by: Hon LEUNG Tsz-wing, Dennis (LegCo internal reference no.: 38)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The

Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

Apart from the Commerce and Economic Development Bureau, GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; InvestHK; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. HKTDC coordinates the relevant work to match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner.

The manpower and expenditure for the above work by GoGlobal Task Force members have been subsumed under their respective overall establishment and estimates, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0250)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has expressed his support for enterprises in Hong Kong. In particular, he mentioned in paragraph 134 of the Budget Speech that "the Government will continue providing loan guarantees to enterprises through the SME Financing Guarantee Scheme (SFGS). We have extended the application period for the 80% Guarantee Product to the end of March 2028 and also extended the application period for the principal moratorium arrangement to mid-November this year. The total loan guarantee commitment under the Scheme will increase by $20 billion". Meanwhile, one of the Matters Requiring Special Attention in 2026-27 under Programme (2) of the Commerce and Economic Development Bureau is to "continue to work with HKMC Insurance Limited to implement the SFGS to help ease the cash flow problem of small and medium enterprises (SMEs)". Please inform this Committee of the amount of repayment received under the SFGS and the percentage of such repayment. Besides, what are the details of the expenditure under the SFGS over the past year, including the number of cases and the loan amount? What industries are involved? How many default cases are there? What is the default amount involved?

The Hong Kong Special Administrative Region Government launched the SFGS with the aim of helping SMEs alleviate their funding problems. Have there been any cases of fraud committed through the abuse of the SFGS, such as defaulting after taking out a loan? Please provide a breakdown of the details. Has an assessment been made on the abuse of the SFGS and has an estimate been made on the number of approved cases with defaults? Will the Government take rigorous action to crack down on such fraudulent activities to ensure the proper use of public money?

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 11)

Reply:

The SME Financing Guarantee Scheme (SFGS) is administered and managed by HKMC Insurance Limited (HKMCI). As at end-February 2026, among the more than 116 000 loan applications approved, around 41 000 applications, involving a loan amount of around $113.4 billion, had been repaid in full as scheduled, accounting for around 37% of the total loan amount.

The revised estimate of the SFGS in 2025-26 is $10.38 billion, which is deployed to cater for the relevant expenses of the various guarantee products, including payments of loan servicing fee in respect of the Special 100% Guarantee Product to the participating lending institutions, the administrative costs and the necessary out-of-pocket expenses of HKMCI as well as the default claim payments. The cumulative application and default figures of the various guarantee products of the SFGS as at end-February 2026 are as follows:

	80% Guarantee Product (launched in 2012)	**90% Guarantee Product (launched in 2019 and the application period ended in end-March 2026)**	**Special 100% Guarantee Product** [Note] **(launched in 2020 and the application period ended in end-March 2024)**
Number of Applications Received	33 298	21 202	72 824
Number of Applications Approved	29 627	19 220	67 198
Total Loan Amount of Approved Applications ($)	126.8 billion	33.5 billion	143.9 billion
Number of Approved Applications by Beneficiary Sectors			
• Trading, Wholesale and Retail	15 692 (53%)	9 120 (47%)	23 819 (35%)
• Engineering and Construction	2 314 (8%)	1 800 (9%)	5 685 (9%)
• Manufacturing	4 243 (14%)	703 (4%)	3 796 (6%)
• Others (e.g. Catering, Transportation)	7 378 (25%)	7 597 (40%)	33 898 (50%)
Number of Default Cases	2 467	1 394	13 231
Loan Guarantee Amount of Default Cases ($)	5.6 billion	1.4 billion	27.8 billion
Default Rates	5.5%	4.6%	19.3%

Note: Some applications submitted before the end of the application period were approved in April 2024 or later.

In processing loan applications, the lending institutions must, based on their policy and prevailing commercial practice, conduct customer due diligence on the borrowing enterprises to confirm that the borrowing enterprises could fulfil the eligibility requirements, and submit the verified applications complete with the documents required to HKMCI for final guarantee approval. In addition, shareholder(s) or beneficial owner(s) holding more than 50% of the equity interest in the borrowing enterprise are required to provide an irrevocable, unconditional and legally binding personal guarantee(s) in respect of the loans obtained by their own enterprise under the SFGS, so as to signify their commitment to the business continuity, repayment obligations and financial position of the relevant borrowing enterprise. HKMCI will also conduct appropriate checks in vetting the applications submitted by the lending institutions, and step up the vetting of suspicious cases, to ensure the prudent use of public money.

Lending institutions and HKMCI have been communicating and working closely with law enforcement agencies (LEAs). If a loan application was found to have potentially involved illegal activities, including using false instruments, providing false information/declarations, etc., the relevant application will be rejected and reported to the LEAs. As at end-February 2026, 3 919 applications of the Special 100% Guarantee Product, involving around $11.4 billion of loans, are found to have involved illegal activities. Among them, 1 660 cases (involving around $5.4 billion of loans) were already rejected by HKMCI and/or the lending institutions during application assessment, while the other 2 259 cases (involving around $6.1 billion of loans) were identified after loan drawdown. As regards the 80% and 90% Guarantee Products, approximately 500 and 110 applications are found respectively to have involved illegal activities since their launch, involving around $2 billion and $200 million of loans respectively. HKMCI has taken appropriate actions, including reporting the cases that may have involved illegal activities and providing assistance to the LEAs, issuing clear guidelines to the participating lending institutions of the SFGS, taking legal actions through the lending institutions, etc.

HKMCI has been working closely with lending institutions on properly handling default cases. The borrowing enterprises have a repayment obligation. In the event that a borrowing enterprise defaults on repayments, the lending institution will first discuss a feasible repayment plan with the borrowing enterprise, e.g. repaying only the interest or part of the principal during a transition period, so that the borrowing enterprise can continue its operation while making a debt restructuring arrangement as soon as possible, with a view to gradually resuming normal repayments.

If the lending institution and the borrowing enterprise could not reach agreement on the repayment or the latter refuses to cooperate, the lending institution will consider taking appropriate recovery/legal actions in accordance with its policy and prevailing commercial practice, including requesting the relevant enterprise and guarantor to repay the loan, filing a petition for winding-up and/or bankruptcy with the court, etc. If an individual debtor of a case could not be reached, the lending institution will attempt to contact the relevant persons continuously, including other guarantors, to pursue recovery of the outstanding loans. HKMCI and lending institutions will continue to review cases of loan default and take appropriate recovery actions in accordance with prudent commercial principles, with a view to reducing the loss of the Government.

As at end-February 2026, the cumulative default rates of the 80%, 90% and Special 100% Guarantee Products under the SFGS were about 5.5%, 4.6% and 19.3% respectively, lower than the assumed overall default rates (12%, 16% and 25% respectively). The default rates are subject to change having regard to the overall economic environment, the operational situation of individual borrowing enterprises, etc. The Government and HKMCI will continue to monitor the situation closely.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0254)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, one of the main responsibilities of the Commerce and Economic Development Bureau is to collaborate with the Mainland authorities and the Hong Kong Trade Development Council to help Hong Kong enterprises develop the Mainland domestic sales market, including through the support of HKTDC's "GoGBA one-stop platform" and its network of "GoGBA Business Support Centres" in the Greater Bay Area. Meanwhile, it is mentioned in the Matters Requiring Special Attention in 2026-27 that the Bureau will "continue to collaborate with the Mainland authorities and HKTDC to help Hong Kong enterprises promote their products and services to the Mainland market". Please advise this Committee of the expenditure on helping Hong Kong enterprises develop the Mainland domestic sales market in the past financial year, the work undertaken and the effectiveness thereof, as well as the usage of the network of "GoGBA Business Support Centres" and the effectiveness thereof. Please provide a breakdown of the details. For the new 2026-27 financial year, what new work plan does the Government have to promote Hong Kong products and services to the Mainland market and expand the Mainland domestic sales market? What are the expenditures involved and the implementation timetable?

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 24)

Reply:

In 2025-26, the Hong Kong Trade Development Council (HKTDC) continued to organise a series of activities and provide support services through the "GoGBA one-stop platform" (the Platform) to assist Hong Kong enterprises in building network and promoting business opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), and to provide them with the latest policy updates and economic and trade information about the GBA market. Since the launch of the Platform in 2021 until end-February 2026, over 130 activities including online and offline sharing sessions, consultation meetings and business missions, etc. had been organised, serving nearly 15 000 people, to help them explore

opportunities in the GBA. The Platform's GoGBA website and mobile app, which provide business policy and practical information online about the GBA are very popular among users, having recorded over 8 million views so far. HKTDC has also continued to enhance the services of the Platform, including the launch of the "GoGBA Coffee & Chat" in 2025-26 to invite experts to provide small and medium enterprises (SMEs) with in-depth analyses on and practical guidance in doing business in GBA.

In addition, HKTDC has also provided more comprehensive on-site support to Hong Kong enterprises through the "HKTDC GBA Centres" established in Shenzhen and Guangzhou, and a network of 11 "GoGBA Business Support Centres" jointly set up with partner organisations covering all 9 Mainland cities in the GBA and Macao.

Meanwhile, to help Hong Kong enterprises develop the Mainland domestic sales market, HKTDC has organised various themed and industry-specific business missions across the GBA and other Mainland cities. Amongst them, HKTDC organised a business mission to Shenzhen and Zhuhai in December 2025 bringing Hong Kong enterprises to visit leading technology enterprises there; and, HKTDC organised a Hong Kong Beauty Mission to Guangzhou in March 2026 to help Hong Kong enterprises keep abreast of emerging trends in the GBA and global beauty markets.

To promote Hong Kong's brands, unique products and professional services, HKTDC has set up Hong Kong Pavilions in major Mainland exhibitions and organised Hong Kong enterprises to participate in various key national exhibitions, such as the China International Consumer Products Expo in Haikou, Hainan Province in April 2025, the China International Fair for Trade in Services in Beijing in September 2025 and the China International Import Expo in Shanghai in November 2025, etc.

In addition, HKTDC launched the "E-Commerce Express" in 2025-26 to provide more comprehensive support for SMEs interested in tapping into the Mainland electronic commerce (e-commerce) market. As one of the flagship events under the programme, the 2nd edition of the Hong Kong Shopping Festival (HKSF) was held in August 2025. The event attracted the participation of around 260 brands and offered more than 500 featured products. In addition, HKTDC invited a number of renowned Mainland key opinion leaders to conduct livestreaming sessions for brands, thereby boosting the exposure of the online stores of Hong Kong enterprises. The event also achieved total impressions of more than 100 million across the webpage of relevant e-commerce platforms and the official HKSF website. Furthermore, as at end-February 2026, the HKTDC Design Gallery has established 72 physical retail outlets in 27 Mainland cities. 33 of those physical retail outlets are located in the GBA. The HKTDC Design Gallery has also established online stores on large-scale Mainland e-commerce platforms, attracting the participation of nearly 400 brands every year.

HKTDC has also been providing Hong Kong enterprises with information to develop the Mainland domestic market through different channels such as seminars and its "HKTDC Research" website. For example, the HKTDC Research Division published the "Chinese Mainland Silver Economy Opportunities Consumer Survey Findings" in March 2026 to help Hong Kong enterprises grasp business opportunities in the Mainland elderly consumers market.

Apart from continuing the above work and actively participating in key Mainland exhibitions, in 2026-27, HKTDC will:

- dovetail with the "E-Commerce Express" by organising the 3rd edition of the HKSF on Mainland e-commerce platforms in August 2026. This helps Hong Kong enterprises leverage the extensive customer base and traffic of Mainland e-commerce platforms with a view to enhancing brand and product awareness on the Mainland and accelerating enterprises' development of the Mainland domestic sales market;

- launch the promotional event "BizConnect" to connect Hong Kong enterprises with Eastern China-based Mainland enterprises, which are keen to expand internationally, from sectors with high-growth potential, through seminars, company visits, business matching meetings and networking activities so as to precisely match the needs of Mainland enterprises with Hong Kong's professional services; and

- launch business missions to popular cities in the GBA and a new series of "Coffee & Chat for Expatriates" consultation activities dedicated to help foreign-invested enterprises in Hong Kong (including the members of foreign chambers of commerce) deepen understanding of the latest local business environment and technological development, and to assist them in exploring development opportunities the GBA.

The expenditure for the above work has been subsumed under the overall estimates of HKTDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2721)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On promoting the development of the convention and exhibition industry, the Financial Secretary has mentioned in paragraph 136 of the Budget Speech that "To promote further development of the exhibition industry and brand building as an international convention and exhibition hub, the Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing Mainland and international brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities." In this connection, please advise this Committee on the details of the expenditures, specific plans and implementation timetables in relation to the funding of $100 million. What are the expected outcomes and economic benefits, and what are the key performance indicators to be adopted?

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 29)

Reply:

As announced in the 2026-27 Budget, to promote the further development of the exhibition industry and brand building, the Hong Kong Special Administrative Region Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing the Chinese Mainland and overseas brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. We are formulating the relevant arrangements and implementation details.

Unlike the previous arrangement of subsidising venue rental through incentive schemes, we will pilot a more flexible approach of providing financial support. By partnering with

statutory bodies and relevant organisations, we will leverage their expertise, networks and supporting services to identify and attract large-scale, high-quality international exhibitions with new elements to be staged in Hong Kong, with the aim of injecting new impetus into the convention and exhibition industry and reinforcing Hong Kong's position as a premier platform for showcasing the Chinese Mainland and overseas brands. We will consider the suitable form of resource allocation and level of funding subject to the nature and contents of individual exhibitions. To ensure the prudent use of public funds, we will formulate appropriate performance indicators with the organisers (e.g. number of exhibitors, anticipated economic benefits, etc.), closely monitor the implementation effectiveness throughout the process, and conduct timely reviews to refine the arrangements where necessary.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0271)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 134 of the Budget Speech, the Government has extended the application period for the principal moratorium arrangement to mid-November this year. To alleviate the repayment pressure on borrowing enterprises and help them address challenges brought about by economic restructuring, will the Government consider further extending the application period for the principal moratorium arrangement? If so, what are the details? If not, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 509)

Reply:

Since the launch of the SME Financing Guarantee Scheme (SFGS) in 2012, the Government has been introducing enhancement measures having regard to the economic situation of Hong Kong and the needs of small and medium enterprises (SMEs), including extending the application period of the SFGS, increasing the maximum loan amount, extending the maximum guarantee period, increasing the total government loan guarantee commitment, etc.

The Financial Secretary announced in the 2026-27 Budget that the Government will continue providing loan guarantees to enterprises through the SFGS, and has already extended the application period for the 80% Guarantee Product to the end of March 2028 and also extended the application period for the principal moratorium arrangement to mid-November 2026.

The Government and HKMC Insurance Limited, which is responsible for administering and managing the SFGS, will continue to monitor the situation closely, and make necessary adjustments to the SFGS having regard to the circumstances so as to meet the financing needs of SMEs during economic transformation.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0272)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to Programme (2), the Commerce and Economic Development Bureau (CEDB) will continue to work with the Trade and Industry Department and the Hong Kong Productivity Council to implement the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in the next financial year. The Government has adjusted the matching ratio of the BUD Fund from 1 (Government):1 (Enterprise) to 1:3 of the total approved expenditure since 14 March 2025, and adjusted the maximum funding amount for each approved project from $1,000,000 to $800,000 at the same time. Since the rolling out of the adjustments to the BUD Fund, how many applications have been received? Among which, what are the respective numbers of applications that were approved, under processing and unsuccessful? What is the average funding amount for each approved application? For the past 3 years before the roll out of the adjustments to the BUD Fund, how many applications have been received in each year? What is the average funding amount for each approved application? Did CEDB assess whether the decrease in the matching ratio affected enterprises' incentives of application? If yes, what are the details of the assessment results? Following the improvement of the fiscal situation, will the Government consider increasing the maximum funding amount and reverting the matching ratio back to 1 (Government):1 (Enterprise)? If so, what are the details? If not, what are the reasons? For the past 3 years, how many applications were not handled within the 60-working-day performance pledge? Will the manpower for vetting be increased in the coming year so as to expedite the processing of applications? If so, what are the respective details of the manpower and expenditure to be involved?

Asked by: Hon Jimmy NG Wing-ka (LegCo internal reference no.: 501)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements.

Enterprises' demand for the BUD Fund has remained strong. As at end-February 2026, more than 32 000 applications were received. In 2025, the BUD Fund received around 5 350 applications, an increase of over 210% as compared with that in 2019; the total approved funding amount increased by over 320% during the same period. The number of applications received in 2025 remained high, and both the number of approved applications and the total approved funding amount have increased as compared with that in 2024. The implementation of the BUD Fund in 2024 and 2025 (i.e. the year when the rationalisation measures were implemented) is as follows:

	2024	**2025** Note 2
Number of applications received Note 1	7 262	5 347
Number of applications approved	2 656	2 776

Note 1: Applications received may not be processed in the same year. The figures include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

Note 2: Among the applications received and approved in 2025, 3 458 and 2 128 applications were received and approved respectively on or after 14 March 2025. Around 1 600 applications were rejected during the same period. As at end-February 2026, of the 1 510 applications under processing, around 70% of the applications require the applicant enterprises to provide further clarification of the project details or supplementary documents. The Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund, will process these applications as soon as possible upon clarification of the project details or provision of supplementary documents by the enterprises.

In 2025, the average funding amount per approved general application and "E-commerce Easy" application was $712,000, and the average funding amount per approved "Easy BUD" application was $68,000.

The implementation of the BUD Fund in the 3 years prior to the rolling out of the rationalisation measures is as follows:

	2022	**2023**	**2024**
Number of applications received Note 3	2 637	4 739	7 262
Average funding amount per approved application ($)	716,000	713,000 General applications 68,000 "Easy BUD" applications	735,000 General and "E-commerce Easy" applications 75,000 "Easy BUD" applications

Note 3: Applications received may not be processed in the same year. The figures include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

To date, HKPC, the Programme Secretariat of the BUD Fund, could meet the performance pledge of processing all general applications and "E-commerce Easy" applications within 60 working days, as well as the performance pledge of processing all "Easy BUD" applications within 30 working days, upon receipt of all required documents and information of the applications.

The funding ratio of the BUD Fund was adjusted in March 2025, and its effectiveness needs to be reviewed over time. In addition, we have relaxed the frequency for submitting "Easy BUD" applications and provided more targeted funding support for projects on green transformation and restructuring of production lines, etc. since March 2025. Meanwhile, we plan to increase the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000 and provide more targeted funding support in areas involving artificial intelligence and market promotion in the 2nd quarter of 2026. We therefore need time to review the relevant financial implications. We will continue to manage the fund prudently to ensure its financial sustainability. At the same time, we must prudently utilise the public funds in a timely and focused manner to enable more enterprises to receive funding support and to maintain a wide spread of beneficiaries. The Government will continue to keep in close touch with the trade, review constantly the operation of the funding scheme, and make adjustments and enhancements if necessary.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0274)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme 2, the Commerce and Economic Development Bureau will continue to support the further development of liquor-related business in Hong Kong in the coming year. In recent years, findings of the Population Health Survey have indicated a notable decrease in the proportion of the population aged 15 or above who have consumed liquor. Will the Government consider providing a further reduction on liquor duty? If so, what are the details? If not, what are the reasons? Will additional measures be formulated in the future to attract non-local merchants to Hong Kong to engage in liquor-related business? If so, what are the details? Will the Government explore more vigorous measures like directly reducing or waiving the duty rate on liquor with an import price over $200, so as to further drive the development of other liquor-related high value-added sectors such as logistics and storage, tourism as well as high-end food and beverage consumption? If so, what are the details, and what are the expenditure and staff establishment involved in the work? If not, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 506)

Reply:

The purpose of lowering liquor duty is to encourage the trade and auctions of high-end liquor in Hong Kong, thereby giving impetus to the development of other high value-added sectors such as logistics and storage, tourism as well as high-end food and beverage consumption. At the same time, we are also mindful of the need to avoid increasing liquor consumption among the public as a result of reducing liquor duty, thereby leading to other problems. When introducing the relevant measures, the Government has fully balanced different policy considerations such as promoting economic development, maintaining stable public finances and protecting public health. Any further adjustments will require careful consideration of the impact on different aspects with prudent planning. The Government currently has no plan to further adjust the duty rate on liquor.

As a "super-connector" and "super value-adder", Hong Kong not only provides an important trading platform for Mainland liquor traders, assists Mainland liquor brands to "go global", but also assists foreign liquor brands to enter the Mainland market. We have all along assisted in promoting local wine-related activities, including the Hong Kong Wine and Dine Festival by the Hong Kong Tourism Board and the Hong Kong International Wine and Spirits Fair (Wine and Spirits Fair) by the Hong Kong Trade Development Council (HKTDC), attracting exhibitors who sell various alcoholic beverages, including liquors. Taking the Wine and Spirits Fair organised by the HKTDC in November 2025 as an example, it attracted over 620 exhibitors from 23 countries and regions with over 30% of exhibitors featuring liquors. Nearly half of all activities were liquor-related. The newly launched "World of Spirits" zone highlighted liquors from 14 countries and regions, and gathered 6 major Chinese baijiu brands, with many exhibitors participating in Hong Kong for the first time. As for the participants, the Wine and Spirits Fair also attracted over 8 200 buyers from 57 countries and regions to visit and source different alcoholic beverages, including liquors, showing that Hong Kong plays a positive role in connecting the Mainland and international liquor markets and fostering trading of liquor.

In addition, the Government will, through the overseas Hong Kong Economic and Trade Offices and the Mainland Offices, continue to actively disseminate information about Hong Kong's liquor market and introduce the liquor duty reduction initiative to liquor traders in different regions with a view to attracting more Mainland and international liquor traders to use Hong Kong as a sales platform and logistics hub in the region. The Secretary for Commerce and Economic Development will also continue to suitably incorporate elements promoting wine and liquor trade into the programmes for duty visits to foster the development of the related industries.

Promoting and facilitating the liquor trade is part of the work of the Commerce and Economic Development Bureau. The expenditure has been subsumed under the overall establishment and estimate and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0275)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to Programme (2), the Commerce and Economic Development Bureau will continue to co-ordinate bureaux and departments in formulating policies and measures on the development of cross-border e-commerce in the next financial year. This includes working with the Hong Kong Trade Development Council and the Hong Kong Productivity Council to assist enterprises in collaborating with brands and developing cross-border e-commerce businesses through the "Creativity · E-commerce - Beyond Limits" programme. When is the programme expected to be launched? Have the preliminary implementation details of the programme been drawn up? If yes, what are the details? What are the projected staffing establishment and expenditures involved in promoting the programme and processing the related applications in the next financial year?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 512)

Reply:

The Government will launch the "Creativity · E-commerce – Beyond Limits" Programme (the Programme) through the Hong Kong Trade Development Council (HKTDC) and the Hong Kong Productivity Council (HKPC) in 2026 to assist enterprises in collaborating with brands, enhancing brand competitiveness and developing cross-border electronic commerce (e-commerce) business. The Programme comprises:

- Setting up e-commerce service zones at major exhibitions/conferences: HKTDC has newly set up an E-commerce Connect Zone at the eTailingPulse and Marketing Pulse held on 19 March 2026, providing Hong Kong small and medium enterprises (SMEs) and brands with practical advice related to e-commerce services and professional marketing that keeps abreast of the time. Besides, HKTDC will newly set up an Intellectual Property (IP) and E-commerce Services Zone at the Hong Kong International Licensing Show in April 2026. This zone will provide consultation services and

networking opportunities for SMEs interested in exploring how to uncover new business opportunities of cultural and creative IPs in the e-commerce field;

- Organising thematic seminars on e-commerce, providing advisory and consultation services: HKTDC will continue to provide a wide array of support services for SMEs and start-ups in fields such as training, advisory services, business matching, etc, including the "E-Commerce Express", the HKTDC Transformation Sandbox programme, the Digital Academy, etc. These support services offer free training on e-commerce marketing and digital transformation. In 2026-27, HKTDC plans to organise about 16 thematic seminars on e-commerce, offering comprehensive assistance to Hong Kong enterprises in developing e-commerce businesses and enhancing market competitiveness; and

- E-commerce Innovation Expo: Supported by the Trade and Industry Department (TID), the "SME ReachOut" operated by HKPC will organise the two-day "E-Commerce Innovation Expo 2026 – Expanding Brand Horizons" in June 2026. The Expo focuses on cross-border e-commerce and covers enhancement of products' value and innovation elements (including technology upgrades, branding, IP, platforms support and market expansion, etc.), thereby encouraging SMEs to explore the integration of cultural and creative industries with businesses, as well as enhancing their brand awareness and market competitiveness through brand building or transforming cultural and creative IPs into products. The Expo also provides SMEs with practical e-commerce strategies through thematic seminars/workshops, e-commerce livestreaming demonstrations and one-on-one consultation sessions, etc., with a view to enhancing enterprises' digital marketing capabilities and helping them explore new business opportunities.

The manpower and expenditure of the Commerce and Economic Development Bureau, TID, HKTDC and HKPC for launching the Programme have been subsumed under the respective overall establishment and estimates, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0276)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (2), the Commerce and Economic Development Bureau will continue to support the Financial Secretary in formulating packages of preferential policies in the coming year to attract high value-added industries and high-potential enterprises to set up in Hong Kong, and oversee the application of the preferential policy packages during Invest Hong Kong's negotiation with enterprises. What are the staffing establishment and expenditures involved in the relevant work in the coming year? Will the Government set key performance indicators for implementing the packages of preferential policies to attract high value-added industries and high-potential enterprises to set up in Hong Kong? If yes, what are the details? Have any enterprises opted to establish their presence in Hong Kong as a result of the packages of preferential policies implemented? If yes, what are the details?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 514)

Reply:

The 2025 Policy Address announced that the Financial Secretary (FS) would lead the relevant policy bureaux, departments, and public organisations in formulating packages of preferential policies including land grants, land premiums, financial subsidies, and tax incentives, to attract high value-added industries and high-potential enterprises to set up in Hong Kong, thereby promoting high-quality development. Invest Hong Kong (InvestHK) can use the preferential policy packages flexibly during negotiations with enterprises on settlement details, then report to FS for approval.

FS has set up the Steering Committee on Preferential Policies for Attracting Industries and Investment (Steering Committee) and formulated a preliminary framework, which would take into account a series of factors, including the enterprise's industry sector and its technology level, as well as the potential economic contributions and employment opportunities it can bring to Hong Kong. As a member of the Steering Committee, InvestHK will work to attract key enterprises to set up in Hong Kong under the steer of FS. Specific tasks will include –

- To conduct researches on different overseas markets to identify high-potential enterprises that can make significant contributions to Hong Kong's economy and industrial chain and attract them to set up businesses in Hong Kong;

- To act as a "relationship manager" to liaise with the potential enterprises on settlement terms, including assessing the enterprises' business needs and contributions to Hong Kong's economy, and seeking policy support from the relevant policy bureaux and the Steering Committee, with a view to proposing attractive preferential policy packages (such as land grant arrangements, financial subsidies or tax incentives) to the enterprises and attracting them to set up businesses in Hong Kong; and

- To provide customised services and follow up with enterprises on arrangements such as setting up businesses, land deeds, legal contracts, etc. to ensure that the enterprises concerned can set up their businesses and commence operations smoothly.

InvestHK and members of the Steering Committee are proactively taking forward the work related to the preferential policy packages. The Government will announce in due course when cases become mature. The Commerce and Economic Development Bureau (CEDB) will continue to support FS in formulating preferential policy packages and oversee InvestHK's application of the preferential policy packages during its negotiation with enterprises.

InvestHK will work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises to set up or expand businesses in Hong Kong between 2026 and 2027, including high value-added industries and high-potential enterprises that may be eligible for the preferential policy packages.

CEDB's and InvestHK's manpower and expenditure related to the preferential policy packages have been subsumed under the respective overall establishment and estimates, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0277)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The main responsibilities of the Commerce and Economic Development Bureau under Programme (2) include formulating policies to support small and medium enterprises. Many Hong Kong enterprises have businesses in the Mainland and abroad. Will the Government further review and enhance various support measures having regard to the economic situation and needs of the trade, so as to help enterprises address challenges encountered during economic transformation and promote diversification of industries? If yes, what are the details? Will the Government consider further removing the restriction of "money cannot cross the boundary", allowing various support measures currently only applicable to local commercial and industrial activities to be extended equally to commercial, industrial and economic activities outside Hong Kong? If yes, what are the details? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 513)

Reply:

The Government is dedicated to providing a reliable and conducive business environment to support the healthy development of enterprises. Having regard to the economic situation and needs of the trade, the Government enhances various measures from time to time with a view to increasing the long-term competitiveness of small and medium enterprises (SMEs) and driving the overall economic development of Hong Kong. The 2026-27 Budget announced a number of support measures for SMEs. These measures cover both the local market and various economies to cater for the business needs of various enterprises. These measures include:

- inject $200 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to increase the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000, and to provide more targeted funding support for enterprises to

implement BUD Fund projects with artificial intelligence elements for the development of business in the Chinese Mainland and target markets outside Hong Kong;

- the Hong Kong Export Credit Insurance Corporation (ECIC) will launch the pilot scheme "SME Protect Plus" to provide protection for SMEs engaging in exports with higher-risk buyers, so as to assist SMEs in exploring new businesses. ECIC will launch the pilot scheme in the 3rd quarter of 2026 for 1 year; and

- continue to provide loan guarantees to enterprises through the SME Financing Guarantee Scheme. We have extended the application period for the 80% Guarantee Product to the end of March 2028 and also extended the application period for the principal moratorium arrangement to mid-November this year.

Meanwhile, the Government will continue to encourage enterprises to capitalise on the enormous business opportunities brought about by cross-border electronic commerce (e-commerce) business, thereby developing more diversified markets and expanding sales network, through measures such as funding support, capacity building, publicity and promotion, etc. For example, we launched "E-commerce Easy" under the BUD Fund to encourage enterprises to develop e-commerce business in the Chinese Mainland and the 10 countries of the Association of Southeast Asian Nations (ASEAN). We will also launch the Hong Kong Shopping Festival through the Hong Kong Trade Development Council for the Mainland and ASEAN e-commerce markets for 3 consecutive years from 2026 to 2028, encouraging more enterprises to take the initiative to develop e-commerce businesses, as well as enhancing the exposure and awareness of Hong Kong brands and products on the Mainland and in the ASEAN.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0278)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to Programme 2, the Commerce and Economic Development Bureau (CEDB) will, in the coming year, continue to monitor developments on various regional economic integration initiatives, including seeking early accession to the Regional Comprehensive Economic Partnership Agreement (RCEP). The CEDB will also continue to lobby and engage with members of the RCEP, while actively cooperating with the RCEP in its deliberations on the accession of new members. What are the details of the relevant lobbying and engagement work undertaken by the CEDB in the past year and current year? What are the respective establishment and expenditure involved? Are there any new plans formulated for the lobbying and engagement work in the coming year? If so, what are the details? What are the respective establishment and expenditure involved? Has the Government assessed when Hong Kong will successfully accede to the RCEP?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 508)

Reply:

Upon the entry into force of the Regional Comprehensive Economic Partnership (RCEP) [Note] on 1 January 2022, the Hong Kong Special Administrative Region (HKSAR) Government has immediately submitted Hong Kong's formal accession request, and actively expressed to its members at different levels and on different occasions Hong Kong's keen interest in joining RCEP early. Besides receiving full support from the Central People's Government, the HKSAR Government has also received positive responses from other RCEP members in particular the Association of Southeast Asian Nations (ASEAN) member states. For example, during the Secretary for Commerce and Economic Development's (SCED) visit to Malaysia in September 2025, the ASEAN Economic Ministers had expressed appreciation for Hong Kong's readiness and keen interest for early accession to RCEP as well as the value and important contribution that Hong Kong's accession will add to RCEP. During the Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting in Gyeongju, South

Korea, in October 2025, the Chief Executive (CE) also met with the Prime Minister and Minister for Finance of Singapore. As part of the delegation, SCED also conducted bilateral meetings with ministerial officials from Korea, New Zealand and Indonesia in the margins of the APEC Ministerial Meeting, expressing gratitude to these countries for their continued support of Hong Kong's accession to RCEP. In January 2026, SCED met with the Minister of Investment, Trade and Industry of Malaysia during his visit to Malaysia, reiterating Hong Kong's keen interest in joining RCEP. In addition, at his video speech delivered at the "SCMP China Conference: Southeast Asia 2026" in Jakarta in February 2026, the CE expressed gratitude to Indonesia and other member states of ASEAN for driving forward the accession process and expectation for the early establishment of the Accession Working Group soon.

We welcome the adoption of the Terms of Reference of the Accession Working Group at the RCEP Ministers' Meeting held in September 2025. In addition, in response to the invitation from the RCEP Joint Committee (RJC), the HKSAR Government has submitted the duly completed questionnaire on accession to RCEP to the RJC in January 2026, illustrating Hong Kong's unique advantages and contributions it can offer to RCEP members.

Since the 2022 Policy Address, CE has set an annual key performance indicator (KPI) of holding or participating in related events/meetings/dialogues with RCEP members and stakeholders. In this regard, the KPIs of 70 such events/meetings/dialogues were completed in 2025. In 2026, the KPI of holding or participating in related events/meetings/dialogues with RCEP members and stakeholders remains as 70.

The HKSAR Government has formulated a comprehensive, specific and proactive work plan to strive for Hong Kong's accession to RCEP. However, as it involves the engagement with other governments, the HKSAR Government has no plan to disclose to the public the internal work plan as well as the relevant discussion with other economies.

Relevant work is led by the Commerce and Economic Development Bureau, and supported by the Trade and Industry Department and relevant overseas Hong Kong Economic and Trade Offices. It is conducted with the existing manpower and is part of the regular duties. The expenditure has been subsumed under the overall estimate and cannot be quantified separately.

Note: RCEP member economies include Chinese Mainland, the 10 member states of ASEAN (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. Timor-Leste became the 11th member state of ASEAN on 26 October 2025), Australia, Japan, Korea, and New Zealand.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2632)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 132 of the Budget Speech, the Government will raise the funding ceiling of "Easy BUD" under the Dedicated Fund on Branding, Upgrading and Domestic Sales to $150,000 per application, and provide more targeted funding support for enterprises in the application of artificial intelligence (AI). How many applications have been approved each year since the implementation of "Easy BUD"? What was the average funding amount of the approved applications? What are the details of providing more targeted funding support for enterprises in AI application under "Easy BUD"? Will the Government consider further raising the funding ceiling of "Easy BUD" to cover applications for funding support of $300,000 or below? If so, what are the details? If not, what are the reasons? With the improvement in the Government's fiscal position, will the matching ratio of 1 (Government):1 (Enterprise) be reinstated? Will it explore further adopting the facilitation measures under "Easy BUD" to cover applications for small funding under other funding schemes of the Government? If so, what are the details? If not, what are the reasons? In each year since the launch of the scheme, what was the number of cases in which the Government failed to meet the performance pledge to complete the processing of an application within 30 working days? Will manpower be strengthened to expedite the processing of applications under the scheme in the coming year? If so, what are the staff establishment and expenditure to be involved?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 505)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements.

The Government launched "Easy BUD" in June 2023, whereby the application form, the requirements for supporting documents and vetting arrangements have been simplified, to expedite the vetting of applications involving designated measures. To date, the Hong Kong Productivity Council, the Programme Secretariat of the BUD Fund, could meet the performance pledge of processing all "Easy BUD" applications within 30 working days upon receipt of all required documents and information of the applications. The implementation of "Easy BUD" in the past 3 years is as follows:

	2023 (from June)	**2024**	**2025**
Number of applications approved	90	421	301
Average funding amount per approved application ($)	68,000	75,000	68,000

The 2026-27 Budget announced that $200 million will be injected into the BUD Fund and more targeted funding support will be provided for enterprises to implement BUD Fund projects with artificial intelligence (AI) elements, with a view to helping them implement eligible AI measures to further develop their businesses in markets outside Hong Kong. The Government will provide clear guidelines to enterprises to explicitly state that the application of AI would be fundable in eligible projects, provided that the funding criteria of the BUD Fund can be satisfied. Examples include development of AI chatbot function in the company website to strengthen sales promotion for market expansion; and/or adoption of AI to ensure that the production lines meet the regulatory requirements of target markets to increase productivity and competitiveness. The 2026-27 Budget also announced the increase of the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000. Currently, the average approved funding amount of "Easy BUD" application is around $70,000, hence the funding ceiling of $150,000 after enhancement should meet the needs of most enterprises.

The funding ratio of the BUD Fund was adjusted in March 2025, and its effectiveness needs to be reviewed over time. In addition, we have relaxed the frequency for submitting "Easy BUD" applications and provided more targeted funding support for projects on green transformation and restructuring of production lines, etc. since March 2025. Meanwhile, we plan to increase the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000 and provide more targeted funding support in areas involving AI and market promotion, etc., in the 2nd quarter of 2026. We therefore need time to review the relevant financial implications. We will continue to manage the fund prudently to ensure its financial sustainability. At the same time, we must prudently utilise the public funds in a timely and focused manner to enable more enterprises to receive funding support and to maintain a wide spread of beneficiaries. The Government will continue to keep in close touch with the trade, review constantly the operation of the funding scheme, and make adjustments and enhancements if necessary.

The application arrangement of other government funding schemes involving smaller amounts are to be determined by the responsible policy bureaux and/or departments having regard to factors such as the nature of the relevant schemes and the status of the applications, etc.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2633)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to Programme (2), the Commerce and Economic Development Bureau will continue to plan for the development of new convention and exhibition (C&E) facilities in the coming year, including the expansion of the AsiaWorld-Expo and the construction of new C&E facilities in Wan Chai North. What are the latest developments of these 2 projects? Will the Government study the feasibility of constructing C&E venues in the Northern Metropolis? If so, what are the details? Furthermore, will the Government commence a new round of Demand Study for New Convention and Exhibition Facilities in Hong Kong? If so, what are the details and what are the staff establishment and expenditure to be involved respectively? If not, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 511)

Reply:

To consolidate and enhance the pre-eminent position of Hong Kong as an international convention and exhibition (C&E) hub, and in response to the keen demand for exhibition venues from the industry, the Hong Kong Special Administrative Region Government has been taking forward the Wan Chai North Redevelopment project near the Hong Kong Convention and Exhibition Centre as planned and the phase 2 expansion of AsiaWorld-Expo (AWE).

The Airport Authority Hong Kong has commenced the construction of the AWE expansion, and the project is expected to be completed by 2028. As for the Wan Chai North Redevelopment project, it involves the redevelopment of sites of the Wan Chai Government Offices Compound (WCGOC), Gloucester Road Garden and Kong Wan Fire Station into C&E facilities, hotel, etc. The construction works for the reprovisioning buildings involving the relevant user departments of WCGOC and the reprovisioning of the Kong Wan Fire Station are underway and are expected to be completed by the end of 2027.

In addition, to support the development of innovation and technology and other industries in the Northern Metropolis, the relevant policy bureau and departments will identify suitable sites in the area for development of relevant facilities (e.g. C&E facilities). In the process, we will maintain communication with key stakeholders to keep abreast of the latest industry demand for C&E facilities. The relevant work forms part of the portfolio of the Commerce and Economic Development Bureau, and the manpower and expenditure involved cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2635)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:
According to Programme (2), the Commerce and Economic Development Bureau will continue to work with the Trade and Industry Department in the coming year to implement the SME Export Marketing Fund (EMF), which will be consolidated into the BUD Fund upon expiry in end-June 2026. Starting from 14 March 2025, the matching ratio of the EMF has been adjusted from 1(Government) : 1(enterprise) to 1(Government) : 3(enterprise) of the total approved expenditure. Following the adjustment of the scheme, how many applications have been received? Among them, what are the respective numbers of applications that are approved, being processed and unsuccessful? What is the average funding amount granted for each approved application? In addition, how many applications had been received in each of the 3 years prior to the adjustment of the scheme? What was the average funding amount granted for each successful application? Has the government assessed whether the reduced matching ratio of the scheme will dampen the interest of enterprises in making application? If so, what are the details of the assessment results?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 502)

Reply:

To ensure financial sustainability of the funding scheme, the Government has implemented rationalisation measures since 14 March 2025 such that the SME Export Marketing Fund (EMF) is utilised in the most productive manner. From 14 March 2025 to end- February 2026, the EMF received a total of 23 729 applications. Among these applications, as at end-February 2026, 6 733 applications were processed and approved, and the average funding amount per approved application is $17,129. The number of applications under processing and the number of applications rejected are 11 031 and 5 841 respectively. These figures include applications received before end-February 2026 while their processing has not been completed, applications with outstanding supplementary supporting documents from the applicant enterprises, and those that could not be processed

owing to the lack of response by the applicant enterprises to the notices requiring supplementary supporting documents.

The application figures of the EMF for the 3 years before the implementation of the rationalisation measures are as follows:

	2022	**2023**	**2024**
Total number of applications received [Note]	21 496	29 863	30 918
Average funding amount per approved application ($)	20,869	27,855	32,517

Note: Applications received may not be processed in the same year. The figures include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

After the implementation of the rationalisation measures, the number of applications of the EMF remains high. The total number of applications received in 2025 has increased by over 66% when compared with that of 2019, while the total amount of funding approved has increased by around 50% over the same period. Enterprises continue to focus on more prioritised and cost-effective marketing activities, utilising the resources more precisely for effective promotion.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2636)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (2), the SME Export Marketing Fund (EMF) will be consolidated into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) after 30 June 2026. Currently, the EMF covers large-scale exhibitions targeting the "local market". Upon the consolidation, will the BUD Fund also cover large-scale exhibitions targeting the "local market"? How many enterprises have already exhausted their cumulative funding ceiling under the BUD Fund? With the improvement in the Government's financial position, will the Government consider further increasing the $7 million cumulative funding ceiling under the BUD Fund? If so, what are the details; if not, what are the reasons? Will the Government consider further expanding the geographical scope of the BUD Fund or even removing the geographical restrictions on the funding of the BUD Fund? If so, what are the details; if not, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 503)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to Hong Kong enterprises to expand business in 40 economies with which Hong Kong has signed free trade agreements (FTAs) and/or investment promotion and protection agreements (IPPAs), including the Chinese Mainland, through upgrading and transformation and enhancing competitiveness, accounting for more than 80% of Hong Kong's total trade in goods in 2025. The 2025 Policy Address announced the expansion of the geographical scope of the fund to cover 8 more economies, including Saudi Arabia, Bangladesh, Egypt, Hungary, Pakistan, Kazakhstan, Mongolia and Brazil, representing a 20% increase. The geographical scope of the BUD Fund will also be automatically expanded upon Hong Kong's signing of FTAs and/or IPPAs with other economies.

The Government announced in March 2025 that the SME Export Marketing Fund will, upon expiry of its special measures launched in 2021 in view of the pandemic (including the expansion of the funding scope to cover large-scale exhibitions targeting the local market), be consolidated into the BUD Fund in July 2026. We will provide clear application guidelines to enterprises and enable them to understand the project measures that are fundable under "Easy BUD", including participation in trade exhibitions targeting markets covered by the BUD Fund, placement of online advertisements, production or enhancement of company websites, etc. If a Hong Kong exhibition is involved, the applicant enterprise is required to demonstrate the direct relevance between the exhibition and its business development in the target market, such as the past editions' effectiveness.

As at end-February 2026, no enterprise has exhausted the $7 million cumulative funding ceiling per enterprise under the BUD Fund, and enterprises which have utilised a cumulative funding amount of $4 million or more is around 1%. Therefore, the current funding ceiling of $7 million should be sufficient to meet the needs of enterprises.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2637)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Programme (2) that the Commerce and Economic Development Bureau will continue to implement the Incentive Scheme for Recurrent Exhibitions (ISRE) 2.0 next year with a view to further promoting mega event economy and development of the convention and exhibition (C&E) industry. The scheme provides incentives to organisers of eligible international exhibitions in order to further promote the development of the C&E industry. How many applications have been received since the launch of the scheme? Among them, what are the respective numbers of applications that are approved, being processed and unsuccessful? Of the successful applications, what is the average funding amount for each case? Will the Government consider expanding the scope of funding to cover more venues, such as those managed by the Leisure and Cultural Services Department? Meanwhile, will the Government consider increasing the maximum ceiling of funding? If yes, what are the details? If no, what are the reasons? What are the staffing establishment and expenditure involved in vetting and approving applications under the scheme this year? What is the average processing time for each application? Will additional manpower be deployed to process applications under the scheme next year? If yes, what are the details? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 510)

Reply:

To further promote the development of the convention and exhibition (C&E) industry and the mega event economy, thereby generating overall economic benefits for Hong Kong, as announced in the 2024 Policy Address, the Hong Kong Special Administrative Region (HKSAR) Government allocated an additional funding of $500 million for launching the Incentive Scheme for Recurrent Exhibitions (ISRE) 2.0 on 1 July 2025, focusing on attracting new and recurrent international exhibitions of large scale.

Since the launch of ISRE 2.0 last July, it has received overwhelmingly positive response and strong industry support, exceeding our expectation. To date, ISRE 2.0 has supported some 80 eligible exhibitions, involving a total incentive of over $370 million. We have promulgated the Application Guide setting out clearly the requirements of eligible exhibitions for the scheme. So far, all applications have been approved. The industry has also expressed that the Application Guide is clear and the incentive disbursement process has been smooth. The application processing work has been subsumed under the overall establishment and estimates of the Commerce and Economic Development Bureau (CEDB), and cannot be quantified separately.

As stipulated in the Application Guide and CEDB previously explained to the industry on various occasions, ISRE 2.0 will conclude upon exhaustion of funds. In this connection, we have been maintaining close communication with the venue operators. Based on the latest spending position and projection, the fund under ISRE 2.0 is expected to be exhausted by April, and the Scheme will successfully conclude. CEDB has earlier on invited the venue operators to proactively communicate with relevant organisers to enable the industry to make necessary preparations for the scheme's conclusion.

The HKSAR Government will continue with its strong support for the development of the C&E industry in Hong Kong. As announced in the 2026-27 Budget, to promote the further development of the exhibition industry and brand building, the HKSAR Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing the Chinese Mainland and overseas brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. We are formulating the relevant arrangements and implementation details.

Unlike the previous arrangement of subsidising venue rental through incentive schemes, we will pilot a more flexible approach of providing financial support. By partnering with statutory bodies and relevant organisations, we will leverage their expertise, networks and supporting services to identify and attract large-scale, high-quality international exhibitions with new elements to be staged in Hong Kong, with the aim of injecting new impetus into the C&E industry and reinforcing Hong Kong's position as a premier platform for showcasing the Chinese Mainland and overseas brands.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2638)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (2), the Commerce and Economic Development Bureau is expanding the geographical scope of "E-commerce Easy" under the Dedicated Fund on Branding, Upgrading and Domestic Sales to the 10 Association of Southeast Asian Nations countries this year. How many applications have been received each year since the implementation of "E-commerce Easy"? How many of them are approved, being processed and unsuccessful? Since the adjustments to the scheme, the funding ceiling for each approved project has been reduced from $1,000,000 to $800,000. Has the Government assessed the possible effects on enterprises' willingness to make applications? If so, what are the detailed assessment results? With the improvement in the Government's fiscal position, will it consider raising the funding ceiling for the projects under the scheme and reinstating the matching ratio of 1 (Government):1 (Enterprise)? If so, what are the details? If not, what are the reasons? Will the Government consider further expanding the geographical scope of "E-commerce Easy"? If so, what are the details? If not, what are the reasons? In each year since the launch of the scheme, what was the number of cases in which the Government failed to meet the performance pledge to complete the processing of an application within 60 working days? Will manpower be strengthened to expedite the processing of applications under the scheme in the coming year? If so, what are the staff establishment and expenditure to be involved?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 504)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements. The Government launched "E-commerce Easy" in July 2024 to assist Hong Kong enterprises in developing electronic commerce business in the Chinese Mainland, and expanded the

geographical scope of "E-commerce Easy" to the 10 countries of the Association of Southeast Asian Nations in March 2025.

The implementation of "E-commerce Easy" in the financial years of 2024-25 and 2025-26 is as follows:

	Financial year of 2024-25 (From July 2024)	**Financial year of 2025-26 (As at February 2026)**
Number of applications received [Note]	272	229
Number of applications approved	38	95

Note: Applications received may not be processed in the same year. The figures exclude applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

As at end-February 2026, around 200 "E-commerce Easy" applications were rejected. The main reasons include the applicant enterprises' failure to obtain the necessary licences to start their businesses in the target markets or to fulfil the eligibility of having substantive business operations in Hong Kong, etc. Most of the around 150 applications under processing require the applicant enterprises to provide further clarification on the project details or supplementary documents before they could be further processed. To date, the Hong Kong Productivity Council, the Programme Secretariat of the BUD Fund, could meet the performance pledge of processing all "E-commerce Easy" applications within 60 working days upon receipt of all required documents and information of the applications.

Currently, the average approved funding amount of "E-commerce Easy" applications is around $538,000, hence the funding ceiling of $800,000 should meet the needs of most enterprises. Furthermore, the funding ratio of the BUD Fund was adjusted in March 2025, and its effectiveness needs to be reviewed over time. In addition, we have relaxed the frequency for submitting "Easy BUD" applications and provided more targeted funding support for projects on green transformation and restructuring of production lines, etc. since March 2025. Meanwhile, we plan to increase the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000 and provide more targeted funding support in areas involving artificial intelligence and market promotion in the 2nd quarter of 2026. We therefore need time to review the relevant financial implications. We will continue to manage the fund prudently to ensure its financial sustainability. At the same time, we must prudently utilise the public funds in a timely and focused manner to enable more enterprises to receive funding support and to maintain a wide spread of beneficiaries. The Government will continue to keep in close touch with the trade, review constantly the operation of the funding scheme, and make adjustments and enhancements if necessary.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3152)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (2), the Commerce and Economic Development Bureau will continue to work with HKMC Insurance Limited in the coming year to implement the SME Financing Guarantee Scheme (SFGS) to help ease the cash flow problem of small and medium enterprises. The application period for the 90% guarantee products under the SFGS will end in end-March 2026. Why is the scheme not extended further? Will consideration be given to further extending the application period for the 90% guarantee products under the SFGS? Will the Government explore the possibility of lowering the annual guarantee fee rate for the 80% guarantee products? If so, what are the details, staff establishment and expenditures involved in the related work; if not, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 507)

Reply:

Since the launch of the SME Financing Guarantee Scheme (SFGS) in 2012, the Government has been introducing enhancement measures having regard to the economic situation of Hong Kong and the needs of small and medium enterprises (SMEs), including extending the application period of the SFGS, increasing the maximum loan amount, extending the maximum guarantee period, increasing the total government loan guarantee commitment, etc.

The Financial Secretary announced in the 2026-27 Budget that the Government will continue providing loan guarantees to enterprises through the SFGS, and has already extended the application period for the 80% Guarantee Product to the end of March 2028 and also extended the application period for the principal moratorium arrangement to mid-November 2026.

To alleviate the burden on borrowing enterprises, the Government had lowered the factor for calculating the guarantee fee for a number of times. For loans with an annual interest rate

of 10% or below, the above-mentioned factor had been gradually reduced from 0.1 to 0.045 (effective from November 2018).

The Government and HKMC Insurance Limited, which is responsible for administering and managing the SFGS, will continue to monitor the situation closely, and make necessary adjustments to the SFGS having regard to the circumstances so as to meet the financing needs of SMEs during economic transformation.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2142)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Programme that the Commerce and Economic Development Bureau will continue to collaborate with the Trade and Industry Department and the Hong Kong Productivity Council to implement the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), expanding the geographical scope to 8 additional economies, increasing the funding ceiling of "Easy BUD", providing targeted support for projects involving artificial intelligence elements, and assisting businesses in participating in exhibitions and export promotion activities. In this regard, will the Government inform this Committee of the following:

(1) The industry has been expressing strong concern that the cumbersome application process of the BUD Fund often results in small and medium sized enterprises (SMEs) to resort to rely on consultancy companies, hence resulting in funding amount not fully benefited by enterprises. Will the Government introduce specific measures to further simplify the application process, such as full processing by electronic means and reducing the cumbersome financial documentation requirements?

(2) What were the average processing time and success approval rate of the fund over the past 3 years? Is there any specific performance indicator for further reducing processing time?

(3) Traditional SMEs often lack technical knowledge and talent in applying AI. What are the specific details of the "targeted support" mentioned by the Government?

Asked by: Prof Hon Michael NGAI Ming-tak (LegCo internal reference no.: 6)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements.

To facilitate enterprises in submitting applications without engaging consultant agencies for assistance, the Government has provided online application services in respect of the BUD Fund since 2020. The application form has been simplified, and the webpage of the BUD Fund has been redesigned to provide graphical illustrations of the application process, frequently asked questions, application tips, and video clips showcasing success stories, etc., such that enterprises can obtain simple and clear information on application when planning their projects. The Government also launched "Easy BUD" in June 2023. The application form, requirements for supporting documents and the vetting arrangements have been simplified to expedite the vetting of applications involving designated measures with a funding amount of $100,000 or below. The 2026-27 Budget announced the increase of the funding ceiling per "Easy BUD" application from $100,000 to $150,000.

To date, the Hong Kong Productivity Council (HKPC), the BUD Fund Programme Secretariat, could meet the performance pledge of processing all BUD Fund applications within 60 working days (or within 30 working days for applications under "Easy BUD") upon receipt of all required documents and information of the applications. General applications and "E-commerce Easy" applications under the BUD Fund involve a funding support of up to $800,000. As their project measures are relatively complex and the applicant enterprises may opt to receive an initial payment, HKPC requires relatively longer processing time to assess each application to prevent abuse of fund. Therefore, the current performance pledge of 60 working days is a reasonable balance. For "Easy BUD", although the applications cover comparatively simpler project measures, HKPC still needs to verify whether enterprises meet the eligibility criteria and have substantive business operations in Hong Kong to prevent fraud. Therefore, the current pledge of 30 working days is a reasonable balance. In the past 3 years (i.e. from 2023 to 2025), the approval rate of the BUD Fund applications was 70%.

The 2026-27 Budget announced that $200 million will be injected into the BUD Fund and more targeted funding support will be provided for enterprises to implement BUD Fund projects with artificial intelligence (AI) elements, with a view to helping them implement eligible AI measures to further develop their businesses in markets outside Hong Kong. The Government will provide clear guidelines to enterprises to explicitly state that the application of AI would be fundable in eligible projects, provided that the funding criteria of the BUD Fund can be satisfied. Examples include development of AI chatbot function in the company website to strengthen sales promotion for market expansion; and/or adoption of AI to ensure that the production lines meet the regulatory requirements of target markets to increase productivity and competitiveness.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2143)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned under the Programme, the Government will continue to oversee discussions or negotiations with trading partners on enhancement of economic co-operation, including the signing of concluded investment promotion and protection agreements (IPPAs) and the pursuit of IPPA initiatives with, among others, Saudi Arabia and Egypt. In this connection, please inform this Committee of the following:

1. What are the current progress of the Government's discussions with Saudi Arabia and Egypt on IPPAs, and the specific timetable expected for formal signing?

2. Apart from the said two places, does the Government target any other emerging markets with enormous development potential in the Middle East, Central Asia or Africa to commence negotiation in 2026-27?

Asked by: Hon NGAI Ming-tak, Michael (LegCo internal reference no.: 7)

Reply:

To help Hong Kong enterprises and investors expand their markets, the Hong Kong Special Administrative Region (HKSAR) Government strives to strengthen the economic and trade ties with other economies and actively seeks to forge investment promotion and protection agreements (IPPAs) with more trading partners, thereby promoting the long-term economic development of Hong Kong. So far, Hong Kong has signed 24 IPPAs with 33 foreign economies[Note]. In 2025-26, we concluded negotiations of IPPAs with Qatar, Bangladesh and Peru respectively and would arrange signing of the agreements after completion of relevant internal procedures.

In addition, we are exploring the signing of IPPAs with Saudi Arabia and Egypt respectively. In the respective IPPA negotiation, both sides are in close communication with each other to

take forward the relevant work. Announcements of the relevant details will be made at an appropriate juncture.

The HKSAR Government will continue to explore the expansion of Hong Kong's IPPA network to economies with strong trade connections with Hong Kong and markets with development potentials or at strategic locations, including the Middle East and other regions along the Belt and Road. The HKSAR Government reviews and explores IPPA targets from time to time, and will announce relevant information in due course.

Note: The 33 foreign economies include the ten Member States of the Association of Southeast Asian Nations (ASEAN) (viz. Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. Timor-Leste became the 11th ASEAN Member State (AMS) on 26 October 2025, and the agreements only apply to Hong Kong and the original 10 AMS), Australia, Austria, Bahrain, Belgium, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, Luxembourg, Mexico, the Netherlands, New Zealand, Sweden, Switzerland, Türkiye, the United Arab Emirates and the United Kingdom.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2144)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under this Programme that the Bureau will continue to plan for new convention and exhibition facilities to maintain and consolidate the international status of Hong Kong's convention and exhibition industry. In this connection, will the Government inform this Committee of the following;

1. The industry has long reflected that there is a serious bottleneck in the convention and exhibition facilities during the exhibition season in Hong Kong. What is the specific progress on the planning for new facilities?

2. Has a specific timetable for the commencement and completion of expansion and new construction projects been established?

3. How many additional large-scale or high value-added international exhibitions are expected to be attracted yearly after the completion of new facilities? What is the expected economic contribution brought to Hong Kong?

Asked by: Hon NGAI Ming-tak (LegCo internal reference no.: 8)

Reply:

To consolidate and enhance the pre-eminent position of Hong Kong as an international convention and exhibition (C&E) hub, and in response to the keen demand for exhibition venues from the industry, the Hong Kong Special Administrative Region Government has been taking forward the Wan Chai North Redevelopment project near the Hong Kong Convention and Exhibition Centre as planned and the phase 2 expansion of AsiaWorld-Expo (AWE).

The Wan Chai North Redevelopment project involves the redevelopment of sites of the Wan Chai Government Offices Compound (WCGOC), Gloucester Road Garden and Kong Wan Fire Station into C&E facilities, hotel, etc. Upon completion of the redevelopment, it is expected to provide over 30 000 square metres of rentable C&E spaces. The construction works for the reprovisioning buildings involving the relevant user departments of WCGOC and the reprovisioning of the Kong Wan Fire Station are underway and are expected to be completed by the end of 2027.

Meanwhile, the Airport Authority Hong Kong has commenced the construction of the AWE expansion, and the project is expected to be completed by 2028. The phase 2 expansion of AWE will provide an additional 33 600 square metres of rentable C&E spaces, and a multi-purpose indoor arena with a seating capacity of over 20 000 people, providing a venue for large-scale international C&E events, entertainment and sports events.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

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CONTROLLING OFFICER'S REPLY

(Question Serial No. 2145)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in the Programme, the Commerce and Economic Development Bureau will continue to engage stakeholders on further enhancement to the Copyright Ordinance regarding the protection for artificial intelligence (AI) technology development and oversee the Intellectual Property Department in formulating a code of practice in respect of relevant legal principles. In this connection, please inform this Committee of the following:

1. In response to the widespread use of AI across various sectors, many small and medium enterprises (SMEs) have worries about unintentional copyright infringement when generating commercial marketing content, product design or software code with AI tools. What are the specific expected timetables for introducing the bill to amend the Copyright Ordinance and the code of practice?

2. When formulating relevant legal principles and the code of practice, has the Bureau worked with other government departments to develop a regular cross-sector consultation mechanism to widely engage the innovation and technology sector, major business associations, SME representatives and content creators in Hong Kong?

3. On ensuring that Hong Kong's copyright regime does not lag behind the international trend, what are the Bureau's specific strategies and key performance indicators to ensure that future amendments can provide a robust protection for intellectual property without imposing excessive regulation or overly complicated provisions which may smother the innovation and commercialisation progress of the local AI industry?

Asked by: Hon NGAI Ming-tak, Michael (LegCo internal reference no.: 9)

Reply:

The Government has continued to enhance the local intellectual property legal regime, including reviewing the Copyright Ordinance (Cap. 528) in a timely manner, with a view to protecting the legitimate interests of copyright owners while also keeping pace with current technological, social and economic developments, thereby promoting the healthy development of the innovation and creative industries.

With regard to issues related to copyright and artificial intelligence (AI), the Government completed a public consultation in September 2024 on further enhancing the Copyright Ordinance to protect the development of AI technology. In February 2025, the Government reported the consultation outcome to the Legislative Council Panel on Commerce, Industry, Innovation and Technology and proposed introducing a specific copyright exception for text and data mining. The aim of the proposal is to allow the reasonable use of copyright works in specific circumstances under the premise of safeguarding the legitimate interests of copyright owners, so as to promote the development of AI technology and foster mutual benefits for the creative and innovation and technology (I&T) industries.

Since then, we have maintained communication with stakeholders, particularly those in the cultural and creative sectors, to listen to their concerns and explain the proposal in detail. In view of the fact that some sectors wish the Government to provide guidance on the practical operation of the proposed exception, and to take into account the latest experience in other jurisdictions, we are now drafting a code of practice. We will also continue to maintain close communication and exchanges with relevant policy bureaux/departments and stakeholders from different sectors, including the I&T sector, copyright-related industries, chambers of commerce, business representatives, etc., to gather their views before taking forward the next step in light of the overall situation. At this stage, there is no concrete timetable for submitting the legislative proposal.

As for copyright protection for AI-generated works and legal liability for infringement, the existing Copyright Ordinance already contains applicable provisions. To assist AI system developers and users in addressing the relevant issues, the Intellectual Property Department is drafting a set of guidelines that will provide practical suggestions and specific examples, with a view to further explaining the existing legal principles and their application for reference by all parties.

At present, there is no unified international approach to copyright issues relating to AI. The Government has been closely monitoring the latest discussions and developments on the relevant issues in the international community. We fully understand that a sound copyright system must strike an appropriate balance between protecting the legitimate interests of copyright owners, safeguarding the overall interests of society and the public, and promoting I&T development. In handling and advancing works relating to AI and copyright, the Government will continue to uphold the aforesaid principles, carefully consider the views of stakeholders, Hong Kong's overall circumstances, including the relevant legal and market environment, as well as the latest international experience, in order to formulate the way forward that best meets Hong Kong's actual needs.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2146)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under this Programme that the Commerce and Economic Development Bureau will continue to monitor developments on various regional economic integration initiatives and explore opportunities for Hong Kong's participation, including seeking early accession to the Regional Comprehensive Economic Partnership (RCEP). In this connection, will the Government inform this Committee of the following:

1. Given that Hong Kong has already submitted a formal request for accession to RCEP for some time, what is the substantial progress to date? Does the Government have a grasp of the specific reasons for any lags or delays of the approval procedures?

2. The admission of new members to RCEP requires the consensus of all existing member states. In the face of the underlying hindrance to the accession approval, has the Government, along with the overseas Economic and Trade Offices, Hong Kong Trade Development Council and all major chambers of commerce in Hong Kong, conducted any specific and high-level bilateral trade lobbying work with individual member states that have not yet clearly expressed their stance or have reservations about Hong Kong's accession?

Asked by: Hon NGAI Ming-tak (LegCo internal reference no.: 10)

Reply:

Upon the entry into force of the Regional Comprehensive Economic Partnership (RCEP)[Note] on 1 January 2022, the Hong Kong Special Administrative Region (HKSAR) Government has immediately submitted Hong Kong's formal accession request, and actively expressed to its members at different levels and on different occasions Hong Kong's keen interest in joining RCEP early. Besides receiving full support from the Central People's Government, the HKSAR Government has also received positive responses from other RCEP members.

Since the 2022 Policy Address, the Chief Executive has set an annual key performance indicator (KPI) of holding or participating in related events/meetings/dialogues with RCEP members and stakeholders. In this regard, the KPIs of 70 such events/meetings/dialogues were completed in 2025. In 2026, the KPI of holding or participating in related events/meetings/dialogues with RCEP members and stakeholders remains as 70.

The HKSAR Government has formulated a comprehensive, specific and proactive work plan to strive for Hong Kong's accession to RCEP. The above work is led by the Commerce and Economic Development Bureau, and supported by the Trade and Industry Department and relevant overseas Hong Kong Economic and Trade Offices, and is part of the regular duties. However, as it involves the engagement with other governments, the HKSAR Government has no plan to disclose to the public the internal work plan as well as the relevant discussion with other economies.

Note: RCEP member economies include Chinese Mainland, the 10 member states of the Association of Southeast Asian Nations (ASEAN) (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. Timor-Leste became the 11th member state of ASEAN on 26 October 2025), Australia, Japan, Korea, and New Zealand.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2655)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce and Economic Development Bureau stated that it worked with the Trade and Industry Department to enhance the Dedicated Fund on Branding, Upgrading and Domestic Sales, including expanding the geographical scope of "E-commerce Easy" to the 10 ASEAN countries, expanding the funding scope of "Easy BUD" to include the establishment of online sales platforms, providing targeted funding support for enterprises to implement green transformation projects, and implementing various rationalisation measures. In this connection, will the Government advise on:

1. whether consideration will be given to further expanding the geographical scope of "E-commerce Easy" to emerging markets along the Belt and Road, and in the Middle East, South America, Africa, etc., while adjusting the matching ratio to strengthen the support for enterprises; if yes, what are the details;

2. the number of small and medium enterprises expected to be benefited respectively from the expansion of the funding scope of "Easy BUD" to include the establishment of online sales platforms, and the funding support measure for implementing green transformation projects;

3. the details of the above optimisation measures.

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 23)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements. The Government launched "E-commerce Easy" in July 2024 to assist Hong Kong enterprises

in developing the Chinese Mainland market through electronic commerce (e-commerce), and has expanded the geographical scope of "E-commerce Easy" to the 10 countries of the Association of Southeast Asian Nations in March 2025.

To ensure financial sustainability of the funding scheme, the Government implemented rationalisation measures since 14 March 2025 such that the BUD Fund would be utilised in the most productive manner. The funding ratio of the BUD Fund was adjusted in March 2025, and its effectiveness needs to be reviewed over time. In addition, we have relaxed the frequency for submitting "Easy BUD" applications and provided more targeted funding support for projects on green transformation and restructuring of production lines, etc. since March 2025. Meanwhile, we plan to increase the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000 and provide more targeted funding support in areas involving artificial intelligence and market promotion, etc., in the 2nd quarter of 2026. In this connection, we need time to review the relevant financial implications. We must continue to manage the fund prudently to ensure its financial sustainability. At the same time, we must prudently utilise the public funds in a timely and focused manner to enable more enterprises to receive funding support and to maintain a wide spread of beneficiaries. The Government will continue to keep in close touch with the trade, review constantly the operation of the funding scheme, and make adjustments and enhancements if necessary.

The Government included the establishment of online sales platform as a fundable project measure for "Easy BUD", and provided more targeted funding support for enterprises to implement green transformation projects, etc. since 14 March 2025. Specific measures fundable in green transformation projects include conducting carbon audits for newly developed products to enter target markets, upgrading production lines or applying new technologies to meet the environmental standards or legal requirements of target markets, etc. Since the implementation of the enhancement measures in March 2025 till end-February 2026, the BUD Fund has benefitted around 2 200 enterprises.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1536)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On steering the Task Force on Supporting Mainland Enterprises in Going Global (hereafter referred to as "GoGlobal Task Force"), would the Government inform this Committee of:

1. The GoGlobal Task Force was officially established in October 2025. It is mentioned under the Matters Requiring Special Attention that the GoGlobal Task Force will formulate diverse proposals for Mainland enterprises looking to go global through Hong Kong. What is the estimated expenditure involved for the GoGlobal Task Force and related overseas expansion activities in 2026-27? What are the highlight projects and work objectives for the coming year?

2. Supporting enterprises in venturing overseas also involve promoting Hong Kong's professional services. The GoGlobal Task Force is responsible for co-ordinating the overseas expansion initiatives of various policy bureaux and relevant organisations. Given that the Department of Justice (DoJ) currently has no role within the Task Force, how will the GoGlobal Task Force and the Hong Kong Professional Services GoGlobal Platform led by the DoJ achieve co-ordinated development? Will the GoGlobal Task Force, having regard to overseas expansion needs, explore adjustments to its organisational structure?

3. The Hong Kong Trade Development Council intends to set up a cross-sectoral service platform for matching Hong Kong professional and business service providers with Mainland enterprises. When is the platform expected to be launched?

4. It is mentioned under the Matters Requiring Special Attention that the Government will reach out to agencies in charge of projects in Belt and Road (B&R) countries and regions to strive for more B&R project matching opportunities for Hong Kong enterprises and professional services. How many related outbound visits are expected to be organised in 2026-27? In light of the recent complex geopolitics in the Middle East with frequent

military actions, how will the Government promote the B&R initiative amidst such uncertainties?

Asked by: Hon SO Shiu-tsung, Thomas (LegCo internal reference no.: 20)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

Apart from the Commerce and Economic Development Bureau, GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; InvestHK; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. Major work will include the following –

- To focus on attracting key or strategically valuable Chinese Mainland enterprises to establish a presence in Hong Kong for further going global, and support different Chinese Mainland enterprises to go global through the network of the GoGlobal Task Force members;

- To organise promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect;

- To match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner. The list of Hong Kong professional service providers has reflected professional advice from the Expert Committee on Professional Services for Going Global steered by the Deputy Secretary for Justice, relevant GoGlobal Task Force members, professional bodies and industry associations; and

- To organise overseas outbound missions to be led by the Hong Kong Special Administrative Region Government officials to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

Expenditure for supporting Chinese Mainland enterprises to go global by GoGlobal Task Force members have been subsumed under their respective overall estimates and cannot be quantified separately.

Separately, in 2026, the Belt and Road Office will continue to organise various promotional programmes and networking sessions to be attended by no less than 7 500 persons, reach out to no less than 560 professional and business associations, chambers and community groups, and organise business missions to 5 Belt and Road (B&R) countries with about 120 participants.

The Belt and Road Initiative (B&RI) is a long-term co-operation aimed at pursuing enduring co-operative relationships with B&R countries. In the long run, the Middle East region will remain one of the key nodes of the B&RI. We will continue to give full play to Hong Kong's roles as a "super-connector" and a "super value-adder", and proactively expand practical co-operation with B&R countries, with a view to addressing challenges together and seizing new opportunities.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1537)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the arrangements to facilitate international trade and the work on the Belt and Road Initiative, would the Government inform this Committee of the following:

1. the expenditure incurred to date on matters related to Hong Kong's formal request for accession to the Regional Comprehensive Economic Partnership since 2022;

2. the work arrangements anticipated by the Government for 2026-27, in light of the potential difficulties in establishing a concrete timetable for accession due to uncertainties inherent in the process;

3. the work plan and the corresponding work objectives of the Belt and Road Office for 2026-27?

Asked by: Hon SO Shiu-tsung, Thomas (LegCo internal reference no.: 21)

Reply:

Upon the entry into force of the Regional Comprehensive Economic Partnership (RCEP) [Note] on 1 January 2022, the Hong Kong Special Administrative Region (HKSAR) Government has immediately submitted Hong Kong's formal accession request, and actively expressed to its members at different levels and on different occasions Hong Kong's keen interest in joining RCEP early. Besides receiving full support from the Central People's Government, the HKSAR Government has also received positive responses from other RCEP members.

Since the 2022 Policy Address, the Chief Executive has set an annual key performance indicator (KPI) of holding or participating in related events/meetings/dialogues with RCEP members and stakeholders. In this regard, the KPIs of 70 such events/meetings/dialogues

were completed in 2025. In 2026, the KPI of holding or participating in related events/meetings/dialogues with RCEP members and stakeholders remains as 70.

The HKSAR Government has formulated a comprehensive, specific and proactive work plan to strive for Hong Kong's accession to RCEP. However, as it involves the engagement with other governments, the HKSAR Government has no plan to disclose to the public the internal work plan as well as the relevant discussion with other economies.

The above work is led by the Commerce and Economic Development Bureau, and supported by the Trade and Industry Department and relevant overseas Hong Kong Economic and Trade Offices. It is conducted with the existing manpower and is part of the regular duties. The expenditure has been subsumed under the overall estimate and cannot be quantified separately.

Moreover, in 2026-27, the Belt and Road Office (BRO) will continue, through various measures, to strengthen Hong Kong's role as the functional platform for the Belt and Road (B&R), as well as the roles as a "super connector" and "super value-adder", with a view to deepening connectivity and practical co-operation with B&R countries, assisting Hong Kong enterprises and professional services in exploring new market opportunities along the B&R, and facilitating deep participation in and contribution to the high quality development of the B&R.

BRO will continue to lead and co-ordinate Hong Kong's participation in the Belt and Road Initiative, organise the annual flagship event, the Belt and Road Summit, proactively reach out to agencies in charge of projects in B&R countries and regions, organise missions to B&R markets and stage roadshows of the "Belt and Road Cross-Profession Forum" there, organise business/project matching, and encourage and assist external organisations to stage roadshows in Hong Kong, with a view to promoting Hong Kong's diversified, professional and international professional services, thereby seeking more project matching opportunities for Hong Kong enterprises and professional services. It will also coordinate with and promote the Belt and Road Capacity Building Platforms, comprising different public bodies and institutions, to provide training for personnel in B&R countries, with a view to enhancing "soft connectivity" of professional rules and standards, as well as "people to people bonds" with B&R countries.

Note: RCEP member economies include Chinese Mainland, the 10 member states of the Association of Southeast Asian Nations (ASEAN) (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. Timor-Leste became the 11th member state of ASEAN on 26 October 2025), Australia, Japan, Korea, and New Zealand.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1538)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (5) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding postal services in Hong Kong, would the Government inform this Committee of the following:

1. the progress of the replacement proposal following the Government's earlier termination of the redevelopment project of the Air Mail Centre due to the declining air mail volume;

2. the details of the measures mentioned in this Programme to improve the financial position of the Post Office Trading Fund, given the successive operating losses of the Hongkong Post (HKP) as highlighted in the Audit Report;

3. the mechanism in place for the Government to timely promote revenue growth for the HKP, in view of the observation that post offices in various districts have become self-collection points for the Mainland online shopping platforms; and whether the Government will study and adopt more proactive intervention measures, such as formulating a roadmap for the HKP to return to profitability?

Asked by: Hon SO Shiu-tsung, Thomas (LegCo internal reference no.: 22)

Reply:

Due to the rapidly changing global economic environment and exacerbated geopolitical risks, with the projected volume of air mail to be handled by the Air Mail Centre (AMC) being significantly lower than previously anticipated, upon careful and comprehensive consideration, the Government has decided to terminate the original redevelopment plan of AMC, in place of which a more cost-effective replacement proposal will be introduced to ensure the proper use of public resources.

The replacement proposal includes refurbishing the existing AMC to enhance its facilities and efficiency and retaining the Decanting Building (DB) that has been built and put into services, with a view to adequately meeting the long-term mail volume projection. Hongkong Post (HKP) will also strengthen cooperation with China Post regarding the collaboration between AMC and the Transit Mail Centre, leveraging each other's strengths in hardware facilities, positioning and postal policies, etc. to achieve resource sharing, mutual benefits and jointly address future cross-boundary postal demand, with a view to promoting the high-quality development of the postal industry in the Guangdong-Hong Kong-Macao Greater Bay Area.

HKP is studying in full steam the specific details of the replacement proposal and will submit the proposal to the Legislative Council as soon as possible. Prior to the introduction of the replacement proposal, HKP will continue to adopt transitional operational arrangements, including the replacement of AMC with HKP's other facilities and the DB which is currently in operation for the temporary handling of air mail to ensure airmail services will not be affected.

HKP operates under a trading fund model. In order to improve the financial situation of the Post Office Trading Fund (POTF), HKP has been striving to implement revenue-generating and cost-saving measures and enhance operational efficiency, such that reliable postal services can continue to be provided to the public at reasonable prices.

On business development, with the prevalence of electronic communication, demand for traditional postal services has been declining continuously. HKP has actively pursued transformation in recent years by developing electronic commerce (e-commerce) postal businesses, and will continue to take forward the following key work:

- Engaging actively with various major online shopping platforms, consolidators, etc. to seize business opportunities through partnership, and leveraging HKP's extensive postal network to offer competitive logistics and delivery solutions.

- Providing diversified e-commerce solutions to meet business needs of small and medium enterprises, including the provision of local service "EC-GET" at affordable price, enabling businesses to post e-commerce and other mail items conveniently via online platforms and at the same time fully utilising its extensive collection network (including post offices in various districts, iPostal Stations or 540 convenience stores) with a total of 828 collection points to facilitate collection of mail items by the public. Furthermore, HKP will seek to strengthen collaboration with private logistics operators to achieve differential development and complement each other's strengths, with a view to providing suitable services to the public and traders.

- In order to capture the vast opportunities of the global e-commerce market, as set out in the reply above, HKP will enhance cooperation with China Post to jointly venture into other e-commerce markets with potential by leveraging Hong Kong's advantage as an international aviation hub. Meanwhile, HKP will focus on exploring the postal and logistic markets with development potential, including the Belt and Road countries, Association of Southeast Asian Nations countries and Middle Eastern countries, as well as deepen international and regional co-operations to launch special lane services to individual destinations and provide high value-added postal services.

Regarding operations, HKP will strengthen the implementation of cost-saving measures, including stepping up efforts to adjust the mode of operation, optimise workflows and infrastructure and streamline manpower, and at the same time leveraging technology to enhance efficiency and reduce operational costs.

The Government will continue to closely monitor the financial situation of POTF to ensure that HKP will continue to provide suitable postal services to the public and traders.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1539)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (7) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding consumer interests, would the Government inform this Committee of the following:

1. Given that the financial provision for this Programme has decreased by 10.2% as compared to last year, the measures that the Consumer Council has in place to prevent service delivery from being affected;

2. The Consumer Council's relevant work plan for 2026-27;

3. As online shopping has become prevalent, it is opined that certain products purchased online are not regulated by the Laws of Hong Kong as the transaction process takes place outside Hong Kong before the products are forwarded to the city upon receipt. What role does the Consumer Council play in such process and will it explore ways to more effectively protect consumer interests in cross-boundary e-commerce activities under "One Country, Two Systems"?

Asked by: Hon SO Shiu-tsung, Thomas (LegCo internal reference no.: 23)

Reply:

The Consumer Council (the Council) endeavours to study and promote the protection of consumers' rights and interests, and carries out its statutory functions in accordance with the Consumer Council Ordinance (Cap. 216), including the handling of consumer complaints relating to goods and services and the provision of advice to consumers, conducting surveys and studies on issues of consumers' interest, as well as disseminating consumer information through "CHOICE" articles, etc.

Under Programme (7): Subvention: Consumer Council, the estimate for 2026-27 is 10.2% lower than the revised estimate for 2025-26. This is mainly due to the decrease in provision for the Council, following the Council's streamlining of duties in respect of conducting studies and related liaison work and the completion of the Council's IT initiatives targeting the elderly and other system enhancements. Following a comprehensive review of the overall manpower needs, the Council has optimised its workflows and streamlined manpower, which will not affect its work in respect of conducting studies and related areas. The Council's performance indicators in 2026 regarding in-depth studies and consumer surveys, among others, remain broadly comparable to those in 2025. Furthermore, in respect of IT initiatives and system enhancements, the required provision has decreased following the Council's launch of the "Smart Seniors Consumer eHub" targeting elderly consumers in January 2026.

In 2026-27, to complement the Government's efforts in promoting the development of silver economy, the Council will continue to advocate for the protection of rights and interests of elderly consumers and conduct publicity and education work for the elderly through various channels, including:

- providing elderly consumers, their families and caregivers with information related to silver consumption on different aspects through the "Smart Seniors Consumer eHub" to help them make wise and informed consumption choices;

- collaborating with various social service organisations and elderly academies to conduct talks to provide the elderly with relevant consumption alerts and advice, with a view to enhancing the elderly's understanding of consumers' rights and interests and unfair trade practices;

- providing consumer education training to soon-to-be retirees and retirees mainly aged between 50 and 64 through the "Educator Scheme for Senior Citizens" in order to enhance their knowledge in consumers' rights and interests. Suitable senior citizens who have completed the training will host consumer educational talks for the elderly to share the latest consumer information, and refer the elderly who have encountered consumer issues to the Council for assistance; and

- disseminating product tests and service surveys relating to the elderly through "CHOICE" articles, providing the elderly with practical consumption information.

Another key focus of the Council's work in 2026-27 is to advocate the protection of consumers' rights and interests in respect of cross-border e-commerce consumer activities. In October 2025, the Council established the "Working Group on Cross-border Consumer Protection and E-commerce Development," comprising representatives from local and Chinese Mainland e-commerce enterprises and other stakeholders to provide professional advice on, among others, trends in cross-border consumer complaints, standards development and industry best practices, thereby strengthening the protection of consumers' rights and interests in respect of cross-border consumer activities and reducing relevant disputes. In addition, the Council will continue to handle cross-border consumer complaints in an orderly and effective manner in accordance with the memoranda of understanding signed with consumer protection organisations in various places, including Macao and 30 Mainland provinces and cities, etc. Furthermore, in response to cross-border consumer issues arising

from differences in laws and standards between Hong Kong and Chinese Mainland concerning various goods, the Council will remind consumers from time to time of the potential risks associated with cross-border consumer activities. For example, last year, the Council issued a consumer alert jointly with the Guangdong Consumer Council and Macao SAR Government Consumer Council, appealing to consumers to pay careful attention to the differences in policies, logistics arrangements and product standards among the 3 regions, and has published relevant "CHOICE" articles from time to time.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1893)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 133 of the Budget Speech that the Hong Kong Export Credit Insurance Corporation (HKECIC) will introduce a pilot scheme this year to provide protection for small and medium enterprises (SMEs) engaging in exports with higher-risk buyers. In this connection, will the Government inform this Committee of the following:

1. What are the details of the pilot scheme? How will it help SMEs tap into new markets by providing higher-risk export credit insurance protection? Will it involve additional estimated expenditure?

2. What are the number, amount of credit limits approved and approval rate of credit limit applications involving the Chinese Mainland, the Association of Southeast Asian Nations and the Middle East markets in the past 3 years, as well as the total amount of business insured and its percentage against all insured business?

3. In April 2025, the HKECIC launched 3 support measures (including (i) extending the free pre-shipment risks cover for holders of the Small Business Policy (SBP) tailored for SMEs to 30 June 2026; (ii) offering a 50% discount on pre-shipment risks cover premiums for non-SBP holders; and (iii) reducing the premium rates for emerging markets) to support the export trade in Hong Kong and facilitate business expansion into emerging markets. How effective are these 3 support measures since their launch? Will the Government enhance these measures and extend their implementation period as appropriate in light of the current global economic uncertainties?

4. The HKECIC has introduced a cross-border e-commerce trade financing insurance initiative in collaboration with financial institutions since 2024. How will the Government enhance the relevant credit insurance services and financing support in the future to help enterprises expand their e-commerce business?

5. Will the Government consider strengthening co-operation with banks, financial institutions or insurance companies in the Mainland in the future in order to offer Hong Kong enterprises a more comprehensive credit risk assessment of Mainland buyers, so as to further encourage Hong Kong enterprises to seize the opportunities brought by the domestic and international dual circulation?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 10)

Reply:

As announced in the 2026-27 Budget, the Hong Kong Export Credit Insurance Corporation (ECIC) will launch the pilot scheme "SME Protect Plus" to provide protection for small and medium enterprises (SMEs) engaging in exports with higher-risk buyers, so as to assist SMEs in exploring new businesses. The pilot scheme is specifically designed for ECIC's Small Business Policy (SBP) holders, which are Hong Kong exporters with an annual turnover of less than HK$50 million. Existing and new policyholders can be benefitted from the scheme. ECIC is currently formulating the detailed arrangement of the scheme including coverage of higher-risk buyers (e.g. the number of years since their establishment), maximum liability, indemnity percentage, premium rate, and application procedures, etc., and anticipates to launch the pilot scheme in the third quarter of 2026 for 1 year. Further details of the pilot scheme will be announced in due course. The above work will be absorbed within ECIC's existing resources without requiring any funding from the Government.

Over the past 3 years, the number of credit limit applications, approved credit limit amount, acceptance rate, and total insured business amount related to the Chinese Mainland, the Association of Southeast Asian Nations (ASEAN), and the Middle East markets are as follows:

Year	Region	Number of Credit Limit Applications (Year-on-Year change)	Approved Credit Limit Amount (HK$m) (Year-on-Year change)	Credit limit Acceptance Rate	Insured Business (HK$m) (Year-on-Year change)	Percentage of Total Insured Business of ECIC
2025-26 (first 11 months)	Chinese Mainland	2 038 (-3.6%)	28,826 (-21.2%)	85.9%	43,581 (+15.7%)	24.0%
	ASEAN	859 (+6.2%)	27,181 (+6.9%)	96.8%	44,737 (+97.9%)	24.7%
	Middle East	490 (-10.3%)	480 (-77.5%)	33.8%	526 (-32.8%)	0.3%
2024-25	Chinese Mainland	2 282 (-17.0%)	40,001 (+3.9%)	88.6%	40,123 (+7.9%)	24.9%
	ASEAN	907 (+0.6%)	31,563 (+159.6%)	94.8%	23,664 (+151.1%)	14.7%
	Middle East	611 (+10.1%)	2,237 (-13.9%)	75.4%	831 (+87.1%)	0.5%

2023-24	Chinese Mainland	2 751 (-1.9%)	38,510 (+7.1%)	87.5%	37,194 (+50.1%)	29.3%
	ASEAN	902 (-8.9%)	12,160 (+37.7%)	86.8%	9,425 (+49.1%)	7.4%
	Middle East	555 (+16.1%)	2,599 (+370.7%)	80.6%	444 (-5.9%)	0.3%

To support Hong Kong exporters (especially SMEs) in navigating the challenges amid the uncertain global trade environment, ECIC launched 3 enhanced measures in April 2025, including (1) extension of the free pre-shipment cover for SBP holders; (2) provision of 50% discount on pre-shipment risks cover premiums for non-SBP holders; and (3) reduction of premium rates for emerging markets in line with those for traditional major markets. ECIC currently has around 1 200 SBP holders and all of them are eligible for the free pre-shipment cover. As of 28 February 2026, around 160 SBP holders have received the free pre-shipment cover, with the total insured business involved of nearly $750 million. Regarding the premium discount on pre-shipment risks cover for non-SBP holders, around 50 policyholders have been benefitted, with the total insured business involved exceeding $1.5 billion. As regards the measure on reduced premium rates for emerging markets, around 400 policyholders have been benefitted, with the total insured business involved of around $1.63 billion. ECIC will continue to closely monitor the changes in the global economic environment and review the effectiveness of the 3 measures, so as to provide timely support to Hong Kong exporters.

In response to the financing needs of Hong Kong exporters in developing the e-commerce business, ECIC has collaborated with financial institutions since 2024 and introduced a cross-border e-commerce trade insurance-backed financing solution, based on merchants' alternative performance and operating data on specific e-commerce platform as the primary consideration for risk assessment, in a bid to facilitate enterprises in obtaining financing from financial institutions and support their e-commerce business. To support Hong Kong exporters in seizing the business opportunities brought by cross-border e-commerce, as announced in the 2025 Policy Address, ECIC would further collaborate with financial institutions to extend the financing support to e-commerce merchants on different e-commerce platforms. Since the announcement of the 2025 Policy Address, in addition to the e-commerce platforms already covered (i.e. Amazon and eBay), ECIC and its collaborated financial institutions have extended the cover to Pinduoduo, Douyin, JD.com, Tao Fenxiao, Tmall, Dewu, Temu and Lazada, etc. ECIC and its collaborated financial institutions are actively exploring the feasibility of extending the cover to the e-commerce platforms located in other regions, aiming to further support local e-commerce merchants to tap into other markets.

ECIC has maintained close liaison with the China Export & Credit Insurance Corporation. Apart from exploring potential business collaborations, both parties have exchanged buyer and industry information as well as underwriting experience, including organising online meetings for underwriters on both sides to share information and implementing staff exchange programmes. In addition, ECIC is actively seeking cooperation opportunities with export credit agencies in the Belt and Road regions. The enhanced information exchange will assist ECIC in assessing buyers' creditworthiness, thereby supporting Hong Kong exporters in expanding into these areas. ECIC expects that the above measures can provide more

comprehensive buyer credit risk assessments of Hong Kong exporters, which in turn supporting them to explore more markets.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

CEDB135

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1904)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (2) of Head 152, the aim of the Commerce and Economic Development Bureau is to consolidate and enhance Hong Kong's role as an international trade centre under the National 15th Five-Year Plan. On promoting trade innovation development, the Recommendations for Formulating the 15th Five-Year Plan give explicit support to the development of cross-border e-commerce. In this connection, will the Government inform this Committee of the following:

1. Regarding "E-commerce Easy" under the Dedicated Fund on Branding, Upgrading and Domestic Sales, how many applications were received during the period from July 2024 to 13 March 2025 (i.e. when the matching ratio was 1 (Government):1 (Enterprise))? How many of them were approved? What were the average funding amount and average processing time?

2. Further to the above, how many applications have been received so far under "E-commerce Easy" since the matching ratio was adjusted to 1 (Government):3 (Enterprise) on 14 March 2025? How many of them have been approved? What are the average funding amount and average processing time?

3. As at March 2026, how many applications for funding support in respect of online sales platforms have been received and approved under "Easy BUD"? What is the average funding amount?

4. What are the usage situation and performance indicators of the newly launched "E-Commerce Express" as mentioned in last year's Budget and the Hong Kong Shopping Festival (HKSF) held in the past 2 years?

5. As regards the Government's plan last year to promote the HKSF to the Association of Southeast Asian Nations market, what are the specific work and timetable? What are the staff establishment and provision involved?

Asked by: Hon Sunny TAN (LegCo internal reference no.: 14)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements. The Government launched "E-commerce Easy" in July 2024 to assist Hong Kong enterprises in developing the Chinese Mainland market through electronic commerce (e-commerce), and has expanded the geographical scope of "E-commerce Easy" to the 10 countries of the Association of Southeast Asian Nations (ASEAN) in March 2025. To ensure financial sustainability of the funding scheme, the Government implemented rationalisation measures in March 2025 such that the BUD Fund would be utilised in the most productive manner. The implementation of "E-commerce Easy" before and after the rolling out of the rationalisation measures is as follows:

	15 July 2024 to 13 March 2025	**14 March 2025 to 28 February 2026**
Number of applications received [Note 1]	253	248
Number of applications approved [Note 2]	31	102
Average funding amount per approved application ($)	575,000	527,000

Note 1: Applications received may not be processed in the same year. The figures exclude applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

Note 2: The figures only represent the number of applications approved during the relevant period, but not the final number of applications approved among the applications received during the relevant period.

To date, the Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund, could meet the performance pledge of processing all "E-commerce Easy" applications within 60 working days upon receipt of all required documents and information of all applications.

In March 2025, the Government included the establishment of online sales platform as a fundable project measure for "Easy BUD" applications. As at end-February 2026, around 1 870 "Easy BUD" applications with supporting documents submitted (including applications involving the project measure of establishment of online sales platform) were under processing or had been processed by HKPC, the Programme Secretariat of the BUD Fund, of which over 880 applications were approved/approved with conditions, with the average approved funding amount being around $70,000.

On the other hand, the Hong Kong Trade Development Council (HKTDC) has launched the "E-Commerce Express" since 2025-26. Addressing the pain points encountered by Hong Kong enterprises when developing cross-border e-commerce and in collaboration with large-scale e-commerce or social media platforms, HKTDC conducts a series of thematic training seminars and research sharing sessions to disseminate practical knowledge such as online store operations, e-commerce supply chain management, social media strategies for brand building, e-commerce smart operations driven by artificial intelligence, etc. In view of developments of the e-commerce market, HKTDC also publishes relevant research reports so as to provide more comprehensive support for small and medium enterprises interested in tapping into the Mainland e-commerce market.

As one of the flagship events which dovetails with the "E-Commerce Express", the Hong Kong Shopping Festival (HKSF) aims at providing practical experience for enterprises, helping them leverage the extensive customer base and traffic of Mainland e-commerce platforms with a view to enhancing brand and product awareness on the Mainland and accelerating enterprises' development of the Mainland domestic sales market. Held in August 2025, the 2nd edition of HKSF attracted the participation of around 260 brands (an increase of 13% when compared with the 1st edition of HKSF held in 2024) and offered more than 500 featured products in various categories such as health products, food, household products, personal care and cosmetics, apparel and accessories, smart gadgets and silver products, providing Mainland consumers with one-stop online shopping experience with exclusive discounts. HKTDC also invited a number of renowned Mainland key opinion leaders to conduct livestreaming sessions for brands, thereby boosting the exposure of the online stores of Hong Kong enterprises. The event achieved total impressions of more than 100 million across the webpages of relevant e-commerce platforms and the official HKSF website (an increase of 11% when compared with the first edition of HKSF).

Having regard to the experience of the 2 editions of HKSF, the Government will launch HKSF through HKTDC for the e-commerce markets of the Mainland and the ASEAN over the 3 years between 2026 and 2028. HKTDC will organise the 3rd edition of HKSF on Mainland e-commerce platforms in August 2026 and plans to launch HKSF for major ASEAN markets such as Singapore and Malaysia in the 2nd half of 2026, with a view to providing a platform for Hong Kong enterprises to showcase and promote their products while helping them enhance brand influence and market coverage. HKTDC has commenced its preparatory work of HKSF, and will announce the details, including the number of participating brands, in due course. The expenditure of relevant work has been subsumed under the overall establishment and estimates of HKTDC, and cannot be quantified separately.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

CEDB136

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1906)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Recommendations for Formulating the 15th National Five-Year Plan (The Recommendations) emphasise the advancement of quality improvement and upgrading of the 8 major traditional industries including the textile industry. As mentioned in paragraph 122 of the Budget Speech, apart from further reinforcing Hong Kong's strategic position, The Recommendations support the consolidation and enhancement of industries with competitive edge. In this connection, will the Government inform this Committee of the following:

1. How will the Budget respond to The Recommendations in advancing the development of the 8 major industries including the textile industry, establishing high quality global industrial chains, and making contribution to the high quality development of national industries through the unique role and advantages of Hong Kong?

2. It is also mentioned in the Budget Speech that the Government will establish an Advisory Committee on Tax Policy. Please advise this Committee of its work details, its composition, the fields and industries its members covered, and the strategies it will adopt to promote the long-term development of the traditional industries with competitive edge.

3. Last year's Policy Address announced the formulation of packages of preferential policies on promoting industries and investment to attract enterprises to set up in Hong Kong. It is pointed out in the Budget Speech that the Government has formulated a preliminary framework in this respect. Please advise this Committee of the details of the preliminary framework, the industries to be benefited from the preferential tax rates of half-rate or 5%, and whether the traditional industries with competitive edge, such as local and overseas leading enterprises in the textile, clothing and fashion industries, can benefit from the packages of preferential policies.

4. What strategies will the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force), newly established by the Hong Kong Special Administrative Region Government, adopt to facilitate the work on attracting traditional industries with competitive edge and emerging industries to Hong Kong, and how will the GoGlobal Task Force make use of the preferential tax rates to attract Mainland enterprises, in particular Mainland small and medium enterprises (SMEs) to set up in Hong Kong?

5. It is mentioned in the Budget Speech that the Government will set up a cross-sectoral professional services platform to support enterprises in going global. Please advise this Committee of the details, whether additional estimated expenditure will be involved, and the modes in which the services platform will adopt to serve enterprises going global?

6. Will the Government set the target of attaching more importance to attracting industrial clusters in the future so as to align with and bring in more Mainland SME industrial clusters with considerable scale and ready for going global, thus achieving greater synergy effect?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 20)

Reply:

The National 15th Five-Year Plan expressly supports Hong Kong's better integration into and serving the overall national development, strengthening its economic and trade relations with the Chinese Mainland, leveraging its unique advantages and important role of having strong support from the Motherland and close connection with the world, and consolidating and enhancing its status as an international trade centre. The Hong Kong Special Administrative Region (HKSAR) Government will continue to attract enterprises and investment with a more proactive, systematic and comprehensive strategy, aligning with the National 15th Five-Year Plan to promote Hong Kong's deeper integration into and service of the overall national development.

On tax, as announced in the 2026-27 Budget, the Advisory Committee on Tax Policy (ACTP) will be established and chaired by the Financial Secretary. ACTP aims to gather views from the commercial, industrial and professional sectors. Under the context of fulfilling Hong Kong's international tax obligations, ACTP will assist the Government in formulating tax policies that can reinforce economic development, including exploring possible amendments to existing tax measures, with a view to attracting more new industries and investments to Hong Kong. The Government has commenced preparatory work for establishing ACTP. ACTP will comprise non-official members from the commercial, industrial and professional sectors, as well as relevant official members. It is expected that the first meeting will be convened in mid-2026.

In the 2025 Policy Address, the Chief Executive announced formulating preferential policy packages to attract high value-added industries and high-potential enterprises to be set up in Hong Kong. As announced in the 2026-27 Budget, the Government has formulated a preliminary framework for the preferential policy packages, which would take into account the enterprise's industry and its technology level, as well as the potential economic

contributions and employment opportunities it can bring to Hong Kong, etc. Policy tools include land grant arrangements, financial subsidies and tax concessions. The preferential tax rates will be half-rate or 5%. The Government is formulating details and operation plan of the tax concessions, including the target industries, and plans to announce the details and introduce an amendment bill regarding the tax concessions in the 2nd half of this year.

In addition, the 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. Major work will include the following –

- To focus on attracting key or strategically valuable Chinese Mainland enterprises to establish a presence in Hong Kong for further going global, and support different Chinese Mainland enterprises to go global through the network of the GoGlobal Task Force members;

- To organise promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect;

- To match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner; and

- To organise overseas outbound missions to be led by HKSAR Government officials to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

In 2026-2027, a one-off allocation of $5 million will be allocated to HKTDC to establish a digital platform for the above-mentioned cross-sectoral professional services. HKTDC has launched the first phase of the platform on 20 March 2026 and details can be found on the dedicated website of the GoGlobal Task Force (www.goglobal.gov.hk). Other expenditures of HKTDC for supporting Chinese Mainland enterprises to go global have been subsumed under its overall estimates and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1907)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in paragraph 132 of the 2026-27 Budget, the Government will further inject a total of $200 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and raise the funding ceiling of "Easy BUD" to $150,000 per application. In this connection, will the Government inform this Committee of the following:

1. What are the details of raising the funding ceiling of "Easy BUD"? What is the implementation timetable? Upon implementation of the new initiative to raise the funding ceiling of "Easy BUD" to $150,000 per application, to what extent will the attractiveness and incentive be enhanced for small and medium enterprises to apply for the BUD Fund under "Easy BUD"?

2. Regarding "Easy BUD", how many applications were received during the period from June 2023 to 13 March 2025 (i.e. when the matching ratio was 1 (Government):1 (Enterprise))? How many of them were approved? What was the average processing time?

3. Further to the above, how many applications have been received so far under "Easy BUD" since the matching ratio was adjusted to 1 (Government):3 (Enterprise) on 14 March 2025? How many of them have been approved? What is the average processing time?

4. Please set out in the table below the details of project approval under the BUD Fund in the following years:

Period	Maximum funding amount approved	Number of applications received	Number of projects approved
2024	$100,000 or below		
	Over $100,000 to $150,000		
	Over $150,000 to $300,000		
	Over $300,000 to $500,000		
	Over $500,000 to $1,000,000		
From 1 January 2025 to 13 March 2025 (with a matching ratio of 1 (Government): 1 (Enterprise))	$100,000 or below		
	Over $100,000 to $150,000		
	Over $150,000 to $300,000		
	Over $300,000 to $500,000		
	Over $500,000 to $1,000,000		
From 14 March 2025 to 31 December 2025 (with a matching ratio of 1 (Government): 3 (Enterprise))	$100,000 or below		
	Over $100,000 to $150,000		
	Over $150,000 to $300,000		
	Over $300,000 to $500,000		
	Over $500,000 to $1,000,000		
Since 1 January 2026 (with a matching ratio of 1 (Government): 3 (Enterprise))	$100,000 or below		
	Over $100,000 to $150,000		
	Over $150,000 to $300,000		
	Over $300,000 to $500,000		
	Over $500,000 to $1,000,000		

5. Since the SME Export Marketing Fund (EMF) and the BUD Fund will be consolidated, will the Government consider further expanding the scope of application of the BUD Fund to cover all markets outside Hong Kong in alignment with that of the EMF, thereby better supporting the trade in developing domestic sales, as well as expanding traditional and emerging markets?

6. Given the surplus in the Government's Operating Account, will it consider adjusting the overall matching ratio of the BUD Fund to 2:1 of the total approved expenditure between the Government and the enterprises, as well as adjusting the matching ratio of "E-commerce Easy" and "Easy BUD" to 1:1 of the total approved expenditure between the Government and the enterprises, so as to assist the trade in upgrading their operations?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 21)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in a total of 40 economies with which Hong Kong has signed free trade agreements (FTAs) and/or investment promotion and

protection agreements (IPPAs). The Government launched "Easy BUD" in June 2023 to expedite the vetting of applications involving designated measures.

The 2026-27 Budget announced the injection of $200 million into the BUD Fund to increase the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000, and to provide more targeted funding support for enterprises to implement BUD Fund projects with artificial intelligence (AI) elements, with a view to helping them implement eligible AI measures to further develop their businesses in markets outside Hong Kong. The Government plans to seek approval from the Finance Committee of the Legislative Council in the 2nd quarter of 2026, with a view to introducing the various enhancement measures in the same quarter. We expect that the number of "Easy BUD" applications to be received will rise after the increase of the funding ceiling per "Easy BUD" application to $150,000.

The implementation of "Easy BUD" between June 2023 and 13 March 2025 as well as since 14 March 2025 is as follows:

	From 16 June 2023 to 13 March 2025	**From 14 March 2025 to 28 February 2026**
Number of applications received Note 1	1 066 (monthly average of around 51)	810 (monthly average of around 70)
Number of applications approved Note 2, 3	590	263

Note 1: Applications received may not be processed in the same year. The figures exclude applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

Note 2: The figures only represent the number of applications approved during the relevant period, but not the final number of applications approved among the applications received during the relevant period.

Note 3: The figures do not include applications which are under processing by the Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund, and are pending for approval.

To date, HKPC, the Programme Secretariat of the BUD Fund, could meet the performance pledge of processing all "Easy BUD" applications within 30 working days upon receipt of all required documents and information of the applications.

Funding amounts of the applications received/approved under the BUD Fund are as follows:

Year	**Funding amounts of the applications received/approved**	**Number of applications received Note 4**	**Number of applications approved**
2024	$100,000 or below	1 305	505
	Over $100,000 to $150,000	125	43
	Over $150,000 to $300,000	376	149
	Over $300,000 to $500,000	576	229
	Over $500,000 to $1,000,000	4 880	1 730
From 1 January 2025 to 13 March 2025	$100,000 or below	290	94
	Over $100,000 to $150,000	41	13
	Over $150,000 to $300,000	88	42
	Over $300,000 to $500,000	171	45

Year	Funding amounts of the applications received/approved	Number of applications received [Note 4]	Number of applications approved
	Over $500,000 to $1,000,000	1 299	454
From 14 March 2025 to 28 February 2026 (i.e. upon the implementation of rationalisation measures)	$100,000 or below	1 506	351
	Over $100,000 to $150,000	209	61
	Over $150,000 to $300,000	672	194
	Over $300,000 to $500,000	700	273
	Over $500,000 to $1,000,000	758	1 588

Note 4: Applications received may not be processed in the same year. The figures include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

The SME Export Marketing Fund (EMF) will be consolidated into the BUD Fund in July 2026 upon expiry of the former's special measure. This allows enterprises to undertake promotional activities in the context of upgrading and transformation under the BUD Fund, thereby attaining synergy. After the EMF is consolidated into the BUD Fund, applicant enterprises shall submit applications to HKPC, the Programme Secretariat of the BUD Fund, in accordance with the framework and requirements of the BUD Fund. The current geographical scope of the BUD Fund covers economies that accounted for more than 80% of Hong Kong's total merchandise trade in 2025. The 2025 Policy Address announced the expansion of the geographical scope of the BUD Fund to cover 8 more economies, including Saudi Arabia, Bangladesh, Egypt, Hungary, Pakistan, Kazakhstan, Mongolia and Brazil, implying a 20% increase of the geographical scope. The geographical scope of the BUD Fund will also be automatically expanded upon Hong Kong's signing of FTAs and/or IPPAs with other economies.

The funding ratio of the BUD Fund was adjusted in March 2025, and its effectiveness needs to be reviewed over time. In addition, we have relaxed the frequency for submitting "Easy BUD" applications and provided more targeted funding support for projects on green transformation and restructuring of production lines, etc. since March 2025. Meanwhile, we plan to increase the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000 and provide more targeted funding support in areas involving AI and market promotion, etc., in the 2nd quarter of 2026. We therefore need time to review the relevant financial implications. We will continue to manage the fund prudently to ensure its financial sustainability. At the same time, we must prudently utilise the public funds in a timely and focused manner to enable more enterprises to receive funding support and to maintain a wide spread of beneficiaries. The Government will continue to keep in close touch with the trade, review constantly the operation of the funding scheme, and make adjustments and enhancements if necessary.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2493)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

A series of initiatives has been introduced in the Budget to propel the development of Hong Kong as a regional intellectual property (IP) trading centre. In this connection, will the Government inform this Committee of the following:

1. According to the Budget, a provision of $28 million has been earmarked to support the Hong Kong Technology and Innovation Support Centre in providing innovation and technology (I&T) enterprises with patent evaluation based on Guobiao, and implementing the 2-year Pilot Patent Valuation Support Scheme (the Pilot Scheme) to assist I&T enterprises in conducting valuation for their patent assets. In this regard, how much of the above provision will be utilised for the pilot scheme?

2. Further to the above, what are the policy objectives of the Pilot Scheme? Will policy targets or key performance indicators be formulated for the Pilot Scheme? In the event of favourable feedback and outcomes, will the Government consider scaling up the Pilot Scheme and providing additional funding to promote valuation of patent assets? Will additional resources and funding provisions be considered in the future for promoting patent asset valuation services?

3. According to paragraph 162 of the Budget, the Intellectual Property Department (IPD) will expand its team of patent examiners, particularly for original grant patent applications in major technology fields, to strengthen its institutional autonomy in substantive examination and provide more robust legal protection for research and development outcomes. How will the IPD expand the team and adjust the relevant establishment? What will be the estimated additional expenditure involved?

4. As stated in Programme 2 under Head 152, the Government will review the IP tax deduction arrangements to promote IP trading in Hong Kong and conduct a trade

consultation on the proposals to be introduced. In what directions will the Government review the IP tax deduction arrangements?

5. Branding is the definitive path to high-quality development for the textiles, garment and fashion sectors. How will the Government leverage Hong Kong's important position as a regional IP trading centre to promote the city's development into a key hub for international brands?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 19)

Reply:

Pilot Patent Valuation Support Scheme (Pilot Scheme)

To promote the development of intellectual property (IP) financing in Hong Kong, the Government plans to launch a two-year Pilot Patent Valuation Support Scheme (Pilot Scheme) in the third quarter of 2026 to support eligible local small and medium enterprises (SMEs) to conduct valuation of their patents and other IP assets, which will provide concrete information on the enterprises' assets to serve as a reference for credit financing.

The Intellectual Property Department (IPD) will collaborate with the Hong Kong Technology and Innovation Support Centre (HKTISC) to implement the Pilot Scheme. The Pilot Scheme will adopt a matching grant model of 1 (Government):1 (eligible local SME) and provide each enterprise of an approved application (approved enterprise) with a one-off funding capped at $80,000 to support them in commissioning qualified service providers (mainly accountants, financial analysts and surveyors) to conduct quantitative valuation of their patents and other IP assets.

In addition, if the IP assets of the approved enterprises include at least 1 Hong Kong patent granted under the Patents Ordinance (Cap. 514) that has also undergone substantive examination, IPD's patent examiners will, through HKTISC, provide free qualitative patent evaluation service based on the national standard for 1 Hong Kong patent designated by the approved enterprise concerned. Valuation service providers, banks or other financial institutions may, where appropriate, refer to the results of such qualitative patent evaluation in conducting quantitative valuation.

The Government has earmarked $28 million to support HKTISC in providing innovation and technology (I&T) enterprises with patent evaluation based on national standard and implementing the two-year Pilot Scheme, among which $16 million is the maximum total amount of funding for the Pilot Scheme (the funding to be provided to each approved enterprise is capped at $80,000 and the maximum number of eligible applications to be approved is 100 per year).

The Pilot Scheme will provide high-quality qualitative patent evaluation and reliable quantitative valuation for IP assets held by approved enterprises. This not only assists relevant SMEs in demonstrating the economic value of their IP assets, but also enhances understanding of the value of intangible assets by financial institutions and investors, enabling them to consider the market potential of SMEs' IP assets in a more comprehensive manner and increasing their confidence in investing in SMEs or establishing strategic partnerships

with them. Relevant evaluation and valuation reports could also serve as references to banks and other financial institutions when they assess enterprises' applications for financing, loans, etc.

In the future, we will continue to actively develop the IP financing market in Hong Kong and review the market responses, effectiveness and relevant experience of the Pilot Scheme. Based on the overall market and industry developments, we will explore the way forward of the Pilot Scheme, including the feasibility to set relevant key performance indicators.

Patent Examination Team

The routine work of IPD's patent examination team includes examination of original grant patent applications, promotion of the local patent system, and supporting projects to develop the I&T ecosystem, such as provision of patent evaluation service in collaboration with HKTISC, etc. The Government plans to gradually expand IPD's patent examination team through open recruitment of university degree holders in science and engineering, covering the 3 major technology fields of electricity, chemistry and mechanical engineering, and providing them with training in law and patent examination. In 2026-27, IPD has earmarked $10.3 million with a view to recruiting and nurturing more patent examiners.

IP Tax Deduction Arrangements

Following a review of the tax deduction arrangements for relevant capital expenditure incurred by enterprises for purchasing IP or the rights to use IP, the Government plans to suitably broaden the scope of relevant profits tax deductions, including allowing tax deduction of the acquisition cost of certain IP from associates, and allowing tax deduction for upfront licence fees for the right to use IP in a licensing arrangement, thereby reducing the cost of relevant transactions and further promoting the development of IP trading. We launched a two-month stakeholder consultation in January this year to finalise the legislative proposals.

Textiles, Clothing and Fashion Industries

A robust IP protection regime can strengthen the protection for innovation and creativity outputs yielded by research and development, promote IP commercialisation and trading, including incentivising the sustainable development of industries such as the textile, clothing and fashion industries, and attract multinational corporations to centralise the management of relevant IP in Hong Kong. The Government will continue to collaborate with various stakeholders to leverage Hong Kong's role as a regional IP trading centre, supporting multi-dimensional creation, development and cross-sector collaboration through innovative thinking, while encouraging enterprises from Hong Kong, the Chinese Mainland and overseas to explore business opportunities through IP-related projects in Hong Kong.

For instance, enterprises may leverage Hong Kong's robust IP protection regime to apply for IP registration for their products to enhance protection. The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) currently provides funding for non-listed Hong Kong enterprises to develop businesses in a total of 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements, including the Chinese Mainland, through upgrading and transformation, as well as enhancement of competitiveness. Subject to compliance with the current application

guidelines and other funding conditions, the costs incurred by enterprises in applying for patent or trade mark registration for their products are project items that could be funded under the BUD Fund.

The Hong Kong Trade Development Council (HKTDC) also actively promotes Hong Kong's fashion brands and products to global buyers and fashion enthusiasts through major exhibitions and overseas promotional activities. For instance, HKTDC organises international exhibitions such as CENTRESTAGE, Fashion InStyle and DesignInspire, all spotlight Hong Kong's design prowess and foster creative and commercial exchange. HKTDC also places strong emphasis on IP promotion, offering on-site IP consultancy services at its international exhibitions to provide exhibitors and enterprises with immediate professional support. Moreover, through the Hong Kong International Licensing Show and Business of IP Asia Forum, HKTDC further drives IP trading and licensing collaboration to reinforce Hong Kong's position as a regional IP trading centre.

In addition, InvestHK has been organising, sponsoring and supporting various promotional events related to the retail, e-commerce and sourcing industries, actively promoting Hong Kong's strengths as a regional IP trading centre, and emphasising the importance of trade mark registration to enterprises interested in entering the Hong Kong market, including Chinese Mainland and overseas enterprises from the fashion and textile industries.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2809)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is pointed out in paragraph 124 of the Budget Speech that the Government will expand the commercial and trade network, strengthen Hong Kong's role as the functional node for the Belt and Road Initiative and collaborate with industry players to further develop more markets. In this connection, will the Government inform this Committee of the following:

1. What are the details of the work of expanding the commercial and trade network? What are the staffing establishment and financial provision for such work?

2. It is noted that the Government will organise promotional activities in various Mainland provinces and municipalities to attract Mainland enterprises to venture into global markets through Hong Kong. What are the details of the work of the Government in helping the Mainland provinces and municipalities with such overseas expansion? What are the division of work and respective staffing establishment among the various Mainland Offices and Liaison Offices in this regard?

3. Has the Government considered strengthening efforts of the Mainland offices in helping Hong Kong's industrial and commercial sectors connect with relevant industry organisations in the Mainland, thereby driving the development of Hong Kong's small and medium-sized enterprises, which will "add value" to themselves by leveraging Hong Kong's professional services and the industry clustering effect to facilitate their "high-quality overseas expansion" alongside the Mainland enterprises?

4. There are views saying that Hong Kong enterprises often consider the assistance offered by the Government insufficient when they suffer setbacks in setting up operations overseas. In light of new challenges in the new era, has the government considered adjusting the staffing establishment of and provision for its Overseas Economic and Trade Offices and enhancing their roles so that they can proactively provide overseas

Hong Kong enterprises with more up-to-date local policy information and prompt support?

5. To strengthen Hong Kong's role as the functional node for the Belt and Road Initiative, what are the details of the Government's support and provision for the work of the Commissioner for Belt and Road and the Belt and Road Office?

Asked by: Hon TAN Sunny (LegCo internal reference no.: 5)

Reply:

The Hong Kong Special Administrative Region (HKSAR) Government is proactively seeking to forge free trade agreements and investment promotion and protection agreements with more trading partners, with a view to expanding Hong Kong's economic and trade network and injecting new impetus into our trade and investment. The above work is part of the regular duties of the Commerce and Economic Development Bureau and the Trade and Industry Department (TID). It is conducted with the existing manpower and the expenditure has been subsumed under the overall estimates, and cannot be quantified separately.

Besides, the Belt and Road Office (BRO) will continue, through various measures, to strengthen Hong Kong's role as the functional platform for the Belt and Road (B&R), as well as the roles as a "super-connector" and a "super value-adder", with a view to deepening connectivity and practical co-operation with B&R countries, thereby assisting Hong Kong enterprises and professional services in exploring new market opportunities along the B&R, and facilitating deep participation in and contribution to the high quality development of the B&R.

BRO will continue to lead and co-ordinate Hong Kong's participation in the B&R Initiative, organise the annual flagship event, the Belt and Road Summit, proactively reach out to agencies in charge of projects in B&R countries and regions, organise missions to B&R markets and stage roadshows of the Belt and Road Cross-Profession Forum there, organise business/project matching, and encourage and assist external organisations to stage roadshows in Hong Kong, with a view to promoting Hong Kong's diversified, professional and international professional services, thereby seeking more project matching opportunities for Hong Kong enterprises and professional services. It will also coordinate with and promote the Belt and Road Capacity Building Platforms, comprising different public bodies and institutions, to provide training for personnel in B&R countries, with a view to enhancing "soft connectivity" of professional rules and standards, as well as "people to people bonds" with B&R countries. In 2026-27, the overall estimate of the BRO will be about $39.159 million.

As a measure announced in the 2025 Policy Address, the Government has set up the functional platform of "Economic and Trade Express" (ETE) to strengthen trio-coordination among overseas Economic and Trade Offices (ETOs), Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC), capitalising on their complementary advantages to jointly promote Hong Kong's trade and investment abroad. ETE focuses on supporting small and medium enterprises (SMEs) and start-ups by proactively organising overseas business missions for relevant enterprises with one-stop supporting services

(including business matching) to assist Hong Kong enterprises in exploring business opportunities in overseas markets.

In addition, given the complex and ever-changing international trade landscape, coupling with new developments and various trade measures in overseas markets, TID has established a regular mechanism to disseminate the latest international and Mainland economic and trade information more effectively to enterprises, particularly SMEs, assisting them in planning their business operations.

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under InvestHK and HKTDC as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. Major work will include the following –

- To focus on attracting key or strategically valuable Chinese Mainland enterprises to establish a presence in Hong Kong for further going global, and support different Chinese Mainland enterprises to go global through the network of the GoGlobal Task Force members;

- To organise promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect;

- To match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner; and

- To organise overseas outbound missions to be led by HKSAR Government officials to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

The manpower for the above work by the GoGlobal Task Force members has been subsumed under their respective overall establishment and cannot be quantified separately.

As the representative offices of the HKSAR Government in the Chinese Mainland and members of the GoGlobal Task Force, the key functions of the Mainland Offices include enhancing liaison and communication between Hong Kong and the Central People's Government as well as the provincial and municipal governments in the Chinese Mainland to promote exchange and co-operation in support of the HKSAR's efforts to integrate into and serve the overall national development; telling Hong Kong's good stories in the Chinese Mainland to promote Hong Kong's unique advantages and opportunities of enjoying strong support of the Motherland and being closely connected to the world, so as to encourage and attract Chinese Mainland enterprises and talents to establish a presence in Hong Kong; and providing information and other appropriate support and assistance to Hong Kong people and enterprises in the Chinese Mainland, etc. The Mainland Offices will continue to proactively liaise with the provincial, municipal and autonomous regional governments in their service regions to promote exchange and communication between Hong Kong and the Chinese Mainland in areas of economy, trade and investment, while further promoting Hong Kong's strengths and opportunities in the Chinese Mainland. In addition, the Mainland Offices will proactively organise and attend more large-scale events, and continue to explore more business and development opportunities for Hong Kong people and enterprises by deepening co-operation with various provinces and municipalities in commerce and trade, finance, innovation and technology, creative industries, youth exchange, and so forth.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3120)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 132 of the Budget Speech that the Government will inject $200 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and raise the funding ceiling of "Easy BUD" to $150,000 per application. In this connection, please advise this Committee on the following:

1. The respective numbers of applications received, actual numbers of applications approved and amounts involved under the BUD Fund in the past 2 years; and

2. Whether the Government has assessed the respective funding amounts involved each year after raising the funding ceiling of the aforementioned "Easy BUD". If so, what are the details? If not, what are the reasons?

Asked by: Hon TANG Ming-sum, Michelle (LegCo internal reference no.: 11)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements. The implementation of the BUD Fund in the past 2 years is as follows:

	2024	**2025**
Number of applications received [Note]	7 262	5 347
Number of applications approved	2 656	2 776
Amount of funding approved ($)	1.68 billion	1.78 billion

Note : Applications received may not be processed in the same year. The figures include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

The 2026-27 Budget (the Budget) announced the increase of the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000 and provision of more targeted funding support for enterprises to implement BUD Fund projects which involve artificial intelligence elements, with a view to developing their businesses in the Chinese Mainland and target markets outside Hong Kong. The Budget has already announced the injection of $200 million into the BUD Fund to implement relevant measures to strengthen the support for small and medium enterprises.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3121)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, the Commerce and Economic Development Bureau has implemented a subsidy scheme to encourage the extension of optical fibre networks to villages in rural and remote areas. In this connection, please advise this Committee on the following:

1. the resources allocated and the major villages in which conditions for fibre-based network coverage were improved in the past 2 years;

2. whether the Government has estimated the resources to be deployed in 2026-27 to continue the implementation of the scheme, and the target villages to be covered in the rollout of fibre-based networks; if so, the details; if not, the reasons; and

3. whether the Government has assessed if the optical fibres rolled out currently can cater for the 6G traffic volume in the future to avoid wastage of resources; if so, the details; if not, the reasons?

Asked by: Hon TANG Ming-sum, Michelle (LegCo internal reference no.: 12)

Reply:

The Government launched in 2018 the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas (Broadband Subsidy Scheme), to subsidise fixed network operators in extending fibre-based networks to villages in remote areas and the scheme has been implemented in progress. The Government has approved all 6 tender projects under the Broadband Subsidy Scheme between 2019 and 2020, covering 235 villages in total across North District, Sai Kung, Tai Po, Sha Tin, Yuen Long, Tuen Mun, Tsuen Wan, Kwai Tsing and Islands. To date, fibre-based networks under the scheme have been rolled out to 233 villages, with all installation expected to complete by the end of 2026, benefitting about 110 000 villagers.

A one-off provision of $774.4 million was approved by the Finance Committee of the Legislative Council for the Broadband Subsidy Scheme in 2018. Expenditure for 2024-25 and 2025-26 are approximately $114.7 million and $158.9 million respectively, with an estimated expenditure of about $72.9 million for 2026-27. The subsidy will be granted to the relevant fixed network operators only after the completion and verification of the relevant works projects.

With the expansion of fibre-based network in rural areas, it is expected that fixed network operators may further provide higher-speed broadband services to areas other than those covered by the Broadband Subsidy Scheme. At the same time, it will provide the necessary fibre-based connections for the roll-out of other types of telecommunications services (such as fifth generation mobile services and Wi-Fi wireless Internet access). It will also promote the development of next-generation mobile communication services, including sixth generation mobile services, with higher network capacity and transmission speeds.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2030)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 162 of the Budget Speech that the Intellectual Property Department (IPD) will expand its team of patent examiners, particularly for original grant patent (OGP) applications in major technology fields, to strengthen its institutional autonomy in substantive examination. In this connection, will the Government inform this Committee of the following:

1. the expenditure and staff establishment of the IPD for patent examination work in the past 5 years;

2. the current strength of the IPD's patent examiner team and the target size to which it will be expanded; and

3. the number of OGP applications processed by the IPD, the number of cases granted, the average case processing time, and the origins of applicants in the past 5 years.

Asked by: Hon WONG Kam-fai, William (LegCo internal reference no.: 22)

Reply:

The routine work of the Intellectual Property Department (IPD)'s patent examination team includes examination of original grant patent (OGP) applications, promotion of the local patent system, and supporting projects to develop the innovation and technology ecosystem, such as provision of patent evaluation service in collaboration with the Hong Kong Technology and Innovation Support Centre, etc. The expenses related to IPD's work on patent examination has been subsumed under the overall estimates of the Department, and cannot be quantified separately.

The number of patent examination team members in the 2025-26 financial year was 37 while the numbers from the 2021-22 financial year onwards were respectively 8, 13, 29 and 36. They cover the 3 major technology fields of electricity, chemistry and mechanical engineering. The Government plans to gradually expand IPD's patent examination team, particularly to strengthen its institutional autonomy in substantive examination for OGP applications in major technology fields, and strives to establish a professional team of about 100 examiners in the long term.

From 2021 to 2025, IPD processed a total of 984 OGP applications, with applicants from Asia, Europe, Americas, Middle East, Africa, etc. During the same period, IPD granted a total of 306 OGPs. The average time from application to grant for OGP cases was around 3 years, which is comparable to the processing time required by major patent offices worldwide.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2032)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 160 of the Budget Speech that the Intellectual Property Financing Sandbox was launched at the end of last year. In this connection, will the Government inform this Committee of the manpower and estimated expenditure involved for the initiative? What are the details of the existing pilot projects under the Sandbox? When are the preliminary review results expected to be available?

Asked by: Hon WONG Kam-fai, William (LegCo internal reference no.: 24)

Reply:

The Commerce and Economic Development Bureau (CEDB) and the Intellectual Property Department (IPD), in collaboration with the Hong Kong Monetary Authority (HKMA), launched the Intellectual Property (IP) Financing Sandbox (Sandbox) at the end of last year to assist pilot sectors (particularly the technology sector) in leveraging IPs for financing. Three major banks in Hong Kong and their clients from different enterprises, as well as legal and professional services organisations are participating in the pilot project.

Several trial cases are currently progressing in the Sandbox, with participating banks actively engaging with relevant clients and professional services organisations to negotiate IP financing arrangements.

The Sandbox provides a collaborative and risk-controlled environment for stakeholders to collectively test out the full lifecycle of IP financing on a "pioneer and pilot" approach and accumulate practical experience. CEDB and IPD will, together with HKMA, closely monitor the operation of the Sandbox, timely collect feedback from stakeholders, consolidate market feedback and experience, and make follow-up arrangements, with a view to gradually establishing a comprehensive IP financing ecosystem.

Developing Hong Kong into a regional IP trading centre is part of the overall work of CEDB and IPD. The expenditure involved in implementing the Sandbox is subsumed under the overall estimates of CEDB and IPD respectively. It is therefore difficult to quantify the resources involved separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2953)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 163 of the Budget Speech that the Intellectual Property Department, together with the Vocational Training Council, will roll out a two-year pilot programme, with $52 million earmarked for establishing the Intellectual Property Academy (the Academy). In this connection, will the Government inform this Committee of the following:

1. a breakdown of the estimated manpower and expenditure involved in establishing the Academy;

2. the anticipated types, number and levels of courses to be offered by the Academy, and the estimated annual training intake; and

3. whether assessments were conducted on the availability of sufficient intellectual property training personnel locally; if so, the details; if not, the reasons; additionally, whether instructors with relevant expertise will be hired from outside Hong Kong to assist in establishing the IPA?

Asked by: Hon WONG Kam-fai, William (LegCo internal reference no.: 21)

Reply:

To strengthen intellectual property (IP)-related on-the-job training and meet the needs of different sectors in using IP across various areas, the Intellectual Property Department (IPD) is collaborating with the Vocational Training Council (VTC) to implement a two-year pilot programme to establish the Intellectual Property Academy (the Academy). The design and planning of the relevant programmes will be more systematic and better recognised, with more diversified and in-depth content, offering varying breadth, depth, and focus tailored to market and policy needs. The programmes will cover areas such as the creation, protection,

management, transformation and commercialisation of IP, as well as dispute resolution, and will include the major fields of IP such as patents, trade marks, copyright and designs. This will help participants acquire knowledge covering the full IP chain in the course of their business operations, enabling them to formulate and implement business strategies effectively. Suitable programmes will be linked to the corresponding levels under the Qualifications Framework. In the course of developing the programmes, we will widely gather feedback from different industry sectors.

The Academy targets practitioners from various sectors, including technology and innovation, cultural and creative industries, commerce and industry, and professional services. Local innovation entities (including research institutions, start-ups and small and medium enterprises), as well as enterprises and service providers engaged in IP trading and commercialisation, will all stand to benefit. During the two-year pilot period, the Academy is expected to provide training to about 2 000 participants.

The Government has earmarked $52 million to support the establishment of the Academy and its operating expenses for the first 2 years, including staff remuneration, teaching facilities, information platforms, curriculum development and design, qualification accreditation, publicity and promotion, as well as other administrative and operating expenses. As for the specific funding arrangements, IPD will further discuss with VTC and set out the details of the implementation arrangements in the funding agreement.

In terms of staffing, to prepare for the establishment of the Academy, IPD will first redeploy internal staff to discuss related work with VTC. As for other staffing arrangements involved in the overall operation of the Academy, IPD will further finalise them with VTC when implementing the overall work plan and specific implementation arrangements.

As for training personnel, those participating in the existing "IP Manager Scheme PLUS" all possess knowledge and experience related to the IP profession or practice, and may serve as programme instructors or speakers of the Academy. At the same time, subject to the content and actual needs of individual programmes, the Academy will also consider inviting scholars or practitioners from the Chinese Mainland and overseas who possess the relevant professional knowledge, qualifications or industry experience to participate in teaching.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2954)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in paragraph 132 of the Budget Speech, the Government will inject $200 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales, raise the funding ceiling of "Easy BUD" to $150,000 per application, and provide more targeted funding support for enterprises in artificial intelligence (AI) application. In this connection, would the Government inform this Committee of the following:

1. Regarding the "Easy BUD", what are the annual figures for applications received and approved, the total amount of funding approved, the average funding and processing time per case over the past 3 years?

2. Regarding the Government's provision of more targeted funding support for enterprises in AI application, what are the related estimates, implementation timetable and details of the funding?

Asked by: Hon WONG Kam-fai, William (LegCo internal reference no.: 28)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements. The Government launched "Easy BUD" in June 2023. As at end-February 2026, around 1 870 "Easy BUD" applications with supporting documents submitted were under processing or had been processed by the Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund, of which over 880 applications were approved/approved with conditions, with the relevant funding amount being around $61 million and the average approved funding amount being around $70,000. To date, HKPC could meet the

performance pledge of processing all "Easy BUD" applications within 30 working days upon receipt of all required documents and information of the applications.

The 2026-27 Budget announced that $200 million will be injected into the BUD Fund to increase the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000 and to provide more targeted funding support for enterprises to implement BUD Fund projects with artificial intelligence (AI) elements, with a view to helping them implement eligible AI measures to further develop their businesses in markets outside Hong Kong. The Government will provide clear guidelines to enterprises to explicitly state that the application of AI would be fundable in eligible projects, provided that the funding criteria of the BUD Fund can be satisfied. Examples include development of AI chatbot function in the company website to strengthen sales promotion for market expansion; and/or adoption of AI to ensure that the production lines meet the regulatory requirements of target markets to increase productivity and competitiveness. The Government plans to seek approval from the Finance Committee of the Legislative Council in the 2nd quarter of 2026, with a view to introducing the various enhancement measures in the same quarter.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2043)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 133 of the Budget Speech that the Hong Kong Export Credit Insurance Corporation (ECIC) will introduce a pilot scheme this year to provide protection for small and medium enterprises (SMEs) engaging in commerce. Yet members of the sector have reflected that a Hong Kong enterprise, despite having secured an order worth tens of million dollars, was only granted a very low credit limit. The ECIC has even required certain Hong Kong enterprises to submit full audit reports of their overseas buyers, thus imposing considerable operational challenges on them. All these may regrettably hinder the pilot scheme from benefitting the SME sector at large. In this connection, will the Government inform this Committee:

(a) of the numbers of credit limit applications received by the ECIC which resulted in the granting of credit limits amounting to less than 50% and less than 10% of the requested amounts over the past 3 years, and their respective percentage shares;

(b) further to the above, of the numbers of rejected applications and their percentage shares;

(c) as regards the requirement on the submission of full audit reports, whether the Government will drive the ECIC to make good use of the Commercial Data Interchange to ease the burden on Hong Kong traders in obtaining such information; if so, of the details; if not, the reasons for that; and

(d) of the concrete implementation details of the pilot scheme to be launched and relevant support measures; and whether targeted relaxation of vetting thresholds will be made under the pilot scheme, so that reasonable credit limits will be proactively granted for enterprises trading with overseas buyers rated as "higher-risk buyers", thereby genuinely addressing the pain points of SMEs, i.e. "having orders secured but lacking protection" and insufficiency of credit limits granted?

Asked by: Hon WONG Wing-wai, Ray (LegCo internal reference no.: 1)

Reply:

The Hong Kong Export Credit Insurance Corporation (ECIC) has been providing export credit insurance services to Hong Kong exporters in accordance with the principle of prudent risk management. When assessing export credit insurance applications, ECIC considers policyholders' risks of non-payment holistically, including the transaction amount, the buyer's ability to pay and the policyholder's payment terms, etc. Based on available information gathered by ECIC (including the buyer's financial information), ECIC will consider the relevant application and credit limit, with a view to supporting the business development of Hong Kong exporters as far as possible while ensuring prudent use of resources. The main reasons for non-approval of applications include continuous losses of the buyer or its group, lack of financial information of the buyer or its group, and absence of the buyer's operational details, etc.

Information regarding the credit limit applications that were approved for less than half of the requested amount and credit limit applications that were not approved among the applications processed by ECIC over the past 3 years is as follows:

Year	**Number of Application (Percentage)**
Approved credit limits less than half of the requested amount	
2025-26 (first 11 months)	556 (5%)
2024-25	694 (5%)
2023-24	997 (7%)
Not-approved credit limit applications	
2025-26 (first 11 months)	3 769 (31%)
2024-25	3 902 (29%)
2023-24	3 345 (25%)

As the Commercial Data Interchange primarily facilitates financial institutions in accessing business data of local enterprises (especially small and medium enterprises (SMEs)) from organisations owning both public and private data at present, it is not applicable to ECIC for credit assessment of overseas buyers. To support Hong Kong exporters, ECIC has been actively collaborating with credit information agencies and export credit agencies worldwide to diversify its information sources for enhancing its underwriting capabilities.

As announced in the 2026-27 Budget, ECIC will launch the pilot scheme "SME Protect Plus" to provide protection for SMEs engaging in exports with higher-risk buyers, so as to assist SMEs in exploring new businesses. The pilot scheme is specifically designed for ECIC's Small Business Policy (SBP) holders, which are Hong Kong exporters with an annual turnover of less than HK$50 million. ECIC estimates that approximately 2 000 SBP holders (including 1 200 existing policyholders and 800 new policyholders) will benefit from the scheme. ECIC is currently formulating the detailed arrangement of the scheme including coverage of higher-risk buyers (e.g. the number of years since their establishment), maximum liability, indemnity percentage, premium rate, and application procedures, etc., and anticipates to launch the pilot scheme in the third quarter of 2026 for 1 year. Further details of the pilot scheme will be announced in due course.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **CEDB147**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2048)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Paragraph 161 of the Budget proposed implementing a two-year Pilot Patent Valuation Support Scheme to assist innovation and technology (I&T) enterprises in conducting valuation of their patent assets. As the relevant assessment guidelines are based on national standards, the industry expects that the valuation results can be directly applied to financing in the Mainland. In this connection, would the Government inform this Committee of the following:

(a) Over the past 3 years, what were the numbers of cases in which Hong Kong I&T enterprises successfully obtained financing from local banks using patent assets, and what was the total amount involved?

(b) Regarding the Pilot Scheme, has the Government established any mechanism to ensure that the valuation reports are recognised by local banks as a basis for loans?

(c) Will the Government discuss with the Mainland authorities on the implementation of "recognition of Hong Kong standards in the Mainland", so that patent valuation reports issued by Hong Kong institutions may be directly accepted by financial institutions in the Greater Bay Area as the basis for approving financing?

Asked by: Hon WONG Wing-wai, Ray (LegCo internal reference no.: 7)

Reply:

Currently, subject to regulatory compliance, banks and other financial institutions may choose to accept intellectual property (IP) as collateral for financing or loan projects. Such financing or loans are transactions of private property rights. Hence, we do not keep related information.

To promote the development of IP financing in Hong Kong, the Government plans to launch a two-year Pilot Patent Valuation Support Scheme (Pilot Scheme) in the third quarter of 2026 to support eligible local small and medium enterprises (SMEs) to conduct valuation of their patents and other IP assets, which will provide concrete information on the enterprises' assets to serve as a reference for credit financing.

The Intellectual Property Department (IPD) will collaborate with the Hong Kong Technology and Innovation Support Centre (HKTISC) to implement the Pilot Scheme. The Pilot Scheme will adopt a matching grant model of 1 (Government):1 (eligible local SME) and provide each enterprise of an approved application (approved enterprise) with a one-off funding capped at $80,000 to support them in commissioning qualified service providers (mainly accountants, financial analysts and surveyors) to conduct quantitative valuation of their patents and other IP assets.

In addition, if the IP assets of the approved enterprises include at least 1 Hong Kong patent granted under the Patents Ordinance (Cap. 514) that has also undergone substantive examination, IPD's patent examiners will, through HKTISC, provide free qualitative patent evaluation service based on the national standard for 1 Hong Kong patent designated by the approved enterprise concerned. Valuation service providers, banks or other financial institutions may, where appropriate, refer to the results of such qualitative patent evaluation in conducting quantitative valuation.

The Pilot Scheme will provide high-quality qualitative patent evaluation and reliable quantitative valuation for IP assets held by approved enterprises. This not only assists relevant SMEs in demonstrating the economic value of their IP assets, but also enhances understanding of the value of intangible assets by financial institutions and investors, enabling them to consider the market potential of SMEs' IP assets in a more comprehensive manner and increasing their confidence in investing in SMEs or establishing strategic partnerships with them. Relevant evaluation and valuation reports could serve as references to banks and other financial institutions when they assess enterprises' applications for financing, loans, etc. IPD briefed local banks, through the Hong Kong Monetary Authority, on the active supporting functions of the Pilot Scheme in their assessment of enterprises' applications for financing, loans, etc., and the Pilot Scheme was positively received by the banking sector.

On co-operation with the Chinese Mainland, the IP financing ecosystems of Hong Kong and the Chinese Mainland are not the same. With that being considered, we will continue to actively develop the IP financing market in Hong Kong and review the market responses, effectiveness and relevant experience of the Pilot Scheme. Based on the overall market and industry developments, we will explore the feasibility of collaborating with financial institutions in the Chinese Mainland on practical issues related to IP financing and valuation.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2052)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 185 of the Budget Speech that marketing efforts will be stepped up in emerging markets such as the Association of Southeast Asian Nations (ASEAN) and the Middle East to draw visitors. In order to attract the enormous population of Muslims, it is essential to develop the halal industry and improve the halal certification. In this connection, will the Government inform this Committee of the following:

(a) The numbers of restaurants and food manufacturers that had acquired the official halal certification in Hong Kong in the past 3 years;

(b) The total expenditure and specific initiatives undertaken by the Government to support local enterprises in acquiring the halal certification and exploring the Middle East/ASEAN halal markets;

(c) Whether the Government will expand the Halal Certification Funding Scheme and extend its scope to include the Hong Kong Q-Mark Halal Scheme launched in collaboration with the relevant Board of Trustees. If yes, what are the details? If no, what are the reasons?

Asked by: Hon WONG Wing-wai (LegCo internal reference no.: 11)

Reply:

Upon consultation with the Culture, Sports and Tourism Bureau (CSTB), below is the consolidated reply:

Emerging markets such as the Middle East and the Association of Southeast Asian Nations have been the Government's valued trade and economic partners. These countries' economic development is growing rapidly and their markets possess vast potential, alongside

enormous population of Muslims. The Government has been actively encouraging various sectors of the society to seize business opportunities in these markets in areas such as tourism and trade so as to promote the long-term economic development of Hong Kong. Among others, the Chief Executive and other Principal Officials led delegations to visit countries in the Middle East region on a number of occasions in the past few years. These visits are conducive in creating business opportunities for various sectors, driving all-round and multi-field collaboration which has brought mutual benefits to Hong Kong and the Middle East region, thereby injecting new energy to Hong Kong's economy.

On tourism promotion, the Hong Kong Tourism Board (HKTB) has been consolidating Hong Kong's status as a Muslim-friendly destination through a three-pronged strategy: accreditation, education and promotion. At the same time, HKTB actively promotes Hong Kong to Muslim source markets to attract Muslim visitors.

According to CSTB, halal restaurant certification is currently conducted by the Incorporated Trustees of the Islamic Community Fund of Hong Kong (BOT). To encourage more restaurants to apply, HKTB collaborates with BOT to promote its existing certification. As of mid-March 2026, 190 restaurants have received halal certification from BOT, including high-end Chinese restaurants, Cantonese restaurants and contemporary Hong Kong-style noodle restaurants, etc.

Following the announcement of the 2025 Policy Address, to encourage the industry to provide more Muslim-friendly facilities and food options, HKTB launched the "Hong Kong Restaurants Halal Certification Funding Scheme" in mid-September 2025. Qualified restaurants can be provided with a half-rate certification fee subsidy, capped at $5,000. Each restaurant can receive subsidy once in the period of the scheme. The industry has responded very positively to the relevant policies. For example, the Federation of Hong Kong Industries launched the Hong Kong Q-Mark Halal Scheme in August 2025. The scheme is to recognize BOT-certified Halal restaurants that provide high-quality services, which help the business and industrial sectors seize opportunities and foster the development of Halal industry.

As the above tasks involve different policy bureaux, the relevant expenditures have been subsumed under the overall estimates of the bureaux concerned, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0435)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in paragraph 126 of the Budget Speech, the Government will continue reaching out to relevant authorities in the Belt and Road (B&R) regions to seek more project matching opportunities for Hong Kong enterprises and professional services. In this connection, please inform this Committee of:

1. the planned number of authorities in the B&R regions to be reached out, and the target number of collaborations or project matching mechanisms to be established in 2026-27;

2. the numbers of overseas visits, project matching events and roadshows in Hong Kong to be organised in 2026-27, and the estimated expenditure;

3. how the Government will quantify the effectiveness of project matching, such as the expected number of projects facilitated, the amount of capital involved and the number of beneficiary enterprises;

4. whether the Government will regularly announce the statistics on the outcomes of B&R project matching and promotional campaigns; and

5. given the current complex international landscape and increasing geopolitical uncertainties, whether the Government will prepare any contingency plans to safeguard the smooth implementation of projects to the largest extent?

Asked by: Hon WU Yingpeng (LegCo internal reference no.: 5)

Reply:

The Government is committed to consolidating Hong Kong's role as a functional platform for the Belt and Road Initiative (B&RI). We have been deepening co-operation with Belt and

Road (B&R) countries through different measures, including reaching out to agencies in charge of projects in B&R regions, liaising with professional and business associations, chambers and community groups, organising missions, business/project matching activities, and seminars, etc., with a view to seeking project matching opportunities for Hong Kong enterprises and professional services as well as expanding business opportunities along the B&R.

For instance, the Belt and Road Summit (Summit), an annual flagship event, serves as one of the important platforms for fostering project matching. The Summit in 2025 attracted the participation by some 6 200 government and business leaders from more than 70 countries and regions, showcased more than 300 investment projects, facilitated 45 Memoranda of Understanding, and arranged over 800 one-to-one project matching meetings.

In 2026, we will continue to organise various promotional programmes and networking sessions to be attended by no less than 7 500 persons; reach out to no less than 560 professional and business associations, chambers and community groups; and organise business missions to 5 B&R countries with about 120 participants in total.

In 2026-27, the establishment of the Belt and Road Office will remain unchanged at 19 and the estimated overall expenditure will be about $39.159 million. The expenditure for the various above-mentioned measures has been subsumed under the overall estimate and cannot be quantified separately.

We have included “Hong Kong’s participation in the B&RI” in the annual plan of the Panel on Commerce, Industry and Innovation and Technology, with a view to reporting to the Legislative Council on the latest progress and outcomes of Hong Kong’s participation in the B&RI. To enhance the understanding of the public and industries about B&R-related activities, we have also disseminated the relevant information through social media, newsletters and media interviews, etc.

The Trade and Industry Department has established a regular mechanism to disseminate the latest international and Mainland economic and trade information more effectively to enterprises.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0436)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In paragraph 130 of the Budget Speech, the Government stated that it would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional services providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global. In this connection, please advise this Committee on the following:

1. What is the projected number of activities to be organised by the Task Force on Supporting Mainland Enterprises in Going Global in 2026-27? What are the quantitative targets for attracting enterprises to venture into global markets through Hong Kong?

2. What are the budget, funding arrangements and implementing agent for the Task Force and related promotional activities?

3. How does the Government quantify the effectiveness of the initiative, including the number of Mainland enterprises attracted, the growth in business turnover and professional services revenue, as well as the number of enterprises successfully going global?

Asked by: Hon WU Yingpeng (LegCo internal reference no.: 6)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to

encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong. InvestHK is responsible for the coordination between the GoGlobal Task Force and Chinese Mainland enterprises, organising promotional activities and serving as the secretariat of the Steering Committee for the GoGlobal Task Force to coordinate the work of the members. Other GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. Major work will include the following –

- To focus on attracting key or strategically valuable Chinese Mainland enterprises to establish a presence in Hong Kong for further going global, and support different Chinese Mainland enterprises to go global through the network of the GoGlobal Task Force members;

- To organise promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect;

- To match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the 1st phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner; and

- To organise overseas outbound missions to be led by the Hong Kong Special Administrative Region Government officials to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

InvestHK will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises, including Chinese Mainland enterprises planning to go global through Hong Kong, to set up or expand businesses in Hong Kong between 2026 and 2027.

In 2026-2027, a one-off allocation of $5 million will be allocated to HKTDC to establish a digital platform for the above-mentioned cross-sectoral professional services. Other relevant expenditure for supporting Chinese Mainland enterprises to go global by InvestHK has been subsumed under its overall estimates and cannot be quantified separately.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **CEDB151**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2986)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 136 of the Budget Speech that the Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. The objective is to develop Hong Kong into the first-choice platform for showcasing Mainland and international brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. In this connection, will the Government inform this Committee of the following:

1. How does the Government define "large-scale international exhibitions with new elements"? What are the quantitative thresholds in terms of scale, industry and international participation?

2. The number of new exhibitions expected to be attracted to Hong Kong by the plan, and the number of business visitors and the relevant economic benefits brought about.

3. What key performance indicators will be set by the Government to monitor the effectiveness of the plan?

Asked by: Hon WU Yingpeng (LegCo internal reference no.: 7)

Reply:

As announced in the 2026-27 Budget, to promote the further development of the exhibition industry and brand building, the Hong Kong Special Administrative Region Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong through collaborating with relevant organisations on a pilot basis. Our objective is to develop Hong Kong into the first-choice platform for showcasing the Chinese

Mainland and overseas brands, while attracting high-spending business visitors to Hong Kong and driving high value-added economic activities. We are formulating the relevant arrangements and implementation details.

Unlike the previous arrangement of subsidising venue rental through incentive schemes, we will pilot a more flexible approach of providing financial support. By partnering with statutory bodies and relevant organisations, we will leverage their expertise, networks and supporting services to identify and attract large-scale, high-quality international exhibitions with new elements to be staged in Hong Kong, with the aim of injecting new impetus into the convention and exhibition industry and reinforcing Hong Kong's position as a premier platform for showcasing the Chinese Mainland and overseas brands. We will consider the suitable form of resource allocation and level of funding subject to the nature and contents of individual exhibitions. To ensure the prudent use of public funds, we will formulate appropriate performance indicators with the organisers (e.g. number of exhibitors, anticipated economic benefits, etc.), closely monitor the implementation effectiveness throughout the process, and conduct timely reviews to refine the arrangements where necessary.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1590)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (000) Operational expenses

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in "Matters Requiring Special Attention in 2026-27" that the overseas Economic and Trade Offices (ETOs) will, among other things, work closely with the Hong Kong Trade Development Council and Invest Hong Kong under the "Economic and Trade Express" platform to conduct joint promotional activities and support the outbound visits for local small and medium-sized enterprises (SMEs) and start-ups to explore overseas markets. Will the Government inform this Committee of:

1. the promotion activities organised by the Government and the manpower and expenditure involved, and the numbers of outbound visits for local SMEs and start-ups with the support of the Government and the manpower and expenditure involved in the past 3 years; and

2. the estimated expenditures involved in conducting promotion activities and supporting the outbound visits for local SMEs and start-ups by the overseas ETOs respectively in the coming year?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 34)

Reply:

The Hong Kong Special Administrative Region (HKSAR) Government has 15 overseas Economic and Trade Offices (ETOs). Together with the offices of Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) worldwide, Hong Kong has set up offices in 68 cities around the world, covering 129 countries. ETOs, InvestHK and HKTDC have been duly performing their respective roles in actively conducting trade and investment promotion works abroad.

As a measure announced in the 2025 Policy Address, the HKSAR Government has set up the functional platform of "Economic and Trade Express" (ETE) to strengthen trio-coordination

among overseas ETOs, InvestHK and HKTDC, capitalising on their complementary advantages to jointly promote Hong Kong's trade and investment abroad. ETE focuses on supporting small and medium enterprises and start-ups by proactively organising overseas business missions for relevant enterprises with one-stop supporting services to assist Hong Kong enterprises in exploring business opportunities in overseas markets. In the process, InvestHK will identify overseas enterprises to connect with Hong Kong's business sectors, facilitating more enterprises to invest and establish operations in Hong Kong, thereby promoting two-way flows of enterprises and investments.

ETE aims to enhance the effectiveness of overseas trade and investment promotional activities by consolidating the existing resources of the trio. The relevant work and expenditure form part of the overall work and budget estimates of ETOs, InvestHK, and HKTDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2600)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (000) Operational expenses

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The revised estimate for 2026-27 increases by 27.5%. The Bureau has stated that the increase in estimate is mainly due to the increased provision for the new Economic and Trade Offices (ETOs) under planning and increased salary provision for filling vacancies and staff changes. Please advise on the number and locations of the ETOs under planning, as well as the staffing and estimated expenditure involved.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 36)

Reply:

The increase in the estimated expenditure for 2026-27 is mainly due to the increased salary provision for filling vacancies and staff changes, as well as the operating expenses reserved for new Economic and Trade Offices (ETOs). Among others, the Kuala Lumpur ETO, established on 10 December 2025, will come into full operation in 2026-27, resulting in the corresponding increase in the overall estimated expenditure.

The Hong Kong Special Administrative Region Government has been striving to expand Hong Kong's economic and trade network. We will continue to follow up with the government of Saudi Arabia on the proposal to establish an ETO in Riyadh, and explore the feasibility of setting up ETOs or other overseas offices in different regions, particularly in emerging markets.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2665)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (000) Operational expenses

Programme: (3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2026-27 that efforts will be stepped up in attracting overseas companies, especially strategic enterprises, to set up and expand their operations in Hong Kong. Please advise of the following:

1. What new or enhanced measures will be introduced to attract enterprises;

2. How the manpower and estimated expenditure involved will be allocated.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 40)

Reply:

Through its global investment promotion network, including Dedicated Teams for Attracting Businesses and Talents based in overseas Hong Kong Economic and Trade Offices (ETOs), Invest Hong Kong (InvestHK) proactively identifies and reaches out to large multinational corporations and leading enterprises with high potential and economic value, so as to attract and assist them in setting up and expanding their businesses in Hong Kong.

As a measure announced in the 2025 Policy Address, the Government has set up the functional platform of "Economic and Trade Express" (ETE) to strengthen trio-coordination among overseas ETOs, InvestHK and the Hong Kong Trade Development Council, capitalising on their complementary advantages to jointly promote Hong Kong's trade and investment abroad. ETE focuses on supporting small and medium enterprises and start-ups by proactively organising overseas business missions for relevant enterprises with one-stop supporting services to assist Hong Kong enterprises in exploring business opportunities in overseas markets. In the process, InvestHK will identify overseas enterprises to connect with Hong Kong's business sectors, facilitating more enterprises to invest and establish operations in Hong Kong, thereby promoting two-way flow of enterprises and investments.

In addition, the 2025 Policy Address also announced that the Financial Secretary (FS) would lead the relevant policy bureaux, departments, and public organisations in formulating packages of preferential policies including land grants, land premiums, financial subsidies, and tax incentives, to attract high value-added industries and high-potential enterprises to set up in Hong Kong, thereby promoting high-quality development. InvestHK can use the preferential policy packages flexibly during negotiations with enterprises on settlement details, then report to FS for approval.

The manpower and expenditure involved in the work of InvestHK have been subsumed under its overall establishment and estimates and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1636)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (2) Public Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The actual number of "enquiries handled" has decreased from 14 240 cases in 2024 to 12 597 cases in 2025, and is estimated to further decrease to 11 385 cases in 2026, representing a cumulative decrease of 20% over 2 years. What are the reasons for the continued decrease in the number of enquiries?

Asked by: Hon CHAN Yung (LegCo internal reference no.: 37)

Reply:

Under Programme (2) Public Relations, the overseas Hong Kong Economic and Trade Offices (ETOs) have been committed to providing updated and accurate information to people from all sectors and handling their enquiries properly. The enquiries handled by the ETOs cover a wide range of areas, including Hong Kong's developments in areas such as the "eight centres", travel and immigration arrangements for visitors to Hong Kong, and the procedure for applying for a Certificate of No Criminal Conviction.

The number of the above enquiries handled by the ETOs, which depends on the volume of enquiries received, is a demand-driven performance indicator. In recent years, the ETOs, through stepping up promotional activities in areas such as investment, trade and culture, have directly introduced Hong Kong's latest developments to participants. The ETOs have also been continuously enriching the content of their websites and social media platforms, enabling the public to obtain relevant information more conveniently, directly and comprehensively.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2808)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The total provision for the overseas Economic and Trade Offices (ETOs) for 2026-27 is about $127 million (26.8%) higher than the revised estimate for 2025-26. How much of the provision is designated for the newly-established Kuala Lumpur ETO? What are the staff establishment and annual operational expenses of this ETO?

Asked by: Hon CHAN Yung (LegCo internal reference no.: 36)

Reply:

In 2026-27, the estimated establishment of the Kuala Lumpur Economic and Trade Office (ETO) is 17 posts, which is comparable to other ETOs, and its operational expenses are estimated to be about $30 million.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1611)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (000) Operational expenses

Programme: (2) Public Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Programme (2) of the Estimates of Expenditure that the expenditure for publicity under Public Relations for 2026-27 is $82.21 million, which includes promotional activities under the "Economic and Trade Express" (ETE). In respect of the abovementioned publicity expenditure, what is the amount earmarked for promotional activities of the ETE? What are the target markets and major types of related promotional activities?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 30)

Reply:

As a measure announced in the 2025 Policy Address, the Hong Kong Special Administrative Region Government has set up the functional platform of "Economic and Trade Express" (ETE) to strengthen trio-coordination among overseas Economic and Trade Offices (ETOs), Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC), capitalising on their complementary advantages to jointly promote Hong Kong's trade and investment abroad. ETE focuses on supporting small and medium enterprises and start-ups by proactively organising overseas business missions for relevant enterprises with one-stop supporting services to assist Hong Kong enterprises in exploring business opportunities in overseas markets. In the process, InvestHK will identify overseas enterprises to connect with Hong Kong's business sectors, facilitating more enterprises to invest and establish operations in Hong Kong, thereby promoting two-way flows of enterprises and investments.

ETE aims to enhance the effectiveness of overseas trade and investment promotional activities by consolidating the existing resources of the trio. The relevant work and expenditure form part of the overall work and budget estimates of ETOs, InvestHK, and HKTDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1612)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (000) Operational expenses

Programme: (3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Programme (3) of the Estimates of Expenditure that the provision under investment promotion for 2026-27 will increase by $21 million to provide support to Mainland enterprises expanding to overseas markets through Hong Kong and to attract overseas enterprises. How will the above increased provision be allocated between supporting Mainland enterprises in going global and attracting overseas enterprises to invest in Hong Kong?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 31)

Reply:

Currently, the Hong Kong Special Administrative Region (HKSAR) Government has set up 15 overseas Economic and Trade Offices (ETOs), which play a vital role in deepening international exchanges and cooperation for Hong Kong. As announced in the 2025 Policy Address, the HKSAR Government has set up the Task Force on Supporting Mainland Enterprises in Going Global to provide one-stop and customised support services to Chinese Mainland enterprises venturing overseas through Hong Kong, and established the functional platform of "Economic and Trade Express" to strengthen trio-coordination among ETOs, Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC), proactively supporting Hong Kong's small and medium enterprises and start-ups in exploring high-potential markets and organising overseas business visits, while identifying enterprises to invest and establish operations in Hong Kong, thereby promoting two-way flows of enterprises and investments. In support of the above measures, ETOs will collaborate more systematically with the overseas offices of HKTDC and InvestHK to strengthen Hong Kong's economic and investment relations with major trading partners, playing a more pivotal role in a trio-coordinated manner.

In the face of the constant state of flux in the international trade landscape, in addition to maintaining our ties with traditional markets, the HKSAR Government has been striving to

expand Hong Kong's economic and trade network by strengthening ties with high-potential economies particularly emerging markets, with a view to assisting local enterprises in exploring new business opportunities. In this connection, ETOs will work closely with InvestHK and HKTDC to consolidate resources of the trio with a view to enhancing the effectiveness of overseas trade and investment promotional activities.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1616)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (661) Minor plant, vehicles and equipment (block vote)

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the Estimates of Expenditure, provision under Subhead 661 (Minor plant, vehicles and equipment (block vote)) for 2026-27 represents a substantial increase to $1.64 million to replace obsolete cars for Economic and Trade Offices (ETOs). How many cars are expected to be replaced with the provision? Which overseas ETOs are involved?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 35)

Reply:

In accordance with the established mechanism and having regard to operational needs, the Commerce and Economic Development Bureau will allocate some provision in the Budget to replace the obsolete office vehicles of the overseas Hong Kong Economic and Trade Offices, particularly those beyond economical repair, in a timely manner. As the relevant work is still under preparation, no further information can be provided at this stage.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2790)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (000) Operational expenses

Programme: (3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (3) of the expenditure estimates, it is mentioned that the overseas Economic and Trade Offices will step up their efforts in attracting overseas companies, especially strategic enterprises, to set up and expand their operations in Hong Kong. Would the Government advise of the target industries under the Programme of Investment Promotion in 2026-27, and the allocation of promotional resources for these industries?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 21)

Reply:

Through its global investment promotion network, including Dedicated Teams for Attracting Businesses and Talents (Dedicated Teams) based in overseas Hong Kong Economic and Trade Offices, Invest Hong Kong (InvestHK) proactively identifies and reaches out to large multinational corporations and leading enterprises with high potential and economic value, so as to attract and assist them in setting up and expanding their businesses in Hong Kong.

During 2026-27, InvestHK will continue to strengthen the work of the various Dedicated Teams and focus on priority sectors such as innovation and technology, business and professional services, creative industries, sports and entertainment, transport and logistics, financial services, family offices, fintech, etc. to attract more inward direct investment. In addition, the Department will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises to set up or expand businesses in Hong Kong between 2026 and 2027, thereby bringing in direct investment of at least HK$120 billion and creating at least 12 000 job opportunities.

The expenditure involved in the overseas investment promotion work has been subsumed under the overall estimate of InvestHK and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2793)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (000) Operational expenses

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in Programme (1) of the expenditure estimates that the increase in the provision for commercial relations under the programme in 2026-27 is mainly due to the increased provision for the new Economic and Trade Offices (ETOs). Will the Government inform this Committee of the cities or regions in which it plans to set up new overseas ETOs, and when are they expected to commence operation?

Asked by: Hon CHEN Chung-nin, Rock (LegCo internal reference no.: 29)

Reply:

The Hong Kong Special Administrative Region (HKSAR) Government has been committed to expanding international economic and trade networks, and the Economic and Trade Offices (ETOs) play a vital role in deepening international exchanges and cooperation for Hong Kong. Currently, the HKSAR Government has 15 overseas ETOs. Among others, following the Chief Executive's announcement in the 2025 Policy Address, the Kuala Lumpur ETO was established on 10 December 2025 and has gradually come into operation, with a view to deepening our trade and investment promotion work in the Association of Southeast Asian Nations and neighbouring Asian countries.

In the face of the constant state of flux in the international trade landscape, in addition to maintaining our ties with traditional markets, the HKSAR Government has been striving to expand Hong Kong's economic and trade network by strengthening ties with high-potential economies particularly emerging markets, with a view to assisting local enterprises in exploring new business opportunities. We will continue to follow up with the government of Saudi Arabia on the proposal to establish an ETO in Riyadh, and explore the feasibility of setting up ETOs or other overseas offices in different regions, particularly in emerging markets.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2973)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (2) Public Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The provision for 2026-27 is 27.5% higher than the revised estimate for 2025-26. Please inform this Committee of the following:

1. the staff establishment and total operational expenses of the 15 overseas Economic and Trade Offices (ETOs) for the past 3 years in tabular form;

2. the breakdown of expenditure of the increased provision arising from establishing new ETOs, and the details of new posts involved under the Programmes;

3. the progress of establishing an ETO in Riyadh, Saudi Arabia, and whether there is a specific timetable; and

4. the collaborative work conducted by ETOs, Invest Hong Kong (including the Dedicated Teams for Attracting Businesses and Talents and consultant offices) and the Hong Kong Trade Development Council in the past 3 years, and how they achieved synergy.

Asked by: Hon CHU Lap-wai (LegCo internal reference no.: 37)

Reply:

The overall staff establishment and total operational expenses of the overseas Hong Kong Economic and Trade Offices (ETOs) over the past 3 years are tabulated as follows:

	Staff establishment (number of posts)	Total operational expenses ($ million)
2023-24 ^	213	413
2024-25 ^	213	452
2025-26 # **(Revised Estimate)**	218	471

^ The 14 ETOs are located in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington D.C. separately.

Including the Kuala Lumpur ETO which was established on 10 December 2025, making a total of 15 ETOs.

We will duly take into consideration the scope of duties, country coverage and operational needs in working out the estimated expenditure for the new ETOs. Generally speaking, ETOs comprise 5 Hong Kong-based officers and 12 locally-engaged staff. The relevant officers work closely together in carrying out ETOs' work under various programmes. The Hong Kong Special Administrative Region (HKSAR) Government has been following up with the government of Saudi Arabia on the proposal to establish an ETO in Riyadh. Specific timeline has yet to be confirmed. The establishment of a new ETO involves various detailed arrangements including matters related to privileges and immunities, which require detailed discussions with the local government to ensure the effective operation of the ETO.

Currently, the HKSAR Government has 15 overseas ETOs. Together with the offices of the Hong Kong Trade Development Council (HKTDC) and Invest Hong Kong (InvestHK) worldwide, Hong Kong has set up offices in 68 cities around the world, covering 129 countries. Over the past 3 years, the ETOs have been working closely with InvestHK, HKTDC and their global office networks. This collaboration includes organising seminars, exhibitions, dinner/lunch meetings, and other business/promotional activities to promote and explain the HKSAR Government's important policies and Hong Kong's unique status and advantages under "one country, two systems", with a particular focus on the vast opportunities brought by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development.

In 2026-27, in addition to continuing a series of promotional and publicity work, ETOs will also strengthen trio-coordination with HKTDC and InvestHK through the newly established functional platform of "Economic and Trade Express", focusing on supporting local small and medium enterprises and start-ups in conducting overseas business missions, assisting Hong Kong companies in exploring business opportunities in overseas markets, while facilitating more enterprises to invest and establish operations in Hong Kong, thereby promoting two-way flows of enterprises and investments.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3075)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Matters Requiring Special Attention in 2026-27 that the overseas Economic and Trade Offices (ETOs) will continue to promote Hong Kong's trade and commercial interests, including supporting the outbound visits for local small and medium-sized enterprises (SMEs) and start-ups to explore overseas markets. In this connection, will the Government inform this Committee of the following:

1. The estimated manpower involved in supporting the outbound visits by the overseas ETOs and the relevant expenditure.

2. Whether key performance indicators will be established to assess if local SMEs and start-ups have achieved the expected outcomes after the outbound visits.

Asked by: Hon CHUANG Ka-pun, Albert (LegCo internal reference no.: 2)

Reply:

As a measure announced in the 2025 Policy Address, the Hong Kong Special Administrative Region Government has set up the functional platform of "Economic and Trade Express" (ETE) to strengthen trio-coordination among overseas Economic and Trade Offices (ETOs), Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC), capitalising on their complementary advantages to jointly promote Hong Kong's trade and investment abroad. ETE focuses on supporting small and medium enterprises (SMEs) and start-ups by proactively organising overseas business missions for relevant enterprises with one-stop supporting services to assist Hong Kong enterprises in exploring business opportunities in overseas markets. In the process, InvestHK will identify overseas enterprises to connect with Hong Kong's business sectors, facilitating more enterprises to invest and establish operations in Hong Kong, thereby promoting two-way flows of enterprises and investments.

For the purpose of preparing the overseas missions under ETE, the Trade and Industry Department has earlier on consulted local industry and trade organisations, SMEs and start-ups regarding their needs and interest in exploring new markets or setting up operations abroad. When planning these overseas missions, we will take into overall consideration their needs and interest, as well as other relevant factors (such as corresponding arrangements in the target markets, appropriate timing for the missions, etc.) to ensure the effectiveness of the missions. As the actual launch of missions hinges on the participation of enterprises, their business needs as well as external factors in overseas markets, we have not set any rigid indicators for the missions. We will build on experience and continuously review the effectiveness of the missions.

ETE aims to enhance the effectiveness of overseas trade and investment promotional activities by consolidating the existing resources of the trio. The relevant work and expenditure form part of the overall work and budget estimates of ETOs, InvestHK, and HKTDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1858)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In respect of the performance in investment promotion, 143 projects were completed in 2025. However, 272 new projects were generated in 2024. Only about 52% of new projects generated were completed. Will the Government inform this Committee of the reasons for being unable to complete the projects and relevant statistics?

Asked by: Hon CHUNG Ki-fung (LegCo internal reference no.: 8)

Reply:

Through its global investment promotion network, including Dedicated Teams for Attracting Businesses and Talents (Dedicated Teams) based in overseas Hong Kong Economic and Trade Offices (ETOs), Invest Hong Kong (InvestHK) proactively identifies and reaches out to large multinational corporations and leading enterprises with high potential and economic value, so as to attract and assist them in setting up and expanding their businesses in Hong Kong.

Due to various factors, it may take several years for an enterprise to successfully establish or expand its business in Hong Kong from the time when it indicates such an interest. Therefore, the number of completed projects in 2025 cannot be directly compared with that of the new projects generated in 2024.

In fact, InvestHK completed 560 projects in 2025, reaching a record high. The Dedicated Teams based in ETOs assisted a total of 143 enterprises to establish or expand their businesses in Hong Kong in 2025, representing a year-on-year increase by around 13%.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3049)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work of the overseas Economic and Trade Offices (ETOs), will the Government inform this Committee of:

(1) the work effectiveness of various ETOs, the respective number of economic and trade activities with their assistance, as well as the respective number of enquiries received and followed up by them in the past 2 years;

(2) the staff establishment, total expenditure, vacancies, and work priorities of each ETO last year and in the coming year; and

(3) apart from the new ETO in Kuala Lumpur, whether the Government has considered establishing new ETOs in emerging markets along the Belt and Road and in the Global South (such as South America and Central Asia) in the future, so as to strengthen the work of attracting businesses and investment from those regions and to assist local enterprises in exploring markets; if yes, the specific countries and regions selected, and whether there is any relevant timetable?

Asked by: Hon FAN Chun-wah, Andrew (LegCo internal reference no.: 15)

Reply:

In 2024-25 and 2025-26, to promote Hong Kong's trade and commercial interests, the overseas Hong Kong Economic and Trade Offices (ETOs) all along maintained close connections with government officials, business leaders and chambers of commerce in the countries under their purview. Through various efforts, including supporting Hong Kong officials and business delegations in conducting overseas visits, as well as organising seminars, exhibitions, dinners/lunch meetings and other business/promotional activities, the ETOs deepened and broadened the bilateral relationships between Hong Kong and the relevant countries, advocated multilateralism, and proactively clarified misunderstandings of

relevant individuals about Hong Kong, with a view to promoting and deepening Hong Kong's bilateral, plurilateral and multilateral relationships with various regions.

At the same time, the ETOs supported the work of the Commerce and Economic Development Bureau as well as other policy bureaux and departments, in advancing Hong Kong's development of "eight centres" and promoting different policy bureaux' globally-focused initiatives through organisation of relevant activities from time to time. Hong Kong has made progress in the economic development of emerging industries. Building on its traditional strengths as an international financial and trade centre, Hong Kong is also actively developing into a centre for innovation and technology, as well as an arts and cultural centre where East meets West.

On the other hand, the ETOs endeavored to actively assist in coordinating the visit programmes and/or providing related support for the duty visits of the Chief Executive (CE) and principal officials. For instance, in 2024-25, through the coordination and support of the Bangkok and Singapore ETOs, the CE visited 3 countries of the Association of Southeast Asian Nations (ASEAN) (namely Laos, Cambodia and Vietnam) in July, during which general consensus was reached on areas of development and extensive co-operation, and 55 memoranda of understanding and agreements were signed, covering areas such as trade and economic partnership, investment, customs collaboration, logistics, cultural exchanges, tourism promotion, technological co-operation, and aviation services. The Secretary for Justice visited Saudi Arabia and the United Arab Emirates in May, Vietnam, Malaysia and Brunei Darussalam in September, and Singapore in October to promote Hong Kong's legal and dispute resolution services, with a view to creating more opportunities for the industry and consolidating Hong Kong's position as the centre for international legal and dispute resolution services in the Asia-Pacific region.

In 2025-26, with the coordination and support of the Dubai ETO, the CE visited Qatar and Kuwait in May 2025, further strengthening Hong Kong's exchanges and ties with the Middle East region in areas such as finance, trade, investment, innovation and technology, as well as promoting Hong Kong's latest advantages and opportunities to the local political and business communities. Apart from reaching a total of 59 memoranda of understanding and agreements, which laid a diversified foundation, the visit also marked the first time the CE led Mainland enterprises, together with leaders from industry and commerce and professional sectors of Hong Kong, to go global, showcasing the complementary advantages generated by the collaboration between Mainland and Hong Kong enterprises. Furthermore, with the coordination and support of the Washington and New York ETOs, the Financial Secretary visited Washington and New York in October, where he met with leaders from various sectors in the United States. He shared Hong Kong's strategies to enhance the financial market, innovation and technology development, and regional supply chain connectivity, as well as its efforts in proactively attracting enterprises and talents, drawing investment, developing the Northern Metropolis, and fostering industrial collaboration within the Guangdong-Hong Kong-Macao Greater Bay Area. He also exchanged views on the development of bilateral economic and trade relations.

In addition, except for the Geneva ETO and the Washington ETO [Note 1], all ETOs have Dedicated Teams for Attracting Businesses and Talents (Dedicated Teams) coordinated by Invest Hong Kong (InvestHK) [Note 2]. These Dedicated Teams are responsible for reaching out to a wide spectrum of companies around the world, to attract and assist them to set up or

expand their businesses in Hong Kong. In 2024 and 2025, the Dedicated Teams under the ETOs completed a total of 127 and 143 projects respectively, primarily in the sectors of financial services and fintech, innovation and technology, and tourism and hospitality.

As regards the number of enquiries handled, the ETOs handled 14 240 enquiries in 2024 and 12 597 enquiries in 2025. The ETOs do not maintain separate statistics for trade-related enquiries.

For the 2025-26 revised estimate, the establishment and the total operational expenses of the 15 existing ETOs are 218 posts and $471 million respectively. For the 2026-27 estimate, the establishment and the total operational expenses of the 15 ETOs are 230 posts and $560 million respectively. In addition to continuing to advance the aforementioned key priorities, ETOs will also strengthen the trio-coordination with the Hong Kong Trade Development Council and InvestHK through the newly established functional platform of "Economic and Trade Express", focusing on supporting local small and medium enterprises and start-ups in conducting overseas business missions, assisting Hong Kong's enterprises in exploring business opportunities in overseas markets, while facilitating more enterprises to invest and establish operations in Hong Kong, thereby promoting two-way flows of enterprises and investments.

In the face of the constant state of flux in the international trade landscape, in addition to maintaining our ties with traditional markets, the Hong Kong Special Administrative Region (HKSAR) Government has been striving to expand Hong Kong's economic and trade network by strengthening ties with high-potential economies particularly emerging markets, with a view to assisting local enterprises in exploring new business opportunities. Among others, the Kuala Lumpur ETO has gradually come into operation. With the establishment of the Kuala Lumpur ETO, the HKSAR Government has expanded the coverage of the 4 ETOs in ASEAN countries accordingly. In addition to the 12 countries originally covered, Timor-Leste, Pakistan and Sri Lanka are included with a view to deepening our trade and investment promotion work in ASEAN and neighbouring Asian countries. On the other hand, we will continue to follow up with the government of Saudi Arabia on the proposal to establish an ETO in Riyadh.

Note 1: The Geneva ETO primarily handles matters pertaining to the World Trade Organization and the Trade Committee of the Organisation for Economic Co-operation and Development, while the Washington ETO is mainly responsible for liaising with the political circle in the United States.

Note 2: The Kuala Lumpur ETO, established on 10 December 2025, will have its Dedicated Team set up in 2026-27.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1995)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to Head 96, the estimated expenses of the overseas Economic and Trade Offices (ETOs) of the Government are approximately HK$599 million in 2026–27. This represents an increase of 27.1% over the revised estimate in the preceding year for following-up on the progress and effectiveness in strengthening the promotion work on arts and culture of the ETOs as mentioned in the 2023 Policy Address, as to consolidate Hong Kong's position as the East-meets-West centre for international cultural exchange. Please advise this Committee on the following:

1. The details on the annual expenditures, resource allocation and manpower establishment of respective ETOs in the past 3 years, with specific explanation on the manpower arrangement for cultural and arts-related work.

2. Among the current establishment of 228 posts, 78 are filled by Hong Kong civil servants and the remaining 150 by staff engaged locally. Will the Government consider employing professional talents from the private sectors to enhance the effectiveness of the ETOs in promoting culture and arts?

3. Please provide the details on the major events organised by respective ETOs in the previous year, including the financial and manpower resources involved, whether the expected targets had been met and the outcomes achieved (including the numbers of participants, amount of investment stimulated and promotion on cooperation of the cultural industry).

4. Whether there is any plan to increase resource allocation to strive for more internship opportunities in international organisations for local young people in the advantageous areas of culture and sports, law, trade and industry and so on, with a view to developing an international talent pool for Hong Kong. If so, what are the details?

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 10)

Reply:

In 2023-24 and 2024-25, the 14 overseas Hong Kong Economic and Trade Offices (ETOs) [Note] maintained a staff establishment of 213 posts, and the actual total operational expenses are $413 million and $452 million respectively. For the 2025-26 revised estimate, the staff establishment and the total operational expenses for the 15 ETOs, including the newly established Kuala Lumpur ETO which commenced operation in December 2025, are 218 posts and $471 million respectively. Promoting investment and fostering cultural industry cooperation are a part of the overall work of the ETOs, and the manpower and expenditure involved cannot be quantified separately. Besides, the Culture, Sports and Tourism Bureau sets aside recurrent funding of about $70 million per year. This funding is utilised for purposes including the ETOs to support Hong Kong arts groups and artists to perform and exhibit outside Hong Kong, and supporting the offices in 5 regions (namely the Mainland, Europe, Japan, North America and Southeast Asia) to engage dedicated staff for promoting arts and culture.

Over the past year, the ETOs, as always, actively organised, sponsored and participated in various cultural, arts and sports activities, including film festivals, concerts, dance performances, art exhibitions and dragon boat races, enabling local residents to understand Hong Kong's multifaceted advantages and latest developments, promoting Hong Kong's soft power, and leveraging technology to transform and industrialise the traditional arts and culture. Below are some examples.

In the Asia-Pacific region, the Sydney ETO supported the Hong Kong Children's Choir in staging a series of music performances and cultural exchange activities in Australia and New Zealand in July 2025, thereby promoting Hong Kong's vibrant arts and culture and showcasing the remarkable artistic talents of Hong Kong's youth. The Jakarta ETO supported the Jakarta International Dragon Boat Festival 2025 held locally in July, and invited 2 Hong Kong dragon boat teams to participate in the races, strengthening people-to-people interactions and cultural exchange between Hong Kong and Indonesia. The Tokyo ETO supported the Leisure and Cultural Services Department in organising "Hong Kong Week 2025@Seoul" in Seoul, Korea, in October. The events featured dance, music, movies, Chinese paintings, comics and fashion design, showcasing Hong Kong's East-meets-West creativity to the people of Korea. The Bangkok ETO organised a ten-day "A Date in Hong Kong" exhibition in Chiang Mai, Thailand, in October, vividly presenting Hong Kong's iconic cityscape through interactive art installations. It also collaborated with the Hong Kong Trade Development Council to display products from Hong Kong designers and brands. The Singapore ETO co-organised a community arts exhibition with renowned Hong Kong creative brand Chocolate Rain at Enabling Village in Singapore in October, fostering cultural exchange between Hong Kong and Singapore. The newly established Kuala Lumpur ETO sponsored Hong Kong runners to participate in the "Penang International Bridge Marathon"" in December, facilitating exchange between Hong Kong runners and their international counterparts.

In Europe, the Berlin ETO sponsored the screening of Hong Kong films at the Zurich Film Festival in September 2025, and hosted a reception for guests from the cultural, business and media sectors for exchange. The Brussels ETO supported a performance by the Hong Kong

String Orchestra in Rome, Italy, in November, highlighting the Orchestra's unique fusion of Eastern and Western musical traditions and Hong Kong's significant role as a regional art and cultural hub. The London ETO co-hosted with the Hong Kong Baptist University (HKBU) a reception titled "Pulse of the Pearl: Avant-Garde Meets Commerce" in London, the United Kingdom in January 2026, promoting the latest developments and investment opportunities in Hong Kong's art-tech sector. The event also celebrated the successful London showing of "Wayne McGregor: On The Other Earth", the world's first post-cinematic choreographic installation, as co-produced by HKBU, the Hong Kong Ballet, and Studio Wayne McGregor.

In North America, the New York ETO fully supported the screening of 10 dynamic Hong Kong films in the "Hong Kong Panorama" series at the New York Asian Film Festival in July 2025, and hosted a reception to welcome Hong Kong film actors, directors and creators attending the festival, shaping the next chapter of Hong Kong cinema. The San Francisco ETO supported the cultural activities of the Hungry Ghost Festival as co-organised by the Chinese Culture Center of San Francisco and Hong Kong-based Art Together in July and August. This activity enabled 3 Hong Kong artists to explore the intersections of Hong Kong and San Francisco's history and heritage, etc., thereby deepening cross-cultural exchange.

In the Middle East, the Dubai ETO organised the 4th edition of the Hong Kong Dragon Boat Challenge at Dubai Creek in January 2026. The event attracted over 1 500 competitors of different nationalities and backgrounds, with the participation of 62 teams. New cultural and tourism experience elements were also added, including lion dance, cultural performances and authentic Hong Kong flavours, offering a true taste of Hong Kong in Dubai.

As more mega events will be held in Hong Kong, the ETOs will continue to dedicate efforts in promoting Hong Kong as an East-meets-West centre for international cultural exchange.

For youth internship opportunities, the ETOs, through the "Overseas Short-term Internship Programme", collaborate with local universities to provide Hong Kong students with short-term internship placements in the offices of ETOs, thereby facilitating students' understanding of the work culture of different countries and broadening their horizons. Currently, the ETOs participating in this programme include the Bangkok, Berlin, Brussels, Jakarta, Singapore, Tokyo and Toronto ETOs. Over the 3 years from 2023-24 to 2025-26, these ETOs offered a total of about 50 short-term internship placements each year. On the other hand, the ETOs located in the Association of Southeast Asian Nations (ASEAN) region, through the "ASEAN Internship Programme for Hong Kong Higher Education Students", collaborate with companies and institutions in the ASEAN member states to offer suitable short-term internship placements for Hong Kong higher education students, enabling them to understand the operation of relevant industries and learn about the economic, social and cultural environments of the member states. Over the above-mentioned three-year period, the ETOs concerned offered a total of about 60 short-term internship placements each year. The host organisations providing internship opportunities include government/statutory bodies, international organisations, academic institutions, arts and cultural groups, as well as private companies from 6 ASEAN member states, namely Brunei Darussalam, Indonesia, Thailand, Malaysia, the Philippines and Singapore. The ETOs will continue to actively promote both schemes in the future, providing Hong Kong students with opportunities to experience life overseas and deepen their understanding of government work

and Hong Kong's economic and trade relations with various countries, thereby fostering the development of an international talent hub in Hong Kong.

Note: The 14 ETOs are located in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington DC respectively.

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CONTROLLING OFFICER'S REPLY

(Question Serial No. 0317)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

There are currently 15 overseas Hong Kong Economic and Trade Offices (hereinafter referred to as "ETOs"). In terms of consolidating Hong Kong's international trade networks and stepping up promotion efforts in emerging markets to attract businesses, will the Government inform this Committee of:

(1) the current numbers of Hong Kong civil servants (including Administrative Officers and staff of other grades), locally engaged staff and contract staff in the establishment of each overseas ETO, and their proportions of the respective totals;

(2) the number of activities conducted locally by each ETO for promoting Hong Kong's unique advantages and the business opportunities arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area, as well as the total expenditure and major expenditure items of the related activities in the past 3 years;

(3) the number of visits to Hong Kong arranged by each ETO for local government officials and representatives of trade organisations or chambers of commerce, as well as the main purpose and duration of the visits in the past 3 years;

(4) the number of overseas companies assisted and supported by the ETOs to set up or expand operations in Hong Kong, their major types of business and places of origin in each of the past 3 years; and

(5) whether the Government has any plans to set up more ETOs in other countries or regions; if so, of the details (including the locations, implementation timetable and estimated expenditure)?

Asked by: Hon HO King-hong, Adrian Pedro (LegCo internal reference no.: 20)

Reply:

The staff establishment of the 15 overseas Hong Kong Economic and Trade Offices (ETOs) comprises a total of 68 civil service posts and 150 locally-engaged staff posts.

According to the Controlling Officer's Reports, over the past 3 years, the ETOs organised a total of over 2 600 promotional activities (including seminars, exhibitions, workshops, public relations and cultural programmes held virtually or physically) to promote Hong Kong. The activities included promoting those for Hong Kong's unique advantages and the business opportunities arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area. As the related promotion work is a part of the overall work of the ETOs, the expenditure involved cannot be quantified separately.

The ETOs assist influential figures from places outside Hong Kong, such as political and business leaders, industry dignitaries, think-tank members, opinion leaders, and scholars, to come to Hong Kong primarily through the Information Services Department's Sponsored Visitors Programme. This allows them to understand the first-hand Hong Kong's latest developments, opportunities and advantages, and "bring home" the true and good stories of Hong Kong. Over the past 3 years, around 70 visitors were assisted by the ETOs to come to Hong Kong through the aforesaid programme, with the visits usually lasting from a few days to a week.

Furthermore, except for the Geneva ETO and the Washington ETO [Note 1], all ETOs have Dedicated Teams for Attracting Businesses and Talents (Dedicated Teams) coordinated by Invest Hong Kong [Note 2]. The Dedicated Teams are responsible for reaching out to a wide spectrum of companies around the world to attract and assist them to set up or expand their businesses in Hong Kong. The Dedicated Teams under the ETOs completed 124, 127 and 143 projects in 2023, 2024 and 2025 respectively. The main sectors covered were financial services and fintech, innovation and technology, and tourism and hospitality, with the major places of origins being the United States, the United Kingdom and Singapore.

In the face of the constant state of flux in the international trade landscape, in addition to maintaining our ties with traditional markets, the Hong Kong Special Administrative Region Government has been striving to expand Hong Kong's economic and trade network by strengthening ties with high-potential economies particularly emerging markets, with a view to assisting local enterprises in exploring new business opportunities. We will continue to follow up with the government of Saudi Arabia on the proposal to establish an ETO in Riyadh, and explore the feasibility of setting up ETOs or other overseas offices in different regions, particularly in emerging markets.

Note 1: The Geneva ETO primarily handles matters pertaining to the World Trade Organization and the Trade Committee of the Organisation for Economic Co-operation and Development, while the Washington ETO is mainly responsible for liaising with the political circle in the United States.

Note 2: The Kuala Lumpur ETO, which was established on 10 December 2025, will have its Dedicated Team set up in 2026-27.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

CEDB168

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2925)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce and Economic Development Bureau will continue to strengthen policy work related to overseas Economic and Trade Offices (ETOs), including enhancing their functions and expanding the ETO network. In this connection, would the Government inform this Committee of:

1) the staff establishment, vacancies, and total expenditure of each ETO for the past 5 years (2021-22 to 2025-26) in tabular form;

2) the staff establishment and estimated expenditure of each ETO for 2026-27;

3) the work details of each ETO in the past year by area of work in tabular form;

4) the impact of the newly established Kuala Lumpur ETO on the Bureau's arrangements for overseas ETOs;

5) the progress and work plan of streamlining "Hong Kong Team";

6) whether the Government has reviewed the current "Global South" economic and trade network layout of Hong Kong, including the situation of signing free trade agreements with the relevant countries; if so, of the details; if not, the reasons for that; and

7) the Government's plans for encouraging businesses and investors from the "Global South" to invest in Hong Kong; and the staff establishment and estimated expenditure involved?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 2)

Reply:

The staff establishment and total operational expenses of the 15 existing Hong Kong Economic and Trade Offices (ETOs) over the past 5 years and in 2026-27 are tabulated as follows:

	Staff establishment (number of posts)	**Total operational expenses ($ million)**
2021-22 ^	213	372
2022-23 ^	213	440
2023-24 ^	213	413
2024-25 ^	213	452
2025-26 # **(Revised Estimate)**	218	471
2026-27 # **(Estimate)**	230	560

^ The 14 ETOs are located in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington D.C. respectively.

Including the Kuala Lumpur ETO which was established on 10 December 2025, making a total of 15 ETOs.

The Kuala Lumpur ETO is the 4th ETO established by the Hong Kong Special Administrative Region (HKSAR) Government in the Association of Southeast Asian Nations (ASEAN) region, following the ETOs in Singapore, Jakarta and Bangkok. With the establishment of the Kuala Lumpur ETO, the HKSAR Government has expanded the coverage of the 4 ETOs in the ASEAN countries accordingly. In addition to the 12 countries originally covered, Timor-Leste, Pakistan and Sri Lanka are included with a view to deepening our trade and investment promotion work in ASEAN and neighbouring Asian countries. To promote Hong Kong's trade and commercial interests, the ETOs have all along maintained close connections with government officials, business leaders and chambers of commerce in countries under their purview. Through various work including supporting Hong Kong officials and business delegations in conducting overseas visits, as well as organising seminars, exhibitions, dinner/lunch meetings, and other business/promotional activities, the ETOs deepen and broaden the bilateral relationships between Hong Kong and the relevant countries, advocate multilateralism and actively clarify misunderstandings of relevant individuals about Hong Kong, with a view to promoting and deepening Hong Kong's bilateral, plurilateral and multilateral relationships with various regions. The ETOs have also endeavoured to actively assist in coordinating the visit programmes and/or providing related support for the duty visits of the Chief Executive and principal officials.

At the same time, the ETOs have supported the work of the Commerce and Economic Development Bureau as well as other policy bureaux and departments, in advancing Hong Kong's development of the "eight centres" and supporting different policy bureaux in promoting their globally-focused initiatives through organisation of relevant activities from time to time. Hong Kong has been making progress in the economic development of emerging industries. Building on its traditional strengths as an international financial and

trading centre, Hong Kong has also been developing as a hub for innovation and technology, as well as an arts and cultural centre where Eastern and Western cultures meet.

In addition, except for the Geneva ETO and the Washington ETO [Note 1], all ETOs have Dedicated Teams for Attracting Businesses and Talents (Dedicated Teams) coordinated by Invest Hong Kong (InvestHK) [Note 2]. These Dedicated Teams are responsible for reaching out to a wide spectrum of companies around the world to attract and assist them to set up or expand their businesses in Hong Kong. In 2025, the Dedicated Teams under the ETOs completed a total of 143 projects, primarily in the sectors of financial services and fintech, innovation and technology, and tourism and hospitality. Details of the work of the 15 ETOs over the past year can be found in the bi-monthly reports submitted by each ETO to the Legislative Council Secretariat.

As a measure announced in the 2025 Policy Address, the HKSAR Government has set up the functional platform of "Economic and Trade Express" (ETE) to strengthen trio-coordination among ETOs, the Hong Kong Trade Development Council and InvestHK by consolidating resources of the trio and capitalising on their complementary advantages to further enhance the effectiveness of overseas trade and investment promotional work. Subject to the nature and contents of individual promotional activities, ETE will also collaborate with the "Hong Kong Team" (such as the Hong Kong Science and Technology Parks Corporation) and other relevant organisations to further enhance the effectiveness of the activities.

Furthermore, the HKSAR Government strives to strengthen the economic and trade ties with other economies, and actively seeks to forge free trade agreements (FTAs) and investment promotion and protection agreements (IPPAs) with more trading partners. To date, Hong Kong has signed 9 FTAs with 21 economies and 24 IPPAs with 33 overseas economies [Note 3]. In 2025-26, we concluded negotiations of IPPAs with Qatar, Bangladesh and Peru respectively, and will arrange signing of the agreements upon completion of the relevant internal procedures.

The HKSAR Government will continue to closely monitor the development of the geopolitical landscape and continue to explore the expansion of Hong Kong's FTA and IPPA network to economies with strong trade connections with Hong Kong and markets with development potentials or at strategic locations, including regions along the Belt and Road and the Global South.

The manpower and expenditure involved in investment promotion work have been subsumed under the overall staffing establishment and budget of InvestHK, and cannot be quantified separately.

Note 1: The Geneva ETO primarily handles matters pertaining to the World Trade Organization and the Trade Committee of the Organisation for Economic Co-operation and Development, while the Washington ETO is primarily responsible for liaison with political circle in the United States.

Note 2: The Kuala Lumpur ETO will have its Dedicated Team set up in 2026-27.

Note 3: The 21 economies having signed FTAs with Hong Kong include the Chinese Mainland, New Zealand, Member States of the European Free Trade Association (viz. Iceland, Liechtenstein, Norway and Switzerland), Chile, the Macao Special Administrative Region, the 10 Member States of ASEAN (i.e. Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. Timor-Leste became the 11th Member State on 26 October 2025), Georgia, Australia and Peru. Except the one with Peru, other FTAs have entered into force.

The 33 overseas economies having signed IPPAs with Hong Kong include the 10 Member States of ASEAN, Australia, Austria, Bahrain, Belgium, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, Luxembourg, Mexico, the Netherlands, New Zealand, Sweden, Switzerland, Türkiye, the United Arab Emirates and the United Kingdom. All IPPAs have entered into force.

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CONTROLLING OFFICER'S REPLY

(Question Serial No. 0003)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in paragraph 124 of the Budget Speech, Hong Kong will strengthen its role as the functional node for the Belt and Road Initiative. The Government will collaborate with industry players to further develop the Association of Southeast Asian Nations and Middle East markets, and explore the potential of Central Asia, South Asia and North Africa markets. In this connection, will the Government advise this Committee of the following:

1. the specific expenditures involved and the key performance indicators in 2025 for the 14 Economic and Trade Offices (ETOs) set up by the Government in various locations other than the one recently established in Kuala Lumpur;

2. the economic benefits brought to Hong Kong in 2025 by the 14 ETOs set up by the Government other than the one recently established in Kuala Lumpur; and

3. whether the Government will explore the establishment of ETOs in Central Asia, South Asia and North Africa in the future?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 2)

Reply:

For the 2025-26 revised estimate, the total operational expenses of the 14 overseas Hong Kong Economic and Trade Offices (ETOs) [Note 1], together with the newly established Kuala Lumpur ETO which commenced operation on 10 December 2025, are $471 million. We have already set indicators for evaluating the performance of ETOs' services under the 3 programmes, namely Commercial Relations, Public Relations and Investment Promotion. The actual performance indicators of the 14 ETOs in 2025 have been listed in the Controlling Officer's Report.

On investment promotion, Invest Hong Kong assisted a total of 560 Mainland and overseas enterprises in setting up and expand businesses in Hong Kong in 2025, some of which were

assisted by the Dedicated Teams for Attracting Businesses and Talents (Dedicated Team) [Note 2] based in the ETOs (with the exception of the Geneva ETO and the Washington ETO [Note 3]). It is expected that these enterprises will bring in direct investment of around $69.4 billion and create more than 10 700 jobs in total within the first year of their establishment or business expansion.

In addition, ETOs have been committed to maintaining close communication and exchanges with the governments, business sectors, think tanks and stakeholders in different sectors in countries under their purview, promoting and explaining the Hong Kong Special Administrative Region (HKSAR) Government's important policies and Hong Kong's unique advantages under "one country, two systems", thereby telling the good stories of Hong Kong. Such efforts effectively deepen Hong Kong's economic and trade ties with other places, laying a crucial foundation for promoting bilateral economic and trade development and fostering sustained economic growth.

In the face of the constant state of flux in the international trade landscape, in addition to maintaining our ties with traditional markets, the HKSAR Government has been striving to expand Hong Kong's economic and trade network by strengthening ties with high-potential economies particularly emerging markets, with a view to assisting local enterprises in exploring new business opportunities. Among others, the Kuala Lumpur ETO has gradually come into operation. With the establishment of the Kuala Lumpur ETO, the HKSAR Government has expanded the coverage of the 4 ETOs in the Association of Southeast Asian Nations (ASEAN) countries accordingly. In addition to the 12 countries originally covered, Timor-Leste, Pakistan and Sri Lanka are included with a view to deepening our trade and investment promotion work in ASEAN and neighbouring Asian countries. We will continue to follow up with the government of Saudi Arabia on the proposal to establish an ETO in Riyadh, and explore the feasibility of setting up ETOs or other overseas offices in different regions, particularly in emerging markets.

Note 1: The 14 ETOs are located in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington DC respectively.

Note 2: A Dedicated Team will be set up in the newly established Kuala Lumpur ETO in 2026-27.

Note 3: The Geneva ETO primarily handles matters pertaining to the World Trade Organization and the Trade Committee of the Organisation for Economic Co-operation and Development, while the Washington ETO is mainly responsible for liaising with the political circle in the United States.

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CONTROLLING OFFICER'S REPLY

(Question Serial No. 0418)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under this Programme that the overseas Economic and Trade Offices (ETOs) will continue to promote Hong Kong's trade and commercial interests, including countering protectionism in Hong Kong's major markets, as well as representing Hong Kong and providing support to the Commerce and Economic Development Bureau and, as appropriate, other bureaux and departments on issues of special interests on the bilateral, plurilateral and multilateral fronts. Please inform this Committee of the expenditure incurred by the overseas ETOs on the aforementioned work in 2025-26. What initiatives were implemented? How did they counter protectionism in the markets, and how effective were the efforts? What are the work plans and objectives for 2026-27? Are there specific measures in response to foreign countries' imposition of additional tariffs and sanctions? What is the estimated expenditure involved?

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 16)

Reply:

To promote Hong Kong's trade and commercial interests, the overseas Hong Kong Economic and Trade Offices (ETOs) have all along maintained close connections with government officials, business leaders and chambers of commerce in the countries under their purview. Through various work including supporting Hong Kong officials and business delegations in conducting overseas visits, as well as organising seminars, exhibitions, dinner/lunch meetings, and other business/promotional activities, the ETOs deepen and broaden the bilateral relationships between Hong Kong and the relevant countries, advocate multilateralism and proactively clarify misunderstandings of relevant individuals about Hong Kong, with a view to promoting and deepening Hong Kong's bilateral, plurilateral and multilateral relationships with various regions.

In strengthening Hong Kong's global economic and trade network and promoting agreements on multilateral and regional co-operation, the ETOs have supported discussions with relevant

countries and the signing of agreements that could benefit Hong Kong, including free trade agreements, investment promotion and protection agreements and comprehensive avoidance of double taxation agreements. The ETOs, in collaboration with the Hong Kong Trade Development Council, chambers of commerce and other relevant organisations, have promoted the vast business opportunities in Hong Kong and its unique advantages as a "super connector" and "super value-adder", as well as assisted Hong Kong businesses in exploring and investing in new markets (including those in the Association of Southeast Asian Nations (ASEAN) and the Middle East), thereby reducing reliance on traditional markets.

At the same time, the ETOs have supported the work of the Commerce and Economic Development Bureau as well as other policy bureaux and departments, in advancing Hong Kong's development of the "eight centres" and supporting different policy bureaux in promoting their globally-focused initiatives through organisation of relevant activities from time to time. Hong Kong has been making progress in the economic development of emerging industries. Building on its traditional strengths as an international financial and trading centre, Hong Kong has also been actively developing as a hub for innovation and technology, as well as an arts and cultural centre where Eastern and Western cultures meet. On the other hand, the ETOs have endeavoured to actively assist in coordinating the visit programmes and/or providing related support for the duty visits of the Chief Executive and principal officials.

Furthermore, the ETOs have kept all sectors informed of Hong Kong's latest policies and opportunities (such as the development of the "eight centres", Hong Kong's role as an international education hub, etc.). On issues related to Hong Kong (including tariffs, sanctions, etc.), the ETOs have also clarified misunderstandings and made Hong Kong's stance clear to the political and business sectors in the countries concerned, thereby enhancing relevant stakeholders' understandings on Hong Kong.

In 2026-27, the ETOs will not only continue advancing the aforementioned initiatives, but also collaborate with relevant government departments and other Hong Kong overseas agencies more proactively to attract enterprises to set up their businesses in Hong Kong. At the same time, they will support Hong Kong enterprises (including Mainland enterprises that choose to establish businesses in Hong Kong) in "going global", helping them expand into overseas markets and fostering a high value-added supply chain service centre. The ETOs will also closely monitor the latest economic and political developments as well as policies in the countries under their purview (including measures related to trade restrictions), strengthen the bilateral relations between Hong Kong and relevant countries, and promote trade, commerce and investment co-operation within the respective regions. Hong Kong will continue to play its role as a functional platform for the Belt and Road (B&R) Initiative to strengthen co-operation with B&R countries. The relevant ETOs, together with the business and professional services sectors, will deepen their efforts in markets such as ASEAN and the Middle East.

As the above work is a part of the overall work of the ETOs, the relevant actual expenses and estimated expenses cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0849)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, one of the key responsibilities of the overseas Economic and Trade Offices is to support senior officers' overseas visits. Please inform this Committee of the detailed expenditures on senior officers' overseas visits in the past year, with a list of officers on visits and their departments. What are the regions, objectives and work outcomes of the visits and the numbers of entourage members? What are the arrangements and costs for flights, transportation and hotel accommodation? What are the estimated expenditures for the new year of 2026-27? Are there any specific plans, timetables and performance indicators for overseas visits?

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 6)

Reply:

The overseas Hong Kong Economic and Trade Offices (ETOs) provided full support in arranging overseas visits for the Chief Executive (CE) and Principal Officials, with a view to actively promoting high-level exchanges with local officials and various sectors, advancing Hong Kong's development of the "eight centres", and supporting different policy bureaux in promoting their globally-focused initiatives through organisation of relevant activities from time to time. As reflected in the following examples of senior government officials' overseas duty visits, ETOs had endeavored to actively assist in coordinating the visit programmes and/or providing related support.

The CE visited Qatar and Kuwait in May 2025 to further strengthen Hong Kong's exchanges and ties with the Middle East region in areas such as finance, trade, investment, innovation and technology, as well as to promote Hong Kong's latest advantages and opportunities to the local political and business communities. Apart from reaching a total of 59 memoranda of understanding and agreements which laid a diversified foundation, the visit also marked the first time the CE led Mainland enterprises, together with leaders from industry and commerce and professional sectors of Hong Kong, to go global, showcasing the complementary

advantages generated by the collaboration between Mainland and Hong Kong enterprises. In addition, the CE visited Korea from late October to early November of the same year to attend the Asia-Pacific Economic Cooperation Economic Leaders' Meeting.

The Financial Secretary visited Washington DC and New York in the United States in October 2025, meeting with various local leaders to share Hong Kong's strategies in promoting the financial market, innovation and technology development, and regional supply chain connectivity, etc., as well as to exchange views on the development of bilateral economic and trade relations. In the same month, he also led a delegation to Riyadh, Saudi Arabia, facilitating the signing of multiple agreements or memoranda of understanding between delegation members and local partners, thus further fostering exchanges and collaboration in areas such as innovation and technology, fintech and the digital economy.

The Secretary for Justice visited Europe, including the Netherlands, France and Italy, in July 2025, and visited Korea in October, meeting with senior government officials and a considerable number of international organisation leaders to introduce the latest legal developments in Hong Kong. The visit further strengthened exchanges and cooperation with various parties, promoted the advantages of Hong Kong's legal and dispute resolution services, and explored collaboration on international capacity building.

Furthermore, the Secretary for Commerce and Economic Development (SCED) visited Japan in May 2025, France in June, and Türkiye and Georgia in October, to promote Hong Kong's unique advantages and vast business opportunities. He also visited Kuala Lumpur, Malaysia, in September 2025 and January 2026, to strengthen ties with local sectors, promote new business opportunities in Hong Kong, and meet with senior government officials of Malaysia to exchange views on promoting closer economic cooperation between the 2 places.

Overseas visits conducted by other Directors of Bureaux in 2025-26 included the visit by the Secretary for Culture, Sports and Tourism to the United Arab Emirates and Saudi Arabia, promoting closer cooperation between Hong Kong and the Middle East region in cultural exchanges, sports, and tourism promotion; the visit by the Secretary for Innovation, Technology and Industry to Bangkok, Thailand, promoting Hong Kong's advantages and vast potential to the local innovation and technology sector, with a view to strengthening cooperation in the field of innovation and technology between the 2 places; the visit by the Secretary for Financial Services and the Treasury to Canada, covering 3 cities, i.e. Toronto, Ottawa and Vancouver, to share with thousands of technology entrepreneurs, investors and industry leaders the latest developments and opportunities in Hong Kong's fintech sector; and the visit by the Secretary for Education to Korea and Japan, introducing Hong Kong's advantages as an international hub for post-secondary education, and sharing the developments and achievements of digital education in Hong Kong.

The total expenditure of the duty visits incurred by SCED (including his entourage involving 0 to 3 persons for each visit) in 2025-26 was around $2.01 million. The specific overseas visit plans of senior officers in 2026-27 will be formulated by the respective policy bureaux/departments.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2716)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (2) Public Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, the overseas Economic and Trade Offices (ETOs) monitor and report on reactions to events in Hong Kong, update overseas interlocutors on developments in Hong Kong, and organise publicity and public relations activities for Hong Kong in the host countries or regions under their purview etc. During 2026-27, the ETOs will continue to step up publicity and public relations efforts and launch promotional campaigns (including those under the "Economic and Trade Express") to enhance Hong Kong's international image, and strengthen collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity. Will the Government inform this Committee of the expenditure involved, details and results of the above work for each of the ETOs in 2025-26? Please provide the information with a breakdown by ETO. What are the estimated expenditure and manpower to be involved for such work in the coming year? What are the specific work plans? How will the ETOs enhance Hong Kong's international image under the new international landscape? What are the publicity strategies and key performance indicators?

Asked by: Hon NG Kit-chong, Johnny (LegCo internal reference no.: 17)

Reply:

As the official overseas representatives of the Hong Kong Special Administrative Region (HKSAR) Government, the 15 overseas Hong Kong Economic and Trade Offices (ETOs) [Note] are committed to maintaining close communication and exchange with overseas interlocutors from different sectors and the international community, promoting and explaining the HKSAR Government's important policies and Hong Kong's unique advantages under "one country, two systems", especially the vast opportunities provided by the Belt and Road Initiative as well as the Guangdong-Hong Kong-Macao Greater Bay Area development.

In the past year of 2025-26, in addition to regularly providing stakeholders in countries and regions under their purview (including think tanks, academic institutions and business

organisations) with the latest information on Hong Kong through newsletters and social media, the ETOs maintained close liaison with them to assess the impact of local development on Hong Kong, met with the media and took the initiative to publish articles overseas to rebut fallacious information so as to set the record straight. Besides, the ETOs provided full support in arranging overseas visits for the Chief Executive (CE) and principal officials, with a view to actively promoting high-level exchanges with local officials and various sectors, advancing Hong Kong's development as the "eight centres" and supporting different policy bureaux in promoting their globally-focused initiatives through organisation of relevant activities from time to time. For example, the CE visited Qatar and Kuwait in May 2025, further strengthening Hong Kong's exchanges and ties with the Middle East region in areas such as finance, trade, investment, innovation and technology, as well as promoting Hong Kong's latest advantages and opportunities to the local political and business communities. Apart from reaching a total of 59 memoranda of understanding and agreements, which laid a diversified foundation, the visit also marked the first time the CE led Mainland enterprises, together with leaders from industry and commerce and professional sectors of Hong Kong, to go global, showcasing the complementary advantages generated by the collaboration between Mainland and Hong Kong enterprises. The Secretary for Justice visited Europe, including the Netherlands, France and Italy, in July 2025, and the Korea in October, meeting with senior government officials and a considerable number of international organisation leaders to introduce the latest legal developments in Hong Kong. This visit further strengthened exchanges and cooperation with various parties, promoted the advantages of Hong Kong's legal and dispute resolution services, and explored collaboration on international capacity building. The ETOs had endeavoured to actively assist in coordinating the visit programmes and/or providing related support for the duty visits of the CE and principal officials.

The ETOs also maintained close liaison with government officials and organisations in countries under their purview, encouraging global business communities and enterprises to seize the vast business opportunities, promoting Hong Kong's role as a "super connector" and a "super value-adder" to continue to strengthen Hong Kong's economic and trade ties with various sectors overseas, thereby making important contributions to the dual circulation strategy of our country. In addition, Hong Kong has been making progress in the economic development of emerging industries. Building on its traditional strengths as an international financial and trading centre, Hong Kong has also been actively developing as a hub for innovation and technology, as well as an arts and cultural centre where Eastern and Western cultures meet. In this connection, the ETOs organised relevant activities from time to time. For instance, from April to June 2025, representatives from the Brussels ETO held roundtable meetings or seminars in several European countries, including France, Croatia and Bulgaria, sharing with guests Hong Kong's economic prospects, the thriving wine and liquor trade, and highlighting Hong Kong's unique advantages – its zero wine duty policy and the new measure of significantly reducing duties on liquor. Besides, in January 2026, collaborating with the Hong Kong Trade Development Council (HKTDC), Invest Hong Kong (InvestHK), and the Hong Kong Science and Technology Parks Corporation, the San Francisco ETO hosted a series of events under the "Economic and Trade Express" to help Hong Kong start-ups explore business opportunities in the Western United States during the Consumer Electronics Show 2026 in Las Vegas, Nevada.

Furthermore, in line with the "Competing for Talents and Enterprises" strategy and objective, the Dedicated Teams for Attracting Businesses and Talents (the Dedicated Teams) in ETOs continued to support the work of the Office for Attracting Strategic Enterprises under the

Financial Secretary's Office and the Hong Kong Talent Engage in the Labour and Welfare Bureau in providing facilitation services for the attraction of businesses and talents. The Dedicated Teams and other staff of the ETOs, through various means and channels, proactively reached out to high potential and representative strategic enterprises and talents, including liaising with the world's top 100 universities and Hong Kong residents studying or working overseas, promoting Hong Kong's opportunities and advantages and various talent admission programmes, thereby encouraging them to settle in Hong Kong.

In 2026-27, the ETOs will continue to organise and participate in various events, including conferences, seminars, cultural and arts performances, exhibitions, film festivals and sports events, in close collaboration with policy bureaux and departments, other Hong Kong overseas agencies (such as offices of HKTDC and Hong Kong Tourism Board), chambers of commerce and professional bodies. In addition to continuing to advance the aforementioned tasks, the ETOs will also work closely with HKTDC and InvestHK to conduct joint promotional activities under the "Economic and Trade Express" platform, and support local small and medium enterprises and start-ups in conducting overseas visits to explore overseas markets.

As the above work is a part of the overall public relations work of the ETOs, the expenditure incurred and estimated expenditure cannot be quantified separately.

The actual performance indicators in 2025 of all the 14 ETOs (i.e. excluding the Kuala Lumpur ETO which was newly established on 10 December 2025), and the estimated performance indicators in 2026 (including the Kuala Lumpur ETO) in respect of the work in the areas of Commercial Relations, Public Relations and Investment Promotion have been listed in the Controlling Officer's Report.

Note: The HKSAR Government currently has 15 ETOs which are located in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, Kuala Lumpur, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington DC respectively.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2951)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the situation of overseas Economic and Trade Offices (ETOs), would the Government inform this Committee of the following:

1. the staff establishment, actual manpower, overall financial provision and breakdown of estimated expenditure of overseas ETOs in the past 3 years;

2. the specific indicators that the Government will use in the future to assess the need for establishing additional overseas ETOs, relocating existing ones, or adjusting their operations; and whether clear standards have been established for the relevant assessment mechanism;

3. whether the Government regularly conducts comprehensive reviews and assessments of the operational effectiveness, resource utilisation, cost-effectiveness and division of functions of the existing 15 overseas ETOs?

Asked by: Hon WONG Kam-fai, William (LegCo internal reference no.: 16)

Reply:

In 2023-24 and 2024-25, the establishment of the 14 overseas Hong Kong Economic and Trade Offices (ETOs) [Note] stood at 213 posts each year, with the actual total operational expenses amounting to $413 million and $452 million respectively. For the 2025-26 revised estimate, the establishment of the 14 ETOs, together with the newly established ETO in Kuala Lumpur which commenced operation on 10 December 2025, is 218 posts. As at 28 February 2026, the actual number of staff within the establishment of the 15 ETOs was 202. The revised estimate for the total operational expenses in 2025-26 is $471 million, of which the provision for Programme (1) Commercial Relations is $223 million, that for Programme (2) Public Relations is $168 million, and that for Programme (3) Investment Promotion is $80 million. We have already set indicators for evaluating the performance of ETOs'

services under the aforesaid 3 programmes, and such indicators have been listed in the Controlling Officer's Report.

In the face of the constant state of flux in the international trade landscape, in addition to maintaining our ties with traditional markets, the Hong Kong Special Administrative Region Government has been striving to expand Hong Kong's economic and trade network by strengthening ties with high-potential economies particularly emerging markets, with a view to assisting local enterprises in exploring new business opportunities. We will continue to follow up with the government of Saudi Arabia on the proposal to establish an ETO in Riyadh, and explore the feasibility of setting up ETOs or other overseas offices in different regions, particularly in emerging markets.

Note: The 14 ETOs are located in Bangkok, Berlin, Brussels, Dubai, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington DC respectively.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2763)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (2) Public Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. What were the specific work of the overseas Economic and Trade Offices (ETOs) and the expenditures involved in stepping up publicity and public relations efforts as well as promotional campaigns to enhance Hong Kong's international image over the past 3 years?

2. Did the overseas ETOs proactively promote Hong Kong's major cultural, sports and tourism events in the regions under their purview over the past 3 years? If so, what are the details? If not, what are the reasons?

3. What are the plans of the overseas ETOs this year to enhance Hong Kong's international image, promote major international events to be held in Hong Kong, and strengthen collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity? What is the estimated expenditure to be involved?

Asked by: Hon YIU Pak-leung (LegCo internal reference no.: 53)

Reply:

Over the past 3 years, the overseas Hong Kong Economic and Trade Offices (ETOs) organised a total of over 2 600 promotional activities (including seminars, exhibitions, workshops, public relations and cultural programmes held virtually or physically formats) to promote Hong Kong. These activities included promoting Hong Kong's unique advantages and the business opportunities arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area, thereby enhancing Hong Kong's international image. Below are some examples.

In 2023, in order to help Hong Kong's business sector to tap into the emerging markets in the Association of Southeast Asian Nations (ASEAN), the Chief Executive (CE), through the coordination and arrangements of the Jakarta and Singapore ETOs, led 5 Secretaries of

Departments/Directors of Bureaux and a delegation of more than 30 representatives from the business sector to visit 3 ASEAN countries (namely Singapore, Indonesia and Malaysia) in July, telling the good stories of Hong Kong to the political and business sectors in the region. Through this visit, a total of 33 high-quality memoranda of understanding or agreements were signed, injecting new impetus into Hong Kong's business and professional communities to expand into the ASEAN markets.

In 2024, through the coordination and arrangements of the Bangkok and Singapore ETOs, the CE visited 3 ASEAN countries (namely Laos, Cambodia and Vietnam) in July, during which general consensus had been reached on areas of development and extensive co-operation and a total of 55 memoranda of understanding and agreements had been signed, covering areas including trade and economic partnership, investment, customs collaboration, logistics, cultural exchanges, tourism promotion, technological cooperation, aviation services, etc.

In 2025, through the coordination and arrangements of the Dubai ETO, the CE visited Qatar and Kuwait in May, further strengthening Hong Kong's exchanges and ties with the Middle East region in areas such as finance, trade, investment, innovation and technology, as well as promoting Hong Kong's latest advantages and opportunities to the local political and business communities. Apart from reaching a total of 59 memoranda of understanding and agreements, which laid a diversified foundation, the visit also marked the first time the CE led Mainland enterprises, together with leaders from industry and commerce and professional sectors of Hong Kong, to go global, showcasing the complementary advantages generated by the collaboration between Mainland and Hong Kong enterprises. Representatives from the Brussels ETO held roundtable meetings or seminars in several European countries, including France, Croatia and Bulgaria, from April to June, sharing with guests Hong Kong's economic prospects, the thriving wine and liquor trade, and highlighting Hong Kong's unique advantages – its zero wine duty policy and the new measure of significantly reducing the duties on liquor.

The relevant promotional efforts to enhance Hong Kong's international image are a part of the overall work of the ETOs, and the expenditure involved cannot be quantified separately.

Over the past 3 years, the ETOs also proactively organised a series of activities within their respective regions to promote Hong Kong's cultural, sports and tourism mega events. Below are some examples.

In 2023, the New York ETO, through sponsoring tournaments, promoted Hong Kong as a hub for international sports mega events, with Hong Kong brands featured in publicity materials and displayed in event venues. The Sydney ETO set up a booth during the Sydney Lunar Festival Dragon Boat Races to promote Hong Kong's latest developments and introduce the international sports mega events held in Hong Kong.

In 2024, the Toronto ETO, in partnership with the Hong Kong Tourism Board (HKTB)'s Canada office, organised Chinese New Year receptions in Toronto and Vancouver at the beginning of the year, to brief guests on Hong Kong's series of mega events and highlight the in-depth tourist experiences in Hong Kong, so as to attract more visitors to the city. In February of the same year, the Dubai ETO sponsored the Hong Kong Dragon Boat Festival held in Dubai, during which the Hong Kong Tourism Board set up a booth to promote Hong

Kong's newest tourism attractions. The ETO also provided the participants and spectators with information on Hong Kong's arts and cultural activities and sports mega events.

In 2025, the Tokyo ETO, through the "Hong Kong Gala Screening" held at the 21st Osaka Asian Film Festival in Osaka, Japan in August, encouraged the audience to visit Hong Kong to experience first-hand line up of mega events in arts and culture, sports, and entertainment. In November, the Brussels ETO supported the participation of Hong Kong films in the 47th Festival des Three Continents held in Nantes, France, and invited the audience to visit Hong Kong to take part in the 50th Hong Kong International Film Festival to be held in 2026, and to attend the Hong Kong International Film & TV Market, which is Asia's largest entertainment content marketplace.

In 2026-27, the ETOs will, as always, actively leverage every appropriate occasion and continue to collaborate with other Hong Kong overseas agencies, such as the Hong Kong Trade Development Council or HKTB, to promote international mega events held in Hong Kong and enhance Hong Kong's international image. These promotional efforts are a part of the overall work of the ETOs, and the expenditure involved cannot be quantified separately.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

CEDB175

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0720)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Guangdong and Hong Kong Governments launched the "Air-Land Fresh Lane" ("Fresh Lane") at the Hong Kong International Airport (HKIA) in September last year to facilitate the transhipment of overseas fresh products to the Chinese Mainland upon their arrival in Hong Kong and the re-export of products from the Chinese Mainland to the world. In this connection, please advise on the following:

1. What are the trends in the cross-boundary smuggling cases involving fresh products detected by the Customs and Excise Department since the launch of the "Fresh Lane"?

2. What are the major categories of products currently transhipped/imported/exported to or from the Chinese Mainland through the "Fresh Lane" apart from fruits and fresh aquatic products?

3. What are the clearance procedures for "Fresh Lane" products at the HKIA, and is there any room for further streamlining and expedition of procedures? Have any products stayed for over the targeted 3 hours at the HKIA since the implementation of the initiative?

4. Is it feasible to extend the "Fresh Lane" initiative from the Hong Kong-Zhuhai-Macao Bridge port to other control points?

Asked by: Hon LAM Ming-fung, Lothair (LegCo internal reference no.: 2)

Reply:

Since the launch of the "Air-Land Fresh Lane" ("Fresh Lane"), the Customs and Excise Department (C&ED) has not detected any smuggling case involving the goods under the scheme.

Currently, the “Fresh Lane” covers 3 categories of products, namely fruits, chilled and live seafood. C&ED will actively consider expanding the types of food covered by the scheme in order to enhance the overall effectiveness of the “Fresh Lane”.

Upon arrival at the Hong Kong International Airport, the fresh products transhipped via the “Fresh Lane” will undergo customs clearance to ensure alignment with the import regulations of the Mainland. The Food and Environmental Hygiene Department will give exemption to the food importer registration requirement for the relevant fresh products transhipment. C&ED will use electronic locks and satellite-based tracking system equipment to ensure that the fresh products are not tampered with during domestic transportation to avoid repeated inspections of the same cargo, thereby streamlining clearance process and expediting cargo movement. The fresh products transhipped via the “Fresh Lane” can be delivered to Zhuhai via the Hong Kong-Zhuhai-Macao Bridge for customs clearance, and enter the Mainland market within 3 hours at the earliest after the flights arrive in Hong Kong.

C&ED will explore with the relevant Mainland authorities the feasibility of extending the facilitation measure for the clearance of fresh products to other control points in a timely manner in response to market demand.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **CEDB176**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0723)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding cross-boundary goods vehicle traffic, the Customs and Excise Department (C&ED) previously announced that there were about 4.8 million trips of goods vehicles travelling to and from the Chinese Mainland through land boundary control points in 2025. Please provide:

1. the goods vehicle throughput at various land boundary control points, the respective changes and the peak-hour throughput in the past year.

2. C&ED increased the number of clearance points under the Single E-lock Scheme to 99 last year. Please list the goods vehicle throughput of the top 10 clearance points with the highest demand, as well as the additional clearance points which will be under discussion with the Mainland authorities for inclusion in the scheme.

3. What is the progress of C&ED's plan to replace the existing Road Cargo System with the Trade Single Window in the middle of this year?

Asked by: Hon LAM Ming-fung, Lothair (LegCo internal reference no.: 4)

Reply:

The goods vehicle throughput at various land boundary control points, the respective changes and the peak-hour throughput in the past year are tabulated below:

Control Point [Note]	2024 (Total number of trips)	2025 (Total number of trips)	Changes	During peak hours in 2025 (Number of trips per hour)
Man Kam To	696 000	758 000	+8.9%	313
Lok Ma Chau	1 298 000	1 216 000	-6.3%	440
Heung Yuen Wai	574 000	606 000	+5.6%	343
Shenzhen Bay	1 643 000	1 743 000	+6.1%	764
Hong Kong-Zhuhai-Macao Bridge	358 000	498 000	+39.1%	205

Note: Cargo clearance service at Sha Tau Kok Control Point has been suspended since March 2022.

The Customs and Excise Department (C&ED) has been actively extending the coverage of the "Single E-lock Scheme" (the Scheme) with the Mainland Customs. Currently, the Scheme covers a total of 100 clearance points, including 13 in Hong Kong, 71 in Guangdong Province, 4 in Hunan Province, 7 in Fujian Province, 1 in Guangxi Zhuang Autonomous Region and 4 in Macao. Among which, the clearance point in Guangxi Zhuang Autonomous Region was newly established on 25 March 2026, providing the cargo freight and logistics sector with more route options. As the Mainland Customs does not maintain the number of trips at individual clearance point, the relevant ranking is not available.

Trade Single Window Phase 3 will be rolled out in 3 batches. The first batch of services will replace the existing "Road Cargo System" on 1 May 2026, allowing the trade to submit electronic advance cargo information (road). While the system development has been completed, various stages of system testing and drill exercises are currently underway to ensure stable operation and a smooth transition for the trade. To facilitate a smooth transition to the new system, C&ED is actively implementing a series of publicity, promotion and training programmes, as well as strengthening communication with the trade through various channels to provide the necessary support to the trade, and to ensure that they can adapt to the operational arrangements of the new system.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. CEDB177

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0220)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under the Programme that the Customs and Excise Department (C&ED) will continue to operate the Secretariat Office of the World Customs Organization (WCO) Vice-Chairperson for the Asia/Pacific (A/P) Region to co-ordinate customs matters within the A/P region in relation to global policies and standards, enforcement and intelligence exchange, trade facilitation, and capacity building. In this connection, please inform this Committee of the following:

1. Will the Department capitalise on the opportunities and influence brought by its role as the WCO Vice-Chairperson for the A/P Region to expedite negotiations and implementation of more designated "cross-boundary clearance facilitation measures" or "green clearance channels" with more members, including countries in the Association of Southeast Asian Nations, the Middle East and Central Asia, in order to reduce the time and cost of cross-boundary logistics for Hong Kong businesses?

2. In the light of the rapid development of cross-boundary e-commerce and digital trade, has C&ED established any regular mechanism to proactively consult the local business community, the import and export sector and the logistic sector while taking part in the formulation of new global customs standards on behalf of the A/P region? How will the Department ensure that the newly formulated global standards align with Hong Kong's business environment and safeguard the interests of local small and medium enterprises against undue compliance costs?

3. What are the specific estimated expenditure and staff establishment for the operation of the Secretariat Office of the WCO Vice-Chairperson for the A/P Region? To ensure the prudent use of public funds in bringing substantial economic benefits, has the Department set specific key performance indicators for the Secretariat Office in its work in "trade facilitation" and "capacity building" so as to objectively assess the actual effectiveness of assuming the international role in consolidating Hong Kong's position as an international maritime and trade centre?

Asked by: Hon LAMPORT Jonathan Stuart (LegCo internal reference no.: 13)

Reply:

After consulting the Security Bureau, the consolidated reply is as follows:

During its two-year tenure (July 2024 to June 2026) as the World Customs Organization (WCO) Vice-Chairperson for the Asia/Pacific (A/P) Region, the Customs and Excise Department (C&ED) has been actively promoting co-operation with Customs administrations in the A/P region. By capitalising on the co-ordinating and bridging role of the Vice-Chairperson, C&ED has deepened exchanges with other Customs administrations, advanced the initiatives and measures formulated by the WCO on international trade facilitation, and engaged in in-depth discussions on issues such as cross-boundary clearance facilitation and trade process optimisation, with a view to fostering sustainable trade development.

As the WCO Vice-Chairperson for the A/P Region, C&ED has been actively fostering partnerships with enterprises to jointly address challenges arising from complex global situations. For the first time, 6 Hong Kong enterprises and institutions joined the current term of the "WCO Regional Private Sector Group - Asia Pacific" to provide advice on customs affairs and international trade from the perspective of the private sector. This fosters closer co-operation between Customs administrations and the private sector, establishing a more robust partnership between Hong Kong enterprises and various sectors in other A/P economies.

Furthermore, C&ED has actively invited industry stakeholders to participate in large-scale conferences organised by C&ED in its capacity as the WCO Vice-Chairperson for the A/P Region, providing them with platforms to voice their views at the international customs level. For instance, over 200 representatives from Customs administrations across the world and local industries were invited to join the Conference on Simplification of Procedures and Best Practices for E-commerce held in April 2025, and a Joint Statement reaffirming the commitment to strengthening mutual collaboration between Customs administrations and e-commerce stakeholders was issued subsequently. Similarly, Customs administrations from around the world and representatives from the innovation and technology sector were invited to join the Regional Conference on Smart Customs held in March 2026to strengthen partnership and co-operation, thereby promoting the development of "Smart Customs" within the A/P region.

On 1 July 2024, the Secretariat Office designated for the discharge of C&ED's role as the WCO Vice-Chairperson for the A/P Region officially commenced operation. There are currently 13 posts in the Secretariat Office.

The total expenditure on emoluments required for the Secretariat Office in 2026-27 is $3.29 million. Details of the posts in the Secretariat Office are as follows:

Rank	Number
Assistant Commissioner of Customs and Excise^	1
Superintendent of Customs and Excise	1
Assistant Superintendent of Customs and Excise^	1
Senior Inspector of Customs and Excise	3
Inspector of Customs and Excise	3
Senior Customs Officer	2
Customs Officer	1
Personal Secretary I	1

^ Time-limited posts

C&ED will flexibly deploy internal resources as circumstances require and mobilise other staff in the department in a timely manner to assist in various activities organised by the WCO Vice-Chairperson for the A/P Region.

To ensure the prudent use of public funds and to deliver tangible economic benefits, C&ED has set specific key performance indicators (KPIs) for the work of the Secretariat Office. These include organising international conferences and workshops during its tenure to showcase Hong Kong's achievements as an international metropolis and the successful implementation of "One Country, Two Systems" to the international community. The KPIs also encompass meetings and co-operation programmes on "trade facilitation" and "capacity building", as well as youth engagement initiatives.

Since assuming the role of the WCO Vice-Chairperson for the A/P Region, C&ED has organised 16 global or regional international conferences and events covering various areas, such as the Regional Conference on Combating Illicit Cigarettes, the International Forum on Combating Money Laundering and Transnational Organized Crimes, the Regional Workshop on Risk Management and Intelligence Analysis, the Accreditation Workshop on Authorized Economic Operator Programmes for the A/P Region, the Conference on Simplification of Procedures and Best Practices for E-commerce, the Regional Conference on Smart Customs, etc. By bringing together representatives from around the world to exchange views on relevant issues, these events have fostered connections among law enforcement agencies, promoted the development of trade facilitation measures, and enhanced the overall capabilities of Customs administrations in the region.

Through the Youth Ambassadors Programme for the Secretariat Office of the WCO Vice-Chairperson for the A/P Region, C&ED also provides opportunities for young people (including Customs YES members) to participate and assist in various activities organised by the WCO Vice-Chairperson for the A/P Region, demonstrating the potential and vitality of Hong Kong's younger generation to the international community.

In addition, C&ED has developed "ValidAP", a blockchain-based validation platform for digital documents, with the aim of fostering integration and collaboration among Customs administrations, logistics chains, financial chains, trade agreement operations, and other related service sectors within the A/P region. Following the official launch of "ValidAP" in October 2025, C&ED is currently discussing co-operation arrangements with various Customs administrations.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2919)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under Programme (3) that the Customs and Excise Department (C&ED) will suppress offences related to forged trade marks, false trade descriptions and unfair trade practices under the Trade Descriptions Ordinance (Cap. 362). In this connection, please inform this Committee of the following:

(a) the staff establishment, expenditures on emoluments, as well as their respective changes of C&ED as a department responsible for enforcing the Trade Descriptions Ordinance (Cap. 362) in the past 3 financial years, and the estimated figures in 2026-27;

(b) the number of complaints received by the Government about consumption involving prepayments, the total amounts involved, and the rates of successful recovery in the past 3 years. Please provide a breakdown in table form by major type of industries and the complainants' age group;

(c) the specific mechanisms currently in place to assist consumers to recover the prepaid amounts in cases where businesses cease operations or fail to fulfil their contractual obligations.

Asked by: Hon TANG Ka-piu (LegCo internal reference no.: 37)

Reply:

The numbers of law enforcement officers and expenditures on emoluments involved in enforcing the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department (C&ED) in the past 3 years are as follows:

Financial year	Number of law enforcement officers	Expenditure on emoluments involved （$ million）
2023-24	231	139
2024-25	231	144
2025-26	233	146

In 2026-27, C&ED estimates that 237 law enforcement officers will be responsible for the aforesaid work, involving an expenditure on emoluments of $147 million.

In the past 3 years, the number of complaints received by C&ED about consumption involving prepayments and the information on the major industries involved are tabulated as follows:

	2023	2024	2025
Number of complaints	12 580 Note 1	5 412 Note 2	4 144 Note 3
Major industries involved	Goods: Online shopping platforms (such as baby products), toys and games, food and beverage Services: Fitness and yoga, education, beauty and hairdressing	Goods: Toys and games, food and beverage Services: Fitness and yoga, education, beauty and hairdressing	Goods: Toys and games, food and beverage Services: Vaccination services, fitness and yoga, education, beauty and hairdressing

Note 1: Of these, 11 565 cases were related to the sudden closure of an online diaper retailer suspected of engaging in wrongly accepting payment.

Note 2: Of these, 2 809 cases were related to the sudden closure of a chain fitness and beauty group suspected of engaging in wrongly accepting payment.

Note 3: Of these, 2 513 cases were related to the sudden closure of a vaccination services group suspected of engaging in wrongly accepting payment.

As the principal enforcement agency of the TDO, C&ED is responsible for conducting criminal investigations into cases of suspected contravention of the TDO and instigating prosecutions against unlawful acts. Since C&ED does not recover financial or other losses on behalf of complainants from traders, and that not all complainants provide information on their age and the amounts involved when lodging complaints, C&ED is unable to provide such information.

When handling complaints about failure to provide services to consumers due to sudden business closure, C&ED generally investigates along the direction as to whether the case involves "wrongly accepting payment" under the TDO. If any trader is found to have contravened the TDO, C&ED will take decisive enforcement action. In addition, the Consumer Council (the Council) endeavours to study and promote the protection of consumers' rights and interests, including the handling of consumer complaints relating to goods and services and the provision of advice to consumers. If a consumer suspects that a trader has engaged in unfair trade practices in the provision of goods or services, he/she may report to C&ED or lodge a complaint with the Council.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1581)

Head: (78) Intellectual Property Department

Subhead (No. & title): (000) Operational expenses

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2025, the proportions of electronic filings for trade mark, patent and design registration applications were all very high, reflecting that electronic services were well received by the public. Please advise of the following:

1. the manpower and estimated expenditure involved in providing this service;

2. given that the IT system was set up in 2019 and that members of the public are actively using it to file their applications, does the Government have any plan to further update the system and enhance its performance to better serve the public?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 13)

Reply:

Providing the public with electronic filing services for trade mark, patent and design registration applications is part of the routine work undertaken by the Intellectual Property Department (IPD). The work includes daily operation, supporting the opening of user accounts for electronic filing, answering user enquiries, etc., and is jointly undertaken by Intellectual Property Examiners and the Information Technology (IT) Management Unit of IPD in collaboration with outsourced contractors. The expenditures involved have been subsumed under the overall departmental estimates. It is therefore difficult to quantify them separately.

IPD has been committed to delivering high-quality electronic services and launched the New Integrated IT System in 2019, covering various services such as public search, filing of registration applications and examination of applications. Over the years, IPD has continued to enhance the system functions so as to improve the experience of public users (in particular intellectual property (IP) registration applicants, IP owners and their agents). IPD will continue to closely monitor the system usage and user needs to review whether enhancement of system performance is required.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **CEDB180**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1582)

Head: (78) Intellectual Property Department

Subhead (No. & title): (000) Operational expenses

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Matters Requiring Special Attention in 2026-27 include the collaboration with relevant Chinese Mainland intellectual property (IP) authorities for organsing a delegation of Hong Kong IP professionals to participate in a business matching session in the Chinese Mainland in the 2nd quarter of 2026. It is noted that arrangements were also made for Mainland enterprises to visit Hong Kong for participating in matching activities at the end of last year. Please let us know about:

1. the expenditure details for organising the matching activities last year, the numbers of participating professionals and enterprises, the numbers of successful matches and successful cases; and

2. the estimated expenditure for participating in the business matching session in the Mainland this year, and the estimated number of participants.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 15)

Reply:

At the Business of Intellectual Property (IP) Asia Forum in December 2025, the Intellectual Property Department (IPD) held the "IP Go-Global Business Matching Session". The Hong Kong Trade Development Council was commissioned to arrange representatives from Mainland enterprises seeking to expand into overseas markets to visit Hong Kong, and to participate in business matching activities with members of different IP professional bodies of Hong Kong (including practicing lawyers and patent agents). A total of 22 one-on-one business matching meetings were completed.

IPD plans to hold another IP Go-Global business matching activity in Guangzhou in the 2nd quarter of 2026 to promote Hong Kong's IP professional services to enterprises in the Guangdong Province. It is initially estimated that around 100 representatives from

professional bodies and the innovative industries in both Hong Kong and Guangdong will participate, and about 30 one-on-one business matching meetings are planned.

Organising the above-mentioned business matching activities is part of the overall work of IPD in promoting IP trading. The expenditure involved has been subsumed under the overall estimates of IPD and is difficult to be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1585)

Head: (78) Intellectual Property Department

Subhead (No. & title): (000) Operational expenses

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Matters requiring special attention in 2026-27 include continuing to work with stakeholders and the Hong Kong Trade Development Council to promote Hong Kong's competitive advantages in intellectual property (IP) trading and IP professional services to the Chinese Mainland and overseas enterprises through trade missions, seminars, publicity programmes and the annual Business of IP Asia Forum. In this connection, please advise this Committee on:

1. the activities organised in the past year to promote Hong Kong's competitive advantages in IP trading and IP professional services, the number of participants, and the manpower and estimated expenditure;

2. the manpower and estimated expenditure for organising the activities in the coming year.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 20)

Reply:

The Intellectual Property Department (IPD) has been organising a variety of activities and collaborating with different stakeholders in an effort to promote Hong Kong's competitive edge in intellectual property (IP) trading and IP professional services to various sectors. Details are as follows:

- The Government has continued to co-organise the annual Business of IP Asia Forum with the Hong Kong Trade Development Council (HKTDC). The 2025 Forum was held on 4 and 5 December and attracted over 3 300 participants from 38 countries and regions, including leaders of the World Intellectual Property Organization and the China National Intellectual Property Administration (CNIPA), as well as IP experts from the Asia-Pacific Economic Cooperation and the Association of Southeast Asian Nations. IPD will continue to support the Business of IP Asia Forum with the addition of new features to provide an excellent platform for IP authorities, experts, practitioners and

trading partners from different regions around the world to exchange views on the latest developments of IP-related issues and explore more co-operation and development opportunities for the industries. The 2026 Forum will be held in November.

- At the Business of IP Asia Forum in 2025, IPD held the "IP Go-Global Business Matching Session". HKTDC was commissioned to arrange representatives from Mainland enterprises seeking to expand into overseas markets to visit Hong Kong, and to participate in business matching activities with members of different IP professional bodies of Hong Kong (including practicing lawyers and patent agents). A total of 22 one-on-one business matching meetings were completed. IPD plans to hold another IP Go-Global business matching activity in Guangzhou in the 2nd quarter of 2026 to promote Hong Kong's IP professional services to enterprises in the Guangdong Province.

- Under the framework of the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights, IPD has been collaborating with various cities in Guangdong Province to organise a variety of activities, including the annual Guangdong/Hong Kong Seminar on Intellectual Property and Development of Small and Medium Enterprises (SMEs) (Seminar). The 2025 Seminar, held on 18 November in Jiangmen, was attended by over 200 representatives of SMEs and IP practitioners, as well as government officials from Guangdong and Hong Kong. The 2026 Seminar is expected to be held in Foshan in September. IPD also continues to organise the Guangdong-Hong Kong-Macao Greater Bay Area Intellectual Property Trade Expo and International Geographical Indications Products Trade Expo with the IP authorities of Guangdong Province and Macao, contributing to the high-quality development of the Greater Bay Area. In addition, we will continue to co-organise the Mainland and Hong Kong SAR, Macao SAR Intellectual Property Symposium annually with the Office of Hong Kong, Macao and Taiwan Affairs of CNIPA and the Economic and Technological Development Bureau of the Government of the Macao SAR for assisting the business community (including SMEs) in strengthening the protection, management, utilisation and commercialisation of IP for their business operations in the Chinese Mainland.

- To strengthen the promotion of Hong Kong's role in developing into a regional IP trading centre and its competitive edge in IP trading, IPD has been working with the Radio Television Hong Kong since 2022 to produce a television series entitled "IP: New Opportunities" with a total of 26 episodes in 4 seasons. Another new season of the television programme is being planned for broadcasting in 2026-27. In addition, IPD expects to launch a new promotional video later this year to promote Hong Kong's competitive edge in IP trading.

Organising the above-mentioned activities is part of the overall work of IPD in promoting IP trading. The expenditure involved has been subsumed under the overall estimates of IPD and is difficult to be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1586)

Head: (78) Intellectual Property Department

Subhead (No. & title): (000) Operational expenses

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To facilitate and promote the development of intellectual property (IP) financing in Hong Kong, the Intellectual Property Department (IPD), in collaboration with the Commerce and Economic Development Bureau and the Hong Kong Monetary Authority, launched the IP Financing Sandbox on 22 December 2025 to assist enterprises in leveraging their IPs for financing with the support of the banking, insurance, valuation, legal and other professions. Please advise of the following:

1. The manpower and estimated expenditure involved in this initiative;

2. To enhance the awareness and the utilisation rate of the sandbox, will the IPD set aside resources to promote and publicise the initiative to the industry, in particular the small and medium-sized innovation and technology enterprises? If so, what are the details?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 22)

Reply:

The Commerce and Economic Development Bureau (CEDB) and the Intellectual Property Department (IPD), in collaboration with the Hong Kong Monetary Authority (HKMA), launched the Intellectual Property (IP) Financing Sandbox (the Sandbox) at the end of last year to assist pilot sectors (particularly the technology sector) in leveraging IPs for financing. 3 major banks in Hong Kong and their clients from different enterprises, as well as legal and professional services organisations are participating in the pilot project.

To enhance the industry's awareness of the Sandbox, CEDB and IPD have since October 2025 been actively promoting the relevant policies and complementary measures for the Sandbox to various stakeholders (including relevant professional bodies, innovation and technology enterprises, chambers of commerce and industry, etc.) by organising a number of thematic briefing sessions. The HKMA has also been actively participating in exchange activities, sharing the details of the Sandbox with the business community and relevant

organisations, and encouraging banks to consider joining the Sandbox, thereby promoting the development of IP financing.

CEDB and IPD, in collaboration with the HKMA, will closely monitor the operation of the Sandbox and step up their promotional efforts as and when appropriate in response to the market and industry feedback.

Developing Hong Kong into a regional IP trading centre is part of the overall work of CEDB and IPD. The expenditure involved in implementing the Sandbox is subsumed under the overall estimates of CEDB and IPD respectively. It is therefore difficult to quantify the resources involved separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1406)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the measures relating to the promotion of intellectual property (IP) financing and trading, will the Government advise on the following:

(1) the estimated expenditures in each of the first 2 years for the new Pilot Patent Valuation Support Scheme;

(2) whether there is any subsequent plan on enhancement of the IP Financing Sandbox which the Government will continue to implement and review, and the manpower and operating expenditure required for implementing the relevant work;

(3) the preliminary plans, timetable and respective estimated expenditures for the specific promotion activities (e.g. business missions, seminars, etc.) this year in order to promote Hong Kong's edge on IP trading to Mainland and overseas enterprises;

(4) the expected scale, number of participants and estimated expenditure of the Business of IP Asia Forum to be continuously organised and held this year, as well as the key guests or major participating regions being planned to be invited.

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 36)

Reply:

Pilot Patent Valuation Support Scheme

To promote the development of local intellectual property (IP) financing, the Government plans to launch a two-year Pilot Patent Valuation Support Scheme (Pilot Scheme) in the 3rd quarter of 2026 to support eligible local small and medium enterprises (SMEs) to conduct valuation of their patents and other IP assets, which will provide concrete information on the enterprises' assets to serve as a reference for credit financing.

The Intellectual Property Department (IPD) will collaborate with the Hong Kong Technology and Innovation Support Centre (HKTISC) to implement the Pilot Scheme. The Pilot Scheme will adopt a matching grant model of 1 (Government): 1 (eligible local SME) and provide each enterprise of an approved application (approved enterprise) with a one-off funding capped at $80,000 to support them in commissioning qualified service providers (mainly accountants, financial analysts or surveyors) to conduct quantitative valuation of their patents and other IP assets.

In addition, if the IP assets of the approved enterprises include at least 1 Hong Kong patent granted under the Patents Ordinance (Cap. 514) that has also undergone substantive examination, IPD's patent examiners will, through HKTISC, provide free qualitative patent evaluation service based on the national standard for 1 Hong Kong patent designated by the approved enterprise concerned. Valuation service providers, banks or other financial institutions may, where appropriate, refer to the results of such qualitative patent evaluation in conducting quantitative valuation.

The Government has earmarked $28 million to support HKTISC in providing innovation and technology enterprises with patent evaluation based on the national standard and implementing the two-year Pilot Scheme, among which $16 million is the maximum total amount of funding for the Pilot Scheme (the funding to be provided to each approved enterprise is capped at $80,000 and the maximum number of eligible applications to be approved is 100 per year). The annual cash flow will depend on the funding situation, the number of applications received and approved, and the amount of funding disbursed. The initial estimation of the cash flows for Financial Years 2026-27 and 2027-28 is $4 million and $8 million respectively.

IP Financing Sandbox

The Commerce and Economic Development Bureau (CEDB) and IPD, in collaboration with the Hong Kong Monetary Authority (HKMA), launched the IP Financing Sandbox (Sandbox) in end 2025 to assist pilot sectors (particularly the technology sector) in leveraging IPs for financing. 3 major banks in Hong Kong and their clients from different enterprises, as well as legal and professional services organisations are participating in the pilot project.

The Sandbox provides a collaborative and risk-controlled environment for stakeholders to collectively test out the full lifecycle of IP financing on a "pioneer and pilot" approach and accumulate practical experience. CEDB and IPD will, together with the HKMA, closely monitor the operation of the Sandbox, timely collect feedback from stakeholders, consolidate market feedback and experience, and make follow-up arrangements, with a view to gradually establishing a more comprehensive IP financing ecosystem.

Developing Hong Kong into a regional IP trading centre is part of the overall work of CEDB and IPD. The expenditure involved in implementing the Sandbox is subsumed under the overall estimates of CEDB and IPD respectively, and is difficult to be quantified separately.

Promoting IP Trading Activities to Chinese Mainland and Overseas Enterprises

IPD has been organising a variety of activities and collaborating with different stakeholders to promote Hong Kong's competitive edge in developing IP trading and in its professional services to the Chinese Mainland and overseas enterprises. Details are as follows:

- IPD plans to hold the IP Go-Global business matching activity in Guangzhou in the 2nd quarter of 2026 to promote Hong Kong's IP professional services to enterprises in the Guangdong Province. It is initially estimated that around 100 representatives from professional bodies and the innovative industries in both Hong Kong and Guangdong will participate, and about 30 one-on-one business matching meetings are planned.

- Under the framework of the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights, IPD has been collaborating with various cities in the Guangdong Province in organising a variety of activities, including the annual Guangdong/Hong Kong Seminar on Intellectual Property and Development of SME. The 2026 Seminar is expected to be held in Foshan in September.

- IPD also continues to co-organise the Guangdong-Hong Kong-Macao Greater Bay Area Intellectual Property Trade Expo and International Geographical Indications Products Trade Expo with the IP authorities of Guangdong Province and Macao, contributing to the high-quality development of the Greater Bay Area. In addition, we will continue to co-organise the Mainland and Hong Kong SAR, Macao SAR Intellectual Property Symposium annually with the Office of Hong Kong, Macao, and Taiwan Affairs of China National Intellectual Property Administration (CNIPA) and the Economic and Technological Development Bureau of the Government of the Macao Special Administrative Region for assisting the business community (including SMEs) in strengthening the protection, management, utilisation and commercialisation of IP for their business operations in the Chinese Mainland.

- The Government has continued to co-organise the annual Business of IP Asia Forum with the Hong Kong Trade Development Council (HKTDC). The 2025 Forum attracted over 3 300 participants from 38 countries and regions, including leaders of the World Intellectual Property Organization and the CNIPA, as well as IP experts from the Asia-Pacific Economic Cooperation and the Association of Southeast Asian Nations. IPD will continue to support the Business of IP Asia Forum with the addition of new features to provide an excellent platform for IP authorities, experts, practitioners and trading partners from different regions around the world to exchange views on the latest developments of IP-related issues and explore more co-operation and development opportunities for the industries. The 2026 Forum will be held in November, and its scale and number of participants are expected to be comparable to those of previous years. We will discuss the details with the HKTDC later to finalise the theme of this year and the list of domestic and international guests and speakers to be invited.

Promoting IP trading to the public, industries and stakeholders is part of the overall work of IPD. The expenditure involved has been subsumed under the overall estimates of the department and is difficult to be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1264)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 161 of the Budget Speech and the relevant estimates of expenditure under Head 78 "Intellectual Property Department", the Government has earmarked $28 million to support the Hong Kong Technology and Innovation Support Centre (HKTISC) in implementing the two-year Pilot Patent Valuation Support Scheme. To ensure that the dedicated provision provides targeted support for innovation and technology (I&T) enterprises, will the Government advise this Committee on the following matters:

(1) Of the estimated $28 million, what will be the amounts and percentages spent on directly subsidising I&T enterprises to conduct patent valuations, the regular operating expenses of the HKTISC, and the consultancy fees for engaging experts respectively?

(2) What is the target number of enterprises to be benefitted from the pilot scheme in the next 2 years? What will be the maximum subsidy amount for each eligible enterprise and the estimated average processing time of application (in terms of number of days)?

(3) How will the Government measure the actual economic benefits of the pilot scheme? For example, will the Government track the success rate of subsidised enterprises in obtaining commercial financing or in technology transfer after patent valuation?

Asked by: Hon CHUANG Ka-pun, Albert (LegCo internal reference no.: 26)

Reply:

To promote the development of local intellectual property (IP) financing, the Intellectual Property Department (IPD) plans to launch a two-year Pilot Patent Valuation Support Scheme (Pilot Scheme) in the 3rd quarter of 2026 to support eligible local small and medium enterprises (SMEs) to conduct valuation of their patents and other IP assets, which will provide concrete information on the enterprises' assets to serve as a reference for credit financing.

IPD will collaborate with the Hong Kong Technology and Innovation Support Centre (HKTISC) to implement the Pilot Scheme. The Pilot Scheme will adopt a matching grant model of 1 (Government): 1 (eligible local SME) and provide each enterprise of an approved application (approved enterprise) with a one-off funding capped at $80,000 to support them in commissioning qualified service providers (mainly accountants, financial analysts and surveyors) to conduct quantitative valuation of their patents and other IP assets.

In addition, if the IP assets of the approved enterprises include at least 1 Hong Kong patent granted under the Patents Ordinance (Cap. 514) that has also undergone substantive examination, IPD's patent examiners will, through HKTISC, provide free qualitative patent evaluation service based on the national standard for one Hong Kong patent designated by the approved enterprise concerned. Valuation service providers, banks or financial institutions may, where appropriate, refer to the results of such qualitative patent evaluation in conducting quantitative valuation.

The Government has earmarked $28 million to support HKTISC in providing innovation and technology enterprises with patent evaluation based on national standard and implementing the two-year Pilot Scheme, among which $16 million is the maximum total amount of funding for the Pilot Scheme (the funding to be provided to each approved enterprise is capped at $80,000 and the maximum number of eligible applications to be approved is 100 per year).

The Pilot Scheme will be open for application all year round. Pilot Scheme applications by enterprises holding Hong Kong original grant patents (OGP) will be given priority in processing and approval throughout the year. Quarterly application quotas will be set up (initially proposed at 25 applications per quarter). After discounting the approved Pilot Scheme applications from enterprises holding OGP, the remainder of the quarterly quotas will be assigned according to the designated order of priority. IPD is currently working with the HKTISC to finalise the detailed implementation arrangements for the Pilot Scheme, including the workflow for eligibility checking and preliminary assessments to be conducted for the applications.

The Pilot Scheme will provide high-quality qualitative patent evaluation and reliable quantitative valuation for IP assets held by approved enterprises. This not only assists relevant SMEs in demonstrating the economic value of their IP assets, but also enhances understanding of the value of intangible assets by financial institutions and investors, enabling them to consider the market potential of SMEs' IP assets in a more comprehensive manner and increasing their confidence in investing in SMEs or establishing strategic partnerships with them. Relevant evaluation and valuation reports could serve as references to banks and other financial institutions when they assess enterprises' applications for financing, loans, etc. We anticipate that the Pilot Scheme will help drive demand for IP valuation service and attract relevant service providers to develop their businesses in Hong Kong. This will help build a talent pool for IP valuation, enhance market confidence in Hong Kong's IP valuation service, and optimise Hong Kong's IP financing ecosystem.

The Government will review the market responses, effectiveness and relevant experience of the Pilot Scheme during its implementation. Based on the overall market and industry developments, we will explore the way forward of the Pilot Scheme.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1241)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Government's work to promote the development of Hong Kong as a regional intellectual property (IP) trading centre under this Programme, would the Government please advise this Committee of the following:

1. What were the specific work and achievements of the Government in enforcement of IP rights (covering prevention of infringement, legal remedies against infringers, dispute resolution mechanisms etc.) over the past year, and what are the work plans for the coming year?

2. What was the support of the Government to protect IP rights against online and cross-boundary infringement, and how many such complaints or cases that were followed up and handled together with other departments over the past 2 years?

3. As regards promoting the concept of IP protection amongst young people under this Programme, what are the promotion activities and their details? Whether the promotion activities are carried out in collaboration with schools? What is the expenditure involved?

Asked by: Hon FAN Chun-wah, Andrew (LegCo internal reference no.: 33)

Reply:

Enforcement of IP Rights

Intellectual property (IP) rights are private property rights. When they are infringed, rights owners may take legal action in order to stop and prevent further infringement, and seek compensation for damage caused by the infringement. IP rights can be enforced through the means of civil proceedings and criminal enforcement. Civil proceedings generally must be initiated by IP rights owners against infringers directly without the involvement or intervention of Government authorities. Such litigation concerns disputes over private

property rights, and the Intellectual Property Department (IPD) does not have specific details of individual cases.

Certain copyright and trade mark infringements constitute criminal offences. The Hong Kong Customs and Excise Department (C&ED), as the only department responsible for conducting investigation into and prosecution against criminal infringement of copyright and trade marks, has all along adopted a multi-pronged strategy through stringent enforcement, public education and co-operation with stakeholders, etc. to comprehensively protect the interests of IP rights owners.

To combat online infringement offences, the C&ED has established the "Anti-Internet-Piracy Team" dedicated to combating online infringement and technology crimes, and handling related enforcement work. The C&ED also utilises the "Big Data Analytics System" to assist frontline officers in retrieving and analysing massive information from various internet platforms for online investigations. In combating cross-boundary infringement activities, the C&ED has been stepping up enforcement actions. Through the established co-operation mechanism, the C&ED closely liaises with the Chinese Mainland, Macao and other overseas law enforcement agencies in exchanging and sharing experience on enforcement and strategy for IP rights protection, as well as conducting joint operations to enhance the effectiveness of combating cross-boundary infringement activities.

In 2025, the C&ED detected a total of 723 infringement cases, resulting in the arrest of 333 persons and the seizure of goods valued at about $418 million in total.

With regard to online and cross-boundary infringement activities, the numbers of investigation cases handled by the C&ED over the past 2 years are set out as follows:

	2024	**2025**
Number of cases	620	571
Number of persons arrested	211	218
Total value of seized goods (mainly watches and parts)	$284 million	$395 million

In the coming year, the C&ED will continue to closely monitor the latest trend in infringement activities, deploy resources flexibly and strengthen combating IP infringement across different levels, including cross-boundary transshipment, local retail and online activities, with a view to continuously enhancing the enforcement effectiveness in IP protection.

Raising Public Awareness of and Respect for IP Rights

IPD attaches great importance to raising public (especially young people) awareness of and respect for IP rights, and continues to carry out promotional and educational work through various channels and media, including organising various activities and making TV promotional videos to reach out to the general public.

In 2025-26, the major promotional and educational activities for enhancing IP literacy of the public and the younger generation were as follows:

- Continued to organise territory-wide campaigns, including the "No Fakes Pledge" Scheme and the "I Pledge" Campaign to advocate the selling and buying of genuine goods among Hong Kong retailers, tourists and local consumers. By the end of 2025, 13 trade associations with 1 769 retail merchants covering 7 018 outlets/online shops in Hong Kong participated in the "No Fakes Pledge" Scheme. For the "I Pledge" Campaign, IPD has encouraged the public to respect IP rights and refuse to buy pirated and counterfeit goods through various outreach activities.

- For promotional and educational activities targeting the younger generation, IPD organised over 220 sessions of the school visit programme and the interactive drama programme for primary and secondary schools, as well as talks for tertiary institutions in 2025. Besides, IPD collaborated with the law schools of the 3 local universities to organise the IP Ambassador Programme for law school students to join as IP Ambassadors and participate in various IP-related activities such as conferences, lectures, seminars and exchanges with IP practitioners organised by IPD. Other promotional and educational activities included those organised in collaboration with right-holders and youth, organisations such as the "Hong Kong Inter-School Respect IP Education Campaign" and the "Scout Fun Day for Respect for IP Rights", etc. These activities attracted over 68 000 students and received positive responses from the participants.

Carrying out promotional and educational programmes for the public, the industry and stakeholders as well as promoting IP trading are part of the overall work of IPD undertaken by its existing manpower resources. The expenditure involved has been subsumed under the overall estimates of the department and is difficult to be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2001)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Hong Kong has a target to promote its development as a regional intellectual property (IP) trading centre. Regarding the related work, please inform this Committee of the following:

1. With the recognition of the China National Intellectual Property Administration and the World Intellectual Property Organization, the first Technology and Innovation Support Centre in Hong Kong officially commenced operation on 22 December 2025. The Government once earmarked $45 million to cover various operating expenses, including remuneration, facilities, consultancy fees etc., for the first 3 years since commencement of preparatory work for the establishment. Please provide, in tabular form, a detailed breakdown of the actual expenditure of the funding, including the amount expended, the allocation for major types of expenditure, as well as the financial planning and budgetary continuation arrangements for its subsequent operation.

2. In respect of IP protection, the Government has completed the public consultation on further enhancement of the Copyright Ordinance regarding protection for artificial intelligence (AI) technology development. Please explain the latest progress, the expected timetable for submitting a legislative proposal, and the Government's assessment of the impact on copyright protection, infringement liability and specific exceptions for AI-generated works. Has the Government earmarked resources to provide protective measures and support for copyright owners? If so, please provide the details.

3. The estimated expenditure for IP protection work in the current year is 25.4% higher than the previous year. Please explain the main reasons for this increase.

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 17)

Reply:

Technology and Innovation Support Centre

The Technology and Innovation Support Centre (TISC) is a dedicated programme of the World Intellectual Property Organization (WIPO) which supports researchers and innovators at different stages of the innovation cycle, helping them make use of the intellectual property (IP) system (especially by means of patents) to protect their inventions and guiding them to bring the technology to market.

In December 2024, the Hong Kong Productivity Council was designated jointly by the China National Intellectual Property Administration (CNIPA) and the WIPO as part of the new batch of organisations for establishing TISCs and commenced preparatory work for 1 year. The Hong Kong Technology and Innovation Support Centre (HKTISC) officially commenced full operations in December 2025.

HKTISC's establishment phase in the first year and its operation phase in the following 3 years span across several financial years from 2024-25 to 2028-29, for which the Government's estimated commitment is $45 million, covering various expenses including salaries, rent, office equipment, infrastructure building (including development of information technology systems and websites, connection to databases, etc.), consultancy fee and other administrative expenses. As of the end of February this year, the funding disbursed by the Government to HKTISC was around $1.04 million, which mainly covers the relevant salary expenses incurred during the establishment phase of HKTISC in the 2024-25 financial year. Before the completion of the first 3-year operating cycle, CNIPA will line up experts to carry out an evaluation on the operation of HKTISC. The Government will also review the operational experience and service scope of HKTISC to plan for the appropriate arrangement and required resources in the future.

Development of the Copyright Regime

The Government completed a public consultation in September 2024 on further enhancing the Copyright Ordinance (CO) (Cap. 528) to protect the development of artificial intelligence (AI) technology. In February 2025, the Government reported the consultation outcome to the Legislative Council Panel on Commerce, Industry, Innovation and Technology and proposed introducing a specific copyright exception for text and data mining. The aim of the proposal is to allow the reasonable use of copyright works in specific circumstances under the premise of safeguarding the legitimate interests of copyright owners, so as to promote the development of AI technology and foster mutual benefits for the creative and innovation and technology (I&T) industries.

Since then, we have maintained communication with stakeholders (particularly those in the cultural and creative sectors) to listen to their concerns and explain the proposal in detail. In view of the fact that some sectors wish the Government to provide guidance on the practical operation of the proposed exception, and to take into account the latest experience in other jurisdictions, we are now drafting a code of practice. We will also continue to maintain close communication and exchanges with relevant policy bureaux/departments and stakeholders from different sectors, including the I&T sector, copyright-related industries, chambers of commerce, business representatives, etc., to gather their views before taking forward the next

step in light of the overall situation. At this stage, there is no concrete timetable for submitting the legislative proposal.

As for copyright protection for AI-generated works and legal liability for infringement, the existing CO already contains applicable provisions. To assist AI system developers and users in addressing the relevant issues, the Intellectual Property Department (IPD) is drafting a set of guidelines that will provide practical suggestions and concrete examples, with a view to further elucidating the existing legal principles and their application for reference by all parties.

AI and copyright are important issues. In view of the above copyright-related work and the latest international developments, the Government will carry out promotional and educational work, including conducting IP training programmes to support the industry. Such work is part of the ongoing work of IPD and the resources involved are difficult to be quantified separately. Moreover, the IP Academy, which aims to commence at the end of this year, is also expected to provide relevant courses to strengthen the nurturing of talents in this regard in order to meet industry needs.

Estimated expenditure for 2026-27

The estimated expenditure for IP protection work of IPD in 2026-27 is 25.4% higher than the revised estimate for the previous year. This is mainly due to the increased departmental expenditure for enhancing the capacity of IPD to consolidate Hong Kong as a regional IP trading centre, including the expenses in support of the two-year Pilot Patent Valuation Support Scheme expected to be launched in the 3rd quarter of this year, the qualitative patent evaluation service provided by HKTISC, a two-year pilot programme for the establishment and operation of the IP Academy to be launched in collaboration with the Vocational Training Council etc.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

CEDB187

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0702)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Estimates that the Intellectual Property Department (IPD) will, in collaboration with relevant Chinese Mainland Intellectual Property (IP) authorities, organise a delegation of Hong Kong IP professionals to participate in a business matching session in the Chinese Mainland in the 2nd quarter of 2026. Will the Government inform this Committee of the following:

1. The specific scale of the business matching delegation to the Mainland, the criteria for selecting the delegates, the planned itinerary, and the expected number of enterprises to be connected;

2. In view of the vigorous development of "new-quality productive forces" in our country, whether this business matching session will target at specific emerging fields such as biomedicine, artificial intelligence, green technology, or cultural and creative IP etc., for precise connection;

3. Upon conclusion of the business matching session, will the Government establish a follow-up mechanism such as tracking the implementation of the agreed collaboration between the matched parties, and providing ongoing support for the industry in terms of policy consultation or matters relating to the Mainland laws and regulations, in order to ensure that the matching outcomes will be transformed into tangible economic benefits?

4. To promote the development of Hong Kong into a regional IP trading centre, apart from the Mainland market, does the Government have plans to allocate funds to support the industries in expanding into other key overseas markets, particularly the Belt and Road countries, the Association of Southeast Asian Nations member states, the Middle East region, as well as the traditional European and American markets? If so, what are the details? If not, what are the reasons?

Asked by: Hon LEE Ka-kui, Elvin (LegCo internal reference no.: 27)

Reply:

At the Business of Intellectual Property (IP) Asia Forum in December 2025, the Intellectual Property Department (IPD) held the "IP Go-Global Business Matching Session". The Hong Kong Trade Development Council (HKTDC) was commissioned to arrange representatives from Mainland enterprises seeking to expand into overseas markets to visit Hong Kong, and to participate in business matching activities with members of different IP professional bodies of Hong Kong (including practicing lawyers and patent agents). A total of 22 one-on-one business matching meetings were completed.

IPD plans to hold another IP Go-Global business matching activity in Guangzhou in the 2nd quarter of 2026 to promote Hong Kong's IP professional services to enterprises in the Guangdong Province. It is initially estimated that around 100 representatives from professional bodies and innovative industries in both Hong Kong and Guangdong will participate, and about 30 one-on-one business matching meetings are planned.

Following the matching activity, IPD plans to collect feedback and opinions from the industries through a questionnaire survey, evaluate the effectiveness of the activity and draw experience for formulating support measures that best meet the industries' needs. Through this new work direction, Hong Kong can further leverage its role as a "super connector" and "super value-adder", facilitating Chinese Mainland enterprises to make use of Hong Kong's professional services to conduct cross-boundary IP business, devise IP plans to go global, and develop practical strategies to connect with international markets and expand their businesses. In parallel, this will also create business opportunities for Hong Kong's IP professional service providers.

In terms of exploring overseas markets, IPD will continue its liaison with other regional and international organisations to promote Hong Kong's role as a regional IP trading centre. It will also continue to work closely with HKTDC and stakeholders to promote Hong Kong's competitive edges in IP trading and IP professional services to enterprises in other regions through trade missions, seminars, publicity programmes, and the annual Business of IP Asia Forum co-organised with HKTDC, thereby exploring more opportunities for industries' co-operation and development. In addition, IPD, through the funding framework of the Economic and Technical Cooperation Work Programme under the Free Trade Agreement between Hong Kong, China and the Association of Southeast Asian Nations (ASEAN), organised an ASEAN Session at the Business of IP Asia Forum consecutively from 2022 to 2025 and worked with the ASEAN economies to promote IP commercialisation and the development of innovation and technology ecosystem in a mutually beneficial manner.

IP services play a pivotal role in deepening cross-boundary regional cooperation. Hong Kong will continue to leverage its unique edge of having close connectivity with the Chinese Mainland and the world under "One Country, Two Systems", and further consolidate its role as a professional services hub.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **CEDB188**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0560)

Head: (78) Intellectual Property Department

Subhead (No. & title): (000) Operational expenses

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Paragraphs 158 to 163 of the Budget Speech mention about the enhancement of the institutional framework for intellectual property (IP) regime, including promoting tax deduction arrangements (paragraph 159), establishing a Financing Sandbox (paragraph 160), providing patent valuation support (paragraph 161), and also earmarking $52 million to establish the Intellectual Property Academy (the Academy) in collaboration with the Vocational Training Council as a two-year pilot programme for provision of on-the-job training linked to the Qualifications Framework (paragraph 163) in an effort to develop Hong Kong into a regional IP trading centre. In this connection, will the Bureau inform this Committee:

(1) whether the policy objectives of the Academy are confined to training talents in IP management and transactions, or are inclusive of enhancing the capability of local innovative entities (such as start-ups and research institutions) in commercialising outputs of original creation and in managing patent strategies;

(2) alongside the supportive measures of tax deduction arrangements, Financing Sandbox and patent valuation support, whether the Government has laid down quantitative targets with regard to IP transaction scales or technology transfer rates for the next 3 to 5 years; and

(3) upon completion of the two-year pilot programme of the Academy, how the Government will assess its substantive impact on the local innovation ecosystem, and if its effectiveness does not meet the expectation, whether there is any corresponding adjustment or termination mechanism.

Asked by: Hon NG Wun-kit (LegCo internal reference no.: 19)

Reply:

Intellectual Property Academy

The Intellectual Property Department (IPD) launched the Intellectual Property (IP) Manager Scheme as early as in May 2015 with a view to assisting small and medium enterprises (SMEs) in enhancing their IP manpower capacity and boosting their competitiveness through IP management and commercialisation. To meet the development needs of the enterprises, IPD launched the IP Manager Scheme PLUS in October 2020 to provide more comprehensive and in-depth training courses and practical workshops.

To strengthen the related on-the-job training and meet the needs of different sectors in using IP across various areas, IPD is collaborating with the Vocational Training Council to implement a two-year pilot programme to establish the Intellectual Property Academy (the Academy). The design and planning of the relevant programmes will be more systematic and better recognised, with more diversified and in-depth content. Our target participants are practitioners from various sectors, including technology and innovation, cultural and creative industries, commerce and industry, and professional services. Local innovation entities (including research institutions, start-ups and SMEs), as well as enterprises and service providers engaged in IP trading and commercialisation, will all stand to benefit. The Academy will help better equip enterprise staff acquire knowledge covering the full IP chain in the course of their business operations, including areas such as the creation, protection, management, transformation and commercialisation of IP, as well as dispute resolution, so that they may properly formulate and implement business strategies covering patents, trade marks, copyright, designs and other areas.

The establishment and development of the Academy is one of the Government's supporting measures to cultivate talents and develop a talent hub in support of the local innovation ecosystem and high-quality development. In the course of implementing the pilot programme, the Government will review and evaluate the Academy's initial operation and effectiveness from multiple perspectives, including using questionnaire surveys, case studies and data analysis. The main reference indicators will include industry response to the programmes, such as the completion and passing rates of participants, their satisfaction levels, and feedback from enterprises and employers. The Government will also assess the extent to which the programme content meets the actual needs of the industry, as well as the effectiveness of the programmes in enhancing practitioners' capabilities in IP management and application, so as to make timely adjustments and refine the future direction for nurturing IP talent.

Tax Deduction Arrangements, Financing Sandbox and Patent Valuation Support

The IP Financing Sandbox was launched at the end of last year to assist pilot sectors (particularly the technology sector) in leveraging IP for financing. We plan to launch the Pilot Patent Valuation Support Scheme in the 3rd quarter of this year to support eligible local SMEs to conduct valuation of their patents and other IP assets. In addition, we launched a two-month stakeholder consultation in January this year to review the tax deduction arrangements for relevant capital expenditure incurred by enterprises for purchasing IP or the rights to use IP. The above measures aim to foster innovation, promote technology transfer and facilitate IP trading. Together with other initiatives for promoting the development of

IP financing in Hong Kong, they can provide comprehensive support for the commercialisation and application of IP.

We are pressing ahead with the implementation of the above supporting measures, and will continue to review the actual progress of implementation, carefully consider the market responses and effectiveness, accumulate relevant experience and data, with a view to exploring the way forward for long-term development and the feasibility of setting quantifiable targets.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

CEDB189

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1495)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In recent years, Hong Kong has been actively fulfilling its role as a regional intellectual property (IP) trading centre. However, under the indicators of the Intellectual Property Department (Statutory Functions), the number of applications for standard (re-registration) patents received in 2025 for processing under the Patents Ordinance dropped significantly by 1 217 to 14 541. Even the estimate for 2026 has yet to return to the 2024 level of 15 758. In this connection, will the Government advise this Committee of the following:

1) What are the reasons for the substantial decrease in the number of applications for standard (re-registration) patents received?

2) In addition, the target percentages for "processing standard (re-registration) and (original grant) patent applications concerning minimum requirements within 10 days" in 2026 are 98% (re-registration) and 95% (original grant), both of which are lower than the actual performance in 2025, namely 99% (re-registration) and 97% (original grant). Given that the estimated provision for 2026-27 has increased by 5.6%, what are the reasons for the reduction in the 2 targets? Is it due to an anticipated increase in the number of applications? If yes, what are the details?

3) How will the respective reduction in the above indicator and targets affect the objective of fulfilling Hong Kong's role as a regional IP trading centre? If the impact is negative, what strategies will be adopted to cope with such impact?

4) What are the specific details of the Department's past allocation of manpower resources in the above areas?

Asked by: Hon TANG Ming-sum, Michelle (LegCo internal reference no.: 38)

Reply:

The Government launched the original grant patent (OGP) system in December 2019 as an alternative path to the existing "re-registration" route in Hong Kong for providing a convenient, direct and expeditious route for patent applicants to obtain standard patents in Hong Kong after substantive examination conducted by the Patents Registry (the Registry) without first going a patent registration process outside Hong Kong.

Under the "re-registration" patent system, an applicant may file an application for standard patent by re-registration in Hong Kong with the Registry only after filing a corresponding invention patent application with one of the designated patent offices outside Hong Kong (designated patent application) and publication of the designated patent application by the designated patent office. Afterwards, the applicant must wait for the designated patent application to undergo substantive examination and be granted by the corresponding designated patent office before filing a request for registration and grant of a standard patent by re-registration with the Registry. The Registry will only conduct formality examination for an application for standard patent by re-registration without the necessity to conduct substantive examination.

Due to the above-mentioned application procedures, the number of applications for standard patents by re-registration in Hong Kong will fluctuate and is affected to a large extent by factors such as the patent filing strategies, market positioning and product cycles of the applicants, as well as the volume of invention patent applications received by the designated patent offices and their progress of examination, etc. The number of applications for standard patents by re-registration received by the Registry was 14 541 in 2025, about 8% less than that in 2024.

In the Intellectual Property Department (IPD)'s 2025-26 Estimate, the target for "processing standard (re-registration) patent applications concerning minimum requirements within 10 days (%)" was 97 in 2025, and that for "processing standard (original grant) patent applications concerning minimum requirements within 10 days (%)" was 92 in the same year. IPD's 2026-27 Estimate reflects that the actual performance for the aforesaid 2 targets in 2025 was 99 and 97 respectively, both of which exceeded the targets.

When setting the estimated indicators for 2026, IPD has taken into account various factors such as the volume and trend of applications for the relevant patents over the recent years and the overall economic situation, etc. Based on an overall consideration of these factors, the number of applications for standard patents by re-registration is estimated to rebound slightly to about 15 000 in 2026. In IPD's 2026-27 Estimate, the target for "processing standard (re-registration) patent applications concerning minimum requirements within 10 days (%)" hence remains at 97 in 2026, whereas the target for "processing standard (original grant) patent applications concerning minimum requirements within 10 days (%)" is raised from 92 to 93 as from 2026. IPD will continue to strive to provide the public with high-quality and efficient registration services and has set the planned performance for these 2 targets in 2026 as 98 and 95 respectively, aiming to exceed the original targets.

In planning the work ahead, IPD carefully considers the anticipated number of applications as well as the overall workload and manpower of the Registry every year in order to set appropriate and pragmatic service performance targets and plans. In its actual work, the

Registry has been striving to enhance its service levels. Based on experience over the years, the Registry's actual performance in processing various patent applications has consistently exceeded the service performance targets and plans set at the beginning of each year.

To better leverage Hong Kong's role as a regional IP trading centre, IPD is pressing ahead with the reform and development of the local patent system, which includes gradual expansion of the patent examination team, particularly to strengthen its institutional autonomy in substantive examination for OGP applications in major technology fields. While there was a drop in the number of applications for standard patents by re-registration in 2025 as compared with the figure in 2024, the numbers of OGP applications received by the Registry have continued to rise in recent years, such number in 2025 had increased by about 33% as compared with that in 2024, which leads to a significant increase in the demand for substantive examination.

The major work relating to processing and examining the applications for OGP and standard patent by re-registration as mentioned above is handled by IPD's patent examination team. In the 2025-26 financial year, the number of the patent examination team members was 37, covering the 3 major technology fields of electricity, chemistry and mechanical engineering. The routine work of the patent examination team includes processing and examining applications for OGP, standard patents by re-registration and short-term patents, promotion of the local patent system, and supporting projects to develop the innovation and technology ecosystem, such as provision of patent evaluation service in collaboration with the Hong Kong Technology and Innovation Support Centre, etc. The expenses related to processing and examining patent applications has been subsumed under the overall estimates of the Department, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2031)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under this Programme that "with the agreement of the China National Intellectual Property Administration (CNIPA), an expedited patent pre-examination service provided by the Shenzhen Intellectual Property Protection Center as a facilitation measure for cross-boundary intellectual property (IP) protection benefiting Chinese Mainland patent applications filed by Hong Kong's I&T sector started in June 2025. In addition, the pilot project on prioritising examination of qualified invention patent applications filed by Hong Kong applicants in the Chinese Mainland launched by the CNIPA in collaboration with the Department and the IP authorities of Guangdong Province and Shenzhen since 2023 was regularised on a standing basis on 1 January 2026." In this connection, will the Government inform this Committee:

1. whether statistics of the respective number of applications submitted by Hong Kong applicants through the "expedited patent pre-examination service" and the "pilot project", the number of applications approved and the average processing time are available; and

2. in future, whether the Department has plans to seek support from the Mainland authorities for additional measures to facilitate cross-boundary IP examination and grant; if so, the details; if not, the reasons for that.

Asked by: Hon WONG Kam-fai, William (LegCo internal reference no.: 23)

Reply:

The China National Intellectual Property Administration (CNIPA), in collaboration with the Intellectual Property Department (IPD) and the intellectual property (IP) authorities of the Guangdong Province and Shenzhen, launched a pilot project in January 2023 for prioritising examination of qualified invention patent applications filed by Hong Kong applicants in the Chinese Mainland, facilitating Hong Kong applicants to seek patent protection in the Chinese Mainland. Given the smooth operation of the pilot project over the past 3 years, the CNIPA, upon discussion with IPD, agreed to regularise the project on a standing basis in January 2026

to continue assisting Hong Kong's business sector to secure patent protection more efficiently in the Chinese Mainland. As at end of February 2026, 208 invention patent applications had benefitted from the aforesaid facilitation measure, with their patents expected to be granted within 1 year.

Moreover, to enhance the cross-boundary facilitation measures for IP protection in Hong Kong and the Chinese Mainland, starting late June 2025, Hong Kong's innovation and technology (I&T) sector (including innovative entities such as enterprises, higher education institutions and research institutions) will benefit from the expedited patent pre-examination service provided by the Shenzhen Intellectual Property Protection Center (SZIPPC) if they meet the relevant criteria (e.g. the inventions in their applications fall within the designated industry sectors). After filing their pre-examination requests with SZIPPC and upon passing the pre-examination, their patent applications can enter the CNIPA's expedited examination channel, which significantly shortens the period of examination. As at end of February 2026, the SZIPPC received a total of 29 requests from the Hong Kong's I&T sector for expedited patent pre-examination, of which 21 had passed. The average processing time was approximately 7 working days, following which the patent grant process would complete in about 3 months.

In addition, with the support of IPD, the Guangdong Administration for Market Regulation (Guangdong Intellectual Property Administration) has progressively set up the "Hong Kong Special Administrative Region Intellectual Property Enquiry Points" in 20 cities in the Guangdong Province since October 2021. The service, which has been expanded to Beijing since February this year, facilitates Mainland residents and enterprises to enquire about matters relating to applications for IP registration in Hong Kong. Meanwhile, with the assistance of the Mainland authorities, IPD has also launched a reciprocal enquiry service since February 2023, enabling Hong Kong residents and enterprises to enquire via emails about matters relating to applications for trade mark registration in the Chinese Mainland. The service has been expanded to cover matters relating to applications for patent registration in the Chinese Mainland since April 2025.

IPD and the Mainland authorities will continue to review the implementation of the existing facilitation measures and timely explore the feasibility of enhancing and expanding these measures as well as introducing new ones, with a view to providing more convenient and efficient services for the industries in Hong Kong and the Chinese Mainland (particularly those in the Guangdong-Hong Kong-Macao Greater Bay Area), protecting IP, promoting I&T development, and strengthening Hong Kong's competitiveness as a regional IP trading centre.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2069)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the preparatory work for the implementation of the Madrid Protocol, which aims to facilitate the registration and management of trade marks by enterprises in multiple jurisdictions, will the Government inform this Committee of the following:

(a) What are the Government's detailed plan and latest timetable for implementing the relevant measures?

(b) After the relevant Bill was passed by the Legislative Council in 2020, the Government has been conducting various preparatory work. Given the industry's keen expectation for the early implementation of the relevant mechanism, when does the Government expect to complete the remaining procedures and discuss with the Central Government on the application of the Protocol to Hong Kong? If so, what are the details? If not, what are the reasons?

Asked by: Hon WONG Wing-wai, Ray (LegCo internal reference no.: 28)

Reply:

The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol) aims to facilitate trade mark owners to apply for and manage trade mark registrations in multiple jurisdictions by a single application, which dispenses with the need for trade mark owners to file individual applications in each jurisdiction. As Madrid Protocol is an international treaty, it is necessary for us to seek formal agreement from the Central People's Government (Central Government) to apply the Madrid Protocol to Hong Kong.

The Central Government has expressed in-principle support for the application of the Madrid Protocol to Hong Kong, and the Hong Kong Special Administrative Region (HKSAR) Government has been continuing with the necessary preparatory work. The Trade Marks (Amendment) Ordinance 2020 explicitly provides for the legal basis in our domestic law for

the future application of the Madrid Protocol to Hong Kong. Accordingly, the HKSAR Government has been taking forward various preparatory work for the specific implementation arrangement of the Madrid Protocol in Hong Kong, including preparing the related subsidiary legislation, formulating workflows for handling international trade mark registrations, setting up the required information technology systems, developing manpower training plans, etc., as well as discussing the detailed arrangements with the Chinese Mainland authorities.

The HKSAR Government will continue to maintain close liaison with the Chinese Mainland authorities and press ahead with the various necessary local preparatory work. Upon completion of the preparatory work, the HKSAR Government will seek formal agreement from the Central Government to apply the Madrid Protocol to Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2989)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has earmarked $52 million to establish the Intellectual Property Academy and plan to launch a two-year pilot programme at the end of this year, in order to provide intellectual property professionals with institutionalised, structured and recognised training programmes. In this connection, will the Government inform this Committee of the following:

1. What are the specific areas of expenditure for which the $52 million is earmarked?

2. What are the curriculum framework, accreditation, number of training places, enrolment targets, and course commencement timetable of the two-year pilot programme?

3. What are the quantitative performance indicators for the pilot programme? Do they include the number of graduates, course completion rate, level of industry recognition, and employment-related data?

4. Following the completion of the two-year pilot programme, does the Government have any long-term plan to regularise the Intellectual Property Academy and expand the training scale?

Asked by: Hon WU Yingpeng (LegCo internal reference no.: 15)

Reply:

To strengthen intellectual property (IP)-related on-the-job training and meet the needs of different sectors in using IP across various areas, the Intellectual Property Department (IPD) is collaborating with the Vocational Training Council (VTC) to implement a two-year pilot programme to establish the Intellectual Property Academy (the Academy). The design and planning of the relevant programmes will be more systematic and better recognised, with more diversified and in-depth content, offering varying breadth, depth, and focus tailored to market and policy needs. The programmes will cover areas such as the creation, protection,

management, transformation and commercialisation of IP, as well as dispute resolution, and will include the major fields of IP such as patents, trade marks, copyright, and designs. This will help participants acquire knowledge covering the full IP chain in the course of their business operations, enabling them to formulate and implement business strategies effectively. Suitable programmes will be linked to the corresponding levels under the Qualifications Framework. In the course of developing the programmes, we will widely gather feedback from different industry sectors.

The Academy targets practitioners from various sectors, including technology and innovation, cultural and creative industries, commerce and industry, and professional services. Local innovation entities (including research institutions, start-ups, and small and medium enterprises), as well as enterprises and service providers engaged in IP trading and commercialisation, will all stand to benefit. During the two-year pilot period, the Academy is expected to provide training to about 2 000 participants.

The Government has earmarked $52 million to support the establishment of the Academy and its operating expenses for the first 2 years, including staff remuneration, teaching facilities, information platforms, curriculum development and design, qualification accreditation, publicity and promotion, as well as other administrative and operating expenses. As for the specific funding arrangements, IPD will further discuss with VTC and set out the details of the implementation arrangements in the funding agreement.

The establishment and development of the Academy is one of the Government's supporting measures to cultivate talents and develop a talent hub in support of the sustainable and high-quality development of the local innovation ecosystem. In the course of implementing the pilot programme, the Government will review and evaluate the Academy's initial operation and effectiveness from multiple perspectives, including using questionnaire surveys, case studies and data analysis. The main reference indicators will include industry response to the programmes, such as the completion and passing rates of participants, their satisfaction levels, and feedback from enterprises and employers. The Government will also assess the extent to which the programme content meets the actual needs of the industry, as well as the effectiveness of the programmes in enhancing practitioners' capabilities in IP management and application, so as to make timely adjustments and refine the future direction for nurturing IP talent.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3037)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Intellectual Property Department, in collaboration with the Vocational Training Council, will roll out a two-year pilot programme for the Intellectual Property Academy (Academy). A provision of $52 million has been earmarked. Will the Government inform this Committee of:

1. the specific uses of the expenditure of the provision; and whether areas such as curriculum design, training of instructors, allowances for learners, as well as publicity and promotion are covered; and

2. whether the Government will, upon completing the programme, consider regularising the Academy for incorporation into the regular subvention mechanism?

Asked by: Hon YAO Cho-fai, Andrew (LegCo internal reference no.: 17)

Reply:

To strengthen intellectual property (IP)-related on-the-job training and meet the needs of different sectors in using IP across various areas, the Intellectual Property Department (IPD) is collaborating with the Vocational Training Council (VTC) to implement a two-year pilot programme to establish the Intellectual Property Academy (the Academy).

The Government has earmarked $52 million to support the establishment of the Academy and its operating expenses for the first 2 years, including staff remuneration, teaching facilities, information platforms, curriculum development and design, qualification accreditation, publicity and promotion, as well as other administrative and operating expenses. As for the specific funding arrangements, IPD will further discuss with VTC and set out the details of the implementation arrangements in the funding agreement.

The establishment and development of the Academy is one of the Government's supporting measures to cultivate talents and develop a talent hub in support of the sustainable and high-

quality development of the local innovation ecosystem. In the course of implementing the pilot programme, the Government will review and evaluate the Academy's initial operation and effectiveness from multiple perspectives, including using questionnaire surveys, case studies and data analysis. The main reference indicators will include industry response to the programmes, such as the completion and passing rates of participants, their satisfaction levels, and feedback from enterprises and employers. The Government will also assess the extent to which the programme content meets the actual needs of the industry, as well as the effectiveness of the programmes in enhancing practitioners' capabilities in IP management and application, so as to make timely adjustments and refine the future direction for nurturing IP talent.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1580)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Ms Alpha LAU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2026-27, Invest Hong Kong will collaborate with the Development Bureau, as well as other relevant bureaux and departments, to promote the opportunities presented in the Northern Metropolis, thereby attracting and assisting targeted industries to establish operations there. Please inform this Committee of the estimated amount of resources (including the manpower and financial provision) to be allocated this year for supporting the work on attracting enterprises and investment to the Northern Metropolis.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 11)

Reply:

Invest Hong Kong (InvestHK) has been proactively supporting and promoting business facilitation policies of various bureaux. Regarding the Northern Metropolis (NM), InvestHK works closely with the Development Bureau, the Innovation, Technology and Industry Bureau, and the Transport and Logistics Bureau to attract investment from key industries required by NM, including innovation and technology, green infrastructure and eco-tourism. The Department also promotes investment opportunities of NM to enterprises, and proactively follow up and assist them in establishing a presence in NM.

InvestHK organises various NM-related investment promotion activities, maintains close communication with and supports interested enterprises to facilitate their establishment in NM, including arranging site visits for leading global enterprises from industries such as construction machinery, building materials, and biopharmaceuticals. Also, InvestHK will continue to encourage enterprises to participate in NM tender projects and proactively arrange business matching between NM developers and relevant enterprises.

The manpower and expenditure involved in NM-related investment promotion work by InvestHK have been subsumed under its overall establishment and estimates and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0316)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Ms Alpha LAU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Through its teams based in Hong Kong, the Dedicated Teams for Attracting Businesses and Talents based in the Mainland Offices and the overseas Hong Kong Economic and Trade Offices, as well as consultant offices in other locations, Invest Hong Kong (InvestHK) has all along been attracting and assisting companies around the world to set up or expand their businesses in Hong Kong. In this connection, will the Government inform this Committee of the following:

(1) Please tabulate, with a breakdown by business sector such as finance, fintech, tourism and hospitality, the top three sources of investment, their numbers of enterprises and jobs created as well as total amounts of direct investment in the past 3 years;

(2) Whether InvestHK has specific plans to enhance provision of information on Hong Kong's latest business environment, policies and development opportunities for potential investors and enterprises from the Mainland and overseas in the future;

(3) Following the setting up of consultant offices in Egypt and Türkiye in 2024-25, whether the Government has plans to set up new consultant offices in other countries or regions in the future; if so, the considerations for the choice of locations and the implementation timetable;

(4) To further tap into markets with potential such as Southeast Asia, the Middle East and Eastern Europe, what targeted measures will be introduced under the relevant promotional work of InvestHK in the coming 3 years, and what are the specific details of manpower and expenditure to be allocated; and

(5) Whether InvestHK will recruit more talent who are familiar with target markets, including those with local experience or backgrounds, so as to strengthen its capability to attract businesses in key regions and industries; if so, the staffing and estimated expenditure involved; if not, the reasons.

Asked by: Hon HO King-hong, Adrian Pedro (LegCo internal reference no.: 19)

Reply:

Through its teams based in Hong Kong, the Dedicated Teams for Attracting Businesses and Talents based in the Mainland Offices and the overseas Hong Kong Economic and Trade Offices, as well as consultant offices in other locations, Invest Hong Kong (InvestHK) has all along been reaching out to a wide spectrum of companies in different sectors and industries around the world to attract and assist them to set up or expand their businesses in Hong Kong.

During 2023 to 2025, InvestHK had exceeded the performance indicator set out in the 2022 Policy Address by attracting a total of over 1 400 enterprises to set up or expand businesses in Hong Kong. Those enterprises are expected to bring in direct investment of around HK$200 billion and create over 21 000 jobs in total in the first year of their establishment or expansion. The top 3 sectors and places of origin of those enterprises are as follows –

Top 3 sectors	**Total number of enterprises in 2023-2025**
Innovation and Technology	317
Financial Services and Fintech	317
Family Offices	201

Top 3 places of origin	**Total number of enterprises in 2023-2025**
Chinese Mainland	707
United States	128
United Kingdom	98

In view of the huge economic potential of the emerging markets, InvestHK set up consultant offices in Cairo, the capital of Egypt, and Izmir, the third-largest city in Türkiye in 2024-25, for attracting capital and enterprises from high-potential emerging countries in the Middle East and North Africa. These are the 3rd and the 4th consultant offices set up by the current-term Government since it took office, after the ones established in Nairobi, Kenya and Almaty, Kazakhstan.

InvestHK will continue to proactively explore relevant emerging markets to attract more inward direct investment from those markets to Hong Kong. For example, InvestHK will visit the Association of Southeast Asian Nations, Africa, Central Asia, Eastern Europe, South Asia and South America to meet with different enterprises and investment institutions, as well as organise and sponsor a series of events including roadshows, seminars and roundtables to provide them with the latest information on Hong Kong's business environment.

Relevant manpower and expenditure of InvestHK have been subsumed under its overall establishment and estimates and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0085)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Ms Alpha LAU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in Matters Requiring Special Attention in 2026-27 and Details of Expenditure that the increased provision is mainly for supporting the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) in formulating customised support for Chinese Mainland enterprises. In this connection, please inform this Committee:

(1) How many Mainland enterprises are expected to be covered and supported by the GoGlobal Task Force in the first year? Which industries or sectors are the primary targets?

(2) What are the specific estimated expenditure earmarked for supporting the GoGlobal Task Force and the staff establishment involved?

(3) Have specific key performance indicators been set for the GoGlobal Task Force to measure its effectiveness in assisting enterprises to expand their businesses overseas? If so, what are the details? If not, what are the reasons?

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 32)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong. InvestHK is responsible for the coordination between the

GoGlobal Task Force and Chinese Mainland enterprises, organising promotional activities and serving as the secretariat of the Steering Committee for the GoGlobal Task Force to coordinate the work of the members. Other GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

Since the establishment of the GoGlobal Task Force in October 2025, the Steering Committee has held 3 meetings to formulate work and promotion plans. Amongst others, the GoGlobal Task Force organised the first large-scale promotional event, namely, "Hong Kong - The Ideal Platform for Mainland Enterprises in Going Global Promotion Conference", at the margin of the China International Import Expo (CIIE) in Shanghai in November 2025, to promote Hong Kong's unique advantages and roles in assisting Chinese Mainland enterprises to go global and encourage them to use Hong Kong as the platform to go global and explore overseas markets. The Chief Executive, as well as leaders from the Hong Kong and Macao Affairs Office of the State Council, the Shanghai Municipal Government and the Ministry of Commerce (MoC), attended the event. The event also successfully brought together a number of heavyweight speakers to share Hong Kong's advantages in different areas and attracted over 500 enterprise representatives.

The Commerce and Economic Development Bureau and MoC signed a memorandum of understanding (MoU) on strengthening co-operation and exchange in the provision of comprehensive overseas services in February this year. The MoU will strengthen co-operation and exchange in the provision of comprehensive overseas services by leveraging Hong Kong's unique advantages of enjoying the strong support of the motherland and being closely connected to the world under "one country, two systems", thereby fostering closer collaboration between Chinese Mainland enterprises seeking to go global and Hong Kong professional service providers, and strengthening the capacity of those Chinese Mainland enterprises in going global.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. It includes organising promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during CIIE in Shanghai, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect. In addition, overseas outbound missions to be led by Hong Kong Special Administrative Region Government officials will be organised to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

Besides, InvestHK will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises, including Chinese Mainland enterprises planning to go global through Hong Kong, to set up or expand businesses in Hong Kong between 2026 and 2027.

Manpower and expenditure for relevant work by the GoGlobal Task Force members have been subsumed under their respective overall establishment and estimates, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0884)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Ms Alpha LAU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in Matters Requiring Special Attention in 2026-27, support will be provided to the Financial Secretary in leading the relevant departments in formulating packages of preferential policies including land grants, land premium, financial subsidies, and tax incentives, to attract strategic industries to set up businesses in Hong Kong. Please inform this Committee of:

(1) the progress of formulating these packages of preferential policies, as well as the time expected for such initiative to be officially announced and launched at the latest;

(2) the regions from which "the high value-added industries and high-potential enterprises" currently targeted mainly originate, and the number of related enterprises expected to be attracted to set up in Hong Kong in the first year.

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 33)

Reply:

The 2025 Policy Address announced that the Financial Secretary (FS) would lead the relevant policy bureaux, departments, and public organisations in formulating packages of preferential policies including land grants, land premiums, financial subsidies, and tax incentives, to attract high value-added industries and high-potential enterprises to set up in Hong Kong, thereby promoting high-quality development. Invest Hong Kong (InvestHK) can use the preferential policy packages flexibly during negotiations with enterprises on settlement details, then report to the FS for approval.

The FS has set up the Steering Committee on Preferential Policies for Attracting Industries and Investment (Steering Committee) and formulated a preliminary framework, which would take into account a series of factors, including the enterprise's industry sector and its technology level, as well as the potential economic contributions and employment

opportunities it can bring to Hong Kong. As a member of the Steering Committee, InvestHK will work to attract key enterprises to set up in Hong Kong under the steer of the FS. Specific tasks will include –

- To conduct researches on different overseas markets to identify high-potential enterprises that can make significant contributions to Hong Kong's economy and industrial chain and attract them to set up businesses in Hong Kong;

- To act as a "relationship manager" to liaise with the potential enterprises on settlement terms, including assessing the enterprises' business needs and contributions to Hong Kong's economy, and seeking policy support from the relevant policy bureaux and the Steering Committee, with a view to proposing attractive preferential policy packages (such as land grant arrangements, financial subsidies or tax incentives) to the enterprises and attracting them to set up businesses in Hong Kong; and

- To provide customised services and follow up with enterprises on arrangements such as setting up businesses, land deeds, legal contracts, etc. to ensure that the enterprises concerned can set up their businesses and commence operations smoothly.

InvestHK and members of the Steering Committee are proactively taking forward the work related to the preferential policy packages. The Government will announce in due course when cases become mature.

Looking ahead, InvestHK will work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises to set up or expand businesses in Hong Kong between 2026 and 2027, including high value-added industries and high-potential enterprises that may be eligible for the preferential policy packages.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0390)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Ms Alpha LAU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Programme that Invest Hong Kong will, in collaboration with the Investment Promotion Bureau of Shenzhen Municipality, continue to conduct joint investment promotion activities, and have signed a memorandum of understanding and organised joint investment forums, with a view to promoting the business environment and advantages of Hong Kong and Shenzhen. In this connection, will the Government inform this Committee of the number of joint investment promotion activities held in the past 3 years? Apart from forum(s), are there any other specific joint activities planned or scheduled for next year?

Asked by: Hon LAMPORT, Jonathan Stuart (LegCo internal reference no.: 33)

Reply:

Invest Hong Kong (InvestHK) has been collaborating with government authorities in various provinces and cities in the Chinese Mainland on investment promotion.

In past 3 years, InvestHK has collaborated with the Investment Promotion Bureau of Shenzhen Municipality to co-organise 20 investment promotion activities in various formats around the world. These included seminars, exchange sessions, roundtable fora held in Germany, Italy, the United Kingdom, Canada, Australia, Portugal and Belgium, etc., thereby promoting to local businesses the opportunities and complementary advantages brought by Hong Kong and Shenzhen being the core engines of the Guangdong-Hong Kong-Macao Greater Bay Area development.

InvestHK will continue to collaborate with the Investment Promotion Bureau of Shenzhen Municipality to proactively plan and organise more joint investment promotion activities worldwide to attract overseas enterprises to set up businesses in Hong Kong and expand into the Chinese Mainland market via Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0522)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Ms Alpha LAU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What is the total estimate for the expansion of overseas and Mainland network in 2026–27, and what are the specific purposes of this allocation (e.g. for setting up additional overseas offices, strengthening the Dedicated Teams, engaging more overseas consultants, etc.)?

Asked by: Hon LEUNG Tsz-wing, Dennis (LegCo internal reference no.: 39)

Reply:

Through its global investment promotion network, including Dedicated Teams for Attracting Businesses and Talents based in overseas Hong Kong Economic and Trade Offices, Invest Hong Kong (InvestHK) proactively identifies and reaches out to large multinational corporations and leading enterprises with high potential and economic value, so as to attract and assist them in setting up and expanding their businesses in Hong Kong.

InvestHK's expenditure on its overseas network, including staff expenditure, has been subsumed under its overall estimates and cannot be quantified separately.

End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2041)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Ms Alpha LAU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Last year, Invest Hong Kong (InvestHK) assisted 560 enterprises to set up or expand businesses in Hong Kong. Please inform this Committee of:

1. the estimated and actual expenditures of InvestHK by expenditure category in the past 3 years;

2. the respective numbers and percentages of enterprises assisted by InvestHK in setting up or expanding businesses in Hong Kong, broken down by sector or business, in the past 3 years; and the respective numbers and percentages of enterprises thereof involved in industries prioritised by the Government for development, such as innovation and technology, finance, life and health technology, advanced manufacturing, new energy, professional services and family offices;

3. the respective numbers and percentages of enterprises assisted by InvestHK in setting up or expanding businesses in Hong Kong, broken down by scale (i.e. startups, small and medium enterprises, and large-scale enterprises/multinational corporations), in the past 3 years; and

4. the respective numbers and percentages of enterprises assisted by InvestHK in setting up or expanding businesses in Hong Kong, broken down by country of origin/economy, in the past 3 years.

Asked by: Hon WONG Kam-fai, William (LegCo internal reference no.: 36)

Reply:

During 2023 to 2025, Invest Hong Kong (InvestHK) had exceeded the performance indicator set out in the 2022 Policy Address by attracting a total of over 1 400 enterprises to set up or expand businesses in Hong Kong. These enterprises are expected to bring in direct investment of around HK$200 billion and create over 21 000 jobs in total in the first year of

their establishment or expansion. They included startups, small and medium enterprises as well as large corporations. Top 5 sectors and places of origin of these enterprises are as follows –

Top 5 sectors	2023-2025	
	Total number of enterprises	Percentage
Innovation and technology [Note]	317	21%
Financial services and fintech	317	21%
Family offices	201	14%
Tourism and hospitality	165	11%
Business and professional services	138	9%

Note: Including life and health sciences, advanced manufacturing and new energy technology.

Top 5 places of origin	2023-2025	
	Total number of enterprises	Percentage
Chinese Mainland	707	47.7%
United States	128	8.6%
United Kingdom	98	6.6%
Singapore	79	5.3%
France	44	3.0%

The actual total expenditure of InvestHK in 2023-24 and 2024-25 amounted to $285.3 million and $305.6 million respectively. The revised estimate of expenditure for 2025-26 is $303.8 million. Estimates or expenditures categorised by the work or sectors above are not available. Relevant expenditures have been subsumed under InvestHK's overall estimates.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0139)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Ms Alpha LAU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Department indicated that the provision for 2026-27 was $57.6 million (19.0%) higher than the revised estimate for 2025-26, mainly due to the increased provisions for supporting Chinese Mainland enterprises under the GoGlobal Task Force, attracting strategic industries and enterprises to set up or expand businesses in Hong Kong by using the preferential policy packages, supporting activities of the Economic and Trade Express (ETE) and promoting family office related initiatives, and that there would be a net increase of 2 posts in 2026-27. In this connection, would the Government inform this Committee of the following:

1. Within the increased estimated expenditure, what are the respective estimated expenditures on supporting the GoGlobal Task Force, publicising the preferential policy packages, supporting the ETE and promoting family offices?

2. How many Mainland enterprises does the Government expect to assist in going global through the GoGlobal Task Force in 2026-27? What are the relevant key performance indicators?

3. What are the respective ranks of the 2 additional posts? What is the total amount of annual payroll cost (including salaries and fringe benefits)? Are these permanent posts or time-limited supernumerary posts? If supernumerary, what are the contract durations?

Asked by: Hon YAO Cho-fai, Andrew (LegCo internal reference no.: 34)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to

encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong. InvestHK is responsible for the coordination between the GoGlobal Task Force and Chinese Mainland enterprises, organising promotional activities and serving as the secretariat of the Steering Committee for the GoGlobal Task Force to coordinate the work of the members. Other GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

Since the establishment of the GoGlobal Task Force in October 2025, the Steering Committee has held 3 meetings to formulate work and promotion plans. Amongst others, the GoGlobal Task Force organised the first large-scale promotional event, namely, "Hong Kong - The Ideal Platform for Mainland Enterprises in Going Global Promotion Conference", at the margin of the China International Import Expo (CIIE) in Shanghai in November 2025, to promote Hong Kong's unique advantages and roles in assisting Chinese Mainland enterprises to go global and encourage them to use Hong Kong as the platform to go global and explore overseas markets. The Chief Executive, as well as leaders from the Hong Kong and Macao Affairs Office of the State Council, the Shanghai Municipal Government and the Ministry of Commerce (MoC), attended the event. The event also successfully brought together a number of heavyweight speakers to share Hong Kong's advantages in different areas and attracted over 500 enterprise representatives.

The Commerce and Economic Development Bureau and MoC signed a memorandum of understanding (MoU) on strengthening co-operation and exchange in the provision of comprehensive overseas services in February this year. The MoU will strengthen co-operation and exchange in the provision of comprehensive overseas services by leveraging Hong Kong's unique advantages of enjoying the strong support of the motherland and being closely connected to the world under "one country, two systems", thereby fostering closer collaboration between Chinese Mainland enterprises seeking to go global and Hong Kong professional service providers, and strengthening the capacity of those Chinese Mainland enterprises in going global.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. It includes organising promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during CIIE in Shanghai, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect. In addition, overseas outbound missions to be led by Hong Kong Special Administrative Region Government officials will be organised to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

Besides, InvestHK will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises, including Chinese Mainland enterprises planning to go global through Hong Kong, to set up or expand businesses in Hong Kong between 2026 and 2027.

To support Chinese Mainland enterprises in going global and to carry out other investment promotion work, InvestHK will create 2 permanent civil service posts of Trade Officer and Executive Officer I. The full annual average staff costs for the 2 posts (including salaries and staff on-cost) are estimated at $2.9 million. Other expenditures related to investment promotion work of the GoGlobal Task Force, preferential policy packages, the Economic and Trade Express, and family offices are subsumed under InvestHK's overall estimates and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1645)

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (1) Radio, (2) Public Affairs and General Television Programme

Controlling Officer: Director of Broadcasting (Angelina KWAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work on informing, educating and entertaining the general public through the provision of high quality television programmes, will the Government inform this Committee of the following:

1. What were the amounts, numbers of hours and related expenditures for the in-house produced programmes, commissioned programmes and acquired programmes of Radio Television Hong Kong (RTHK) in each of the past 3 years respectively?

2. What were the numbers of transmission hours for various types of RTHK programmes by programme genres (such as news, current affairs, government information, national education, sports, culture, lifestyle, education and dramas) in each of the past 3 years respectively?

3. What were the amounts and numbers of hours for local and overseas sports events broadcast live and recorded by RTHK in each of the past 3 years, broken down by local and overseas sports events? What were the expenditures involved in acquiring the broadcasting rights of the relevant events? What are the local and overseas sports events expected to be broadcast live or recorded by RTHK this year? What is the expenditure involved?

4. What were the numbers of hours for events of the 15th National Games (NG), the 12th National Games for Persons with Disabilities and the 9th National Special Olympic Games (NGD and NSOG) broadcast live and recorded by RTHK last year? What were the amounts and numbers of hours for programmes produced in relation to the NG, NGD and NSOG? What were the actual expenditures incurred by RTHK for the promotion, programme production and live broadcast of the NG, NGD and NSOG respectively?

5. What were the amount and number of hours for programmes produced by RTHK regarding "2025 Legislative Council General Election" last year? What was the actual expenditure involved?

Asked by: Hon CHAN Kapui, Judy (LegCo internal reference no.: 15)

Reply:

In the past 3 years, the total number of hours of first-run programmes produced and acquired by the Television (TV) Division of Radio Television Hong Kong (RTHK) is as follows:

Year	Hours of first-run produced programmes	Hours of first-run acquired programmes
2023-24 (Actual)	4 895.5	1 007.3
2024-25 (Actual)	5 431.6	855.5
2025-26 (Revised Estimate)	5 358.0	992.0

The overall provisions of Programme (2) (Public Affairs and General Television Programme) of RTHK for 2023-24, 2024-25 and 2025-26 (Revised Estimate) are $671.8 million, $725.2 million and $985.5 million respectively. Moreover, the TV programme commissioning has ceased since 2019.

RTHK programmes are produced in accordance with the 8 Programme Production Goals (PPGs) derived from the public purposes, mission and programming objectives set out in the Charter of RTHK. In the past 3 years, the number of transmission hours of RTHK TV programmes by PPG is as follows:

PPG	2023-24	2024-25	2025-26
1 (news and public affairs)	2 664	2 631	2 800
2 (sense of citizenship and national identity)	3 015	3 097	3 010
3 (public policies)	449	398	430
5 (social inclusion and pluralism)	609	464	430
6 (education)	494	464	550
7 (culture and arts)	664	530	470
8 (information and entertainment)	9 625	9 936	9 830
Total transmission hours	**17 520**	**17 520**	**17 520**

*PPG 4 is only applicable to radio services.

In the past 3 years, the number of hours of live broadcast and recorded local and overseas sports events on RTHK TV is as follows:

Year	Number of transmission hours for local events	Number of transmission hours for overseas events	Total transmission hours
2023-24	270	276	546
2024-25	710	3 090	3 800
2025-26	226	1 979	2 205

RTHK plans to continue to live broadcast and record local and international sports events in 2026-27, including the National Basketball League, the International Table Tennis Federation (ITTF) Men's and Women's World Cup, the ITTF Mixed Team World Cup, the FIBA 3x3 World Tour, the Hong Kong Premier League, competitions for local education sector and tertiary institutions, etc.

In 2025-26, apart from live and recorded broadcast of the 15th National Games (NG), the 12th National Games for Persons with Disabilities and the 9th National Special Olympic Games (NGD and NSOG) events on TV, RTHK also established 10 high-definition channels on its website to provide comprehensive live coverage of the NG, NGD and NSOG events. The total transmission hours on TV and online platforms were over 3 500 hours. RTHK has also produced 5 series of special programme "Towards the National Games 1-5" and the special programme for the NGD and NSOG "Inclusive NGD and NSOG 2025". Among them, "Towards the National Games 2: Path to Victory", "Inclusive NGD and NSOG 2025" and "Towards the National Games 4: Journeying Through the National Games" were co-produced with the Asia Pacific headquarters of the China Media Group and Guangdong Radio and Television. Furthermore, RTHK has produced several short informative videos for the NG, titled "National Games Discovery" and "A Guide to the National Games", and presented information on the NG, NGD and NSOG in the regular programmes "Sport in RTHK", "Hong Kong United" and "Vibrant Hong Kong". In addition, RTHK has integrated artificial intelligence (AI) technology into the production of the NG programmes, including generating visual elements for promotional videos with AI tools and editing highlights of events with AI, thereby enhancing production efficiency and visual effects of the programmes. Before the official commencement of NG events, RTHK also assisted the National Games Coordination Office (Hong Kong) in the production and live broadcast of various test events in handball, U22 basketball, triathlon, fencing, etc. The Radio Division also produced the special programme "Thrilled National Games 2025" and English programme "Inside the National Games", while the Newsroom produced a series of reports and exclusive interviews. Other radio programmes also promoted the NG, NGD and NSOG comprehensively through games, short segments, outreach projects, etc. In 2025-26, the expenditure incurred by RTHK for the production and live broadcast of the NG, NGD and NSOG programmes is about $85 million whereas the expenditure incurred for promotion is about $3 million.

The total transmission hours for live TV programmes and TV productions relating to the 2025 Legislative Council General Election were 65 hours, including "2025 Legislative Council General Election Seminar", "2025 LegCo General Election-Platform", "'Patriots Collaborate for Good Governance' 2025 Legislative Council Election Forums", "Hong Kong United: A Note on Voting", etc. RTHK TV 32 also provided full live coverage of the election press conference, vote counting and election results on the Election Day and the following day; and disseminated election information on the TV ticker and banner to encourage the public to vote. For radio programmes, the transmission hours for programmes relating to the 2025 Legislative Council General Election were 59.5 hours, including "Live broadcast of Election

Forums", recorded broadcasting of "2025 LegCo General Election-Platform" and "Live Broadcast on the Vote Counting Day".

Apart from the expenditure related to the NG, NGD and NSOG, the expenditure of the above projects is absorbed within the existing resources. RTHK does not have a breakdown on the expenditure for these projects.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2802)

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (3) New Media

Controlling Officer: Director of Broadcasting (Angelina KWAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimate will increase by $77.0 million (up to 133.7%) from $57.6 million in 2025-26 to $134.6 million in 2026-27. The increase "is mainly due to the increased provision for personal emoluments, departmental expenses and capital expenditure". Please provide details of the items with higher increases in provisions and the respective amounts.

Asked by: Hon CHAN Yung (LegCo internal reference no.: 21)

Reply:

The estimated expenditure under Programme (3)(New Media) of Radio Television Hong Kong (RTHK) for 2026-27 will increase by 133.7% to $134.6 million when compared with the revised estimate for 2025-26. This is mainly due to the consolidation of the estimates for personal emoluments, departmental expenses and capital expenditure relevant to new media content production, which were used to be covered under Programmes (1) and (2), into Programme (3) so as to more comprehensively reflect the resources devoted by RTHK into new media content production. The increase mainly covers the estimates for operating the video news platform, including the 9 posts responsible for video news production; the expenses for cross-platform dissemination of new media content internally produced by Radio and Television Divisions; and the expenses for publicity used on third-party online platforms. In addition, RTHK is enhancing the website (rthk.hk) and consolidating mobile applications. The related additional expenditure is also included under Programme (3). The above expenditure will be met by internal redeployment of resources within RTHK. No additional manpower and resources are involved.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1992)

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (2) Public Affairs and General Television Programme

Controlling Officer: Director of Broadcasting (Angelina KWAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated expenditure of Radio Television Hong Kong in 2026-27 is about $574 million, representing decreases ranging from 20% to 41.7% when compared with the previous 2 financial years. To understand the reasons for and specific circumstances of the reduction in estimated expenditure, please list the details of changes in the establishment, programme production costs and administrative expenses, broken down by year. Regarding the operation of 5 Digital Terrestrial Television channels, please explain the adjustment plan for programme scheduling in light of the estimated expenditure; and list the types of affected programmes, the revised budget amount, and how the Government assesses the impacts of the adjustments on the audience reach and public service quality.

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 7)

Reply:

The estimated expenditure of Radio Television Hong Kong (RTHK) under Programme (2)(Public Affairs and General Television Programme) in 2026-27 is lower than that in 2024-25 and 2025-26. This is mainly because RTHK was given additional provision in the last 2 financial years for supporting the production, promotion and live broadcast of the 15th National Games (NG), the 12th National Games for Persons with Disabilities and the 9th National Special Olympic Games (NGD and NSOG). NG, NGD and NSOG were concluded successfully at the end of 2025. Furthermore, RTHK will reduce the departmental expenses and capital expenditure in 2026-27 in accordance with the overarching principle of continued implementation of the reinforced fiscal consolidation programme announced in the Budget.

The financial provisions and establishment for the relevant years are tabulated below:

Item	2024-25 (Actual)	2025-26 (Revised)	2026-27 (Estimate)
Financial provision for Programme (2) ($m)	725.2	985.5	574.4
Establishment (as at 31 March)	418	409	402

The programme production costs and administrative expenses are part of the overall expenditure of RTHK. RTHK does not have a breakdown of the relevant categories of expenses.

As mentioned above, since the decrease in estimated expenditure in 2026-27 is mainly attributable to NG, NGD and NSOG, the adjusted budget for 2026-27 will not have much impact on regular programmes. Furthermore, to implement the reinforced fiscal consolidation programme, RTHK will utilise existing resources fully and make good use of technologies to enhance production efficiency and ensure the quality of public service can be maintained, so as to fulfill the public purposes and mission in the Charter of RTHK.

At the same time, RTHK will adopt a more proactive strategy and leverage the established film and television cooperation mechanism to promote RTHK programmes to buyers from both local and overseas organisations. Furthermore, RTHK will explore the appropriate collaboration approach and proposals for externally promoting signature cultural brands to expand the reach of RTHK programmes, engage wider audience groups, and enhance the influence of Hong Kong's film and television productions.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. CEDB205

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2959)

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (3) New Media

Controlling Officer: Director of Broadcasting (Angelina KWAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimate under Programme (3) for 2026-27 will increase by 133.7% when compared with the original estimate for 2025-26, while the estimates for various indicators are similar to those for 2025-26. What is/are the use(s) for the increase in departmental expenses and capital expenditure?

Asked by: Hon FONG Kwok-shan, Christine (LegCo internal reference no.: 7)

Reply:

The estimated expenditure under Programme (3)(New Media) of Radio Television Hong Kong (RTHK) for 2026-27 will increase by 133.7% to $134.6 million when compared with the revised estimate for 2025-26. This is mainly due to the consolidation of the estimates for personal emoluments, departmental expenses and capital expenditure relevant to new media content production, which were used to be covered under Programmes (1) and (2), into Programme (3) so as to more comprehensively reflect the resources devoted by RTHK into new media content production. The increase mainly covers the estimates for operating the video news platform, including the 9 posts responsible for video news production; the expenses for cross-platform dissemination of new media content internally produced by Radio and Television Divisions; and the expenses for publicity used on third-party online platforms. In addition, RTHK is enhancing the website (rthk.hk) and consolidating mobile applications. The related additional expenditure is also included under Programme (3). The above expenditure will be met by internal redeployment of resources within RTHK. No additional manpower and resources are involved.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0612)

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director of Broadcasting (Angelina KWAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the total number of established posts and the anticipated wastage rate for Radio Television Hong Kong in 2026-27? In the estimated expenditure for promoting "multimedia convergence development", what are the proportions of expenditure to be used for commissioned productions and internal productions respectively?

Asked by: Hon HO Kwan-yiu, Junius (LegCo internal reference no.: 13)

Reply:

In 2026-27, the establishment of Radio Television Hong Kong (RTHK) is 743 posts. RTHK does not maintain figures for the anticipated annual wastage rate. RTHK will plan prudently and utilise the manpower resources effectively, in accordance with the overarching principle of continued implementation of the reinforced fiscal consolidation programme announced in the Budget.

The estimated expenditure for new media services in 2026-27 will mainly be used for personal emoluments, departmental expenses and capital expenditure. The new media content is mainly produced by RTHK's in-house production staff. RTHK will also, depending on actual circumstances (such as when implementing specific-themed or large-scale major events), utilise departmental manpower fully whilst giving due consideration in procuring relevant services from the market as appropriate to leverage on the professional skills and relevant experience available in the market, in order to enhance flexibility and production output.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0613)

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (1) Radio, (2) Public Affairs and General Television Programme

Controlling Officer: Director of Broadcasting (Angelina KWAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the production budgets of Radio Television Hong Kong for programmes on promotion of "patriotic education" and "Basic Law" in 2026? What are the changes when compared with last year?

Asked by: Hon HO Kwan-yiu, Junius (LegCo internal reference no.: 14)

Reply:

As a government department and the public service broadcaster, Radio Television Hong Kong (RTHK) firmly fulfills the public purposes and mission in the Charter of RTHK. Amongst all, RTHK's Production Programme Goal 2 is to "promote understanding of the concept of "One Country, Two Systems" and engender a sense of citizenship and national identity", which covers programmes on promotion of "patriotic education" and "Basic Law". RTHK estimates to broadcast a total of 4 260 hours of radio and TV programmes on engendering a sense of citizenship and national identity in 2026-27, which is similar to that in 2025-26. RTHK does not maintain breakdown of the estimates for the different categories of programmes.

To raise public awareness of "One Country, Two Systems", for radio programmes, in 2026-27, RTHK will launch a series of new programmes including the interpretation of the National 15th Five-Year Plan, "APEC 2026", etc.; and continue to produce "One Belt One Road Music Journey" series, "The 18th Hong Kong Cup Diplomatic Knowledge Contest", "Solar Project", "50 Years After", "China's Revival and New Trends", the "Greater China: Technology Enterprises 30" series, "Charming China", "Inter-Tertiary Putonghua Debate Competition", etc. For TV programmes, RTHK will launch a new programme "Chronicle of Notable Chinese" in 2026-27 and continue to produce "GBA Lifestyle", "Love Our Home, Treasure Our Country", "Master of Chinese Knowledge – Season 2", "Learning Basic Law with Good Neighbours – Campus Edition", "Basic Law Quiz", "15th National Marine Knowledge Competition – Hong Kong Contest Final cum Prize Presentation Ceremony", "Journey to Greater Bay Area", etc.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **CEDB208**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0618)

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (000) Operational Expenses

Programme: (-) -

Controlling Officer: Director of Broadcasting (Angelina KWAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Given the change of media ecology, are the establishment and production cost ratio of Radio Television Hong Kong (RTHK) in recent years still competitive? Will the Financial Secretary please provide the percentage of RTHK's provisions for thematic programmes on promoting national security education and Chinese culture? With the sustained high level of expenditure on public service broadcasting, has the Government assessed the possibility of outsourcing some non-core production (such as entertainment and sports live streaming) to local private media for optimising resource allocation?

Asked by: Hon HO Kwan-yiu, Junius (LegCo internal reference no.: 23)

Reply:

Under the overarching principle of continued implementation of the reinforced fiscal consolidation programme announced in the Budget, Radio Television Hong Kong (RTHK) will utilise existing resources fully and make good use of technologies to enhance production efficiency and ensure the quality of public service can be maintained, so as to fulfill the public purposes and mission in the Charter of RTHK (the Charter).

In terms of staffing, the establishment of RTHK will be reduced from 762 posts in 2024-25 to 743 posts in 2026-27, representing a cumulative reduction of 19 civil service posts. RTHK will continue to utilise manpower resources effectively through internal redeployment, streamlining procedures and leveraging technologies. In terms of expenditure, as the 15th National Games, the 12th National Games for Persons with Disabilities and the 9th National Special Olympic Games were concluded successfully at the end of 2025, and in line with the overarching principle of continued implementation of the reinforced fiscal consolidation programme announced in the Budget, the financial provision for RTHK will be reduced from $1,260.3 million (actual expenditure) in 2024-25 to $1,123.9 million in 2026-27 estimate.

As a government department and the public service broadcaster, RTHK firmly fulfills the public purposes and mission in the Charter. Various categories of RTHK programmes, such as news and current affairs, arts and culture, and education information, etc., include content in promoting national security education and Chinese culture. These programmes fall under the Programme Production Goals 1, 2, 6, 7 and 8. RTHK will allocate provision flexibly in response to programme production needs. RTHK does not have estimate on the proportion of provision allocated to programmes involving promotion of national security education and Chinese culture.

Unlike commercial broadcasters, the programmes produced and broadcast by RTHK serve the majority whilst catering for the minority. RTHK will, depending on circumstances, collaborate with different media organisations, including collaborating with other media to live broadcast some sports events (e.g. the Hong Kong Premier League), so as to utilise resources flexibly and achieve synergy. RTHK will continue to explore the feasibility of collaborating with different media to broaden its audience reach and utilise the resources more effectively.

- End -

Examination of Estimates of Expenditure 2026-27 Reply Serial No.

CEDB209

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0619)

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (600) Works

Programme: (-) -

Controlling Officer: Director of Broadcasting (Angelina KWAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The new Broadcasting House is under construction by Radio Television Hong Kong. In the current budget, what is the latest estimated cost of the project? In view of the "fiscal consolidation programme" proposed in the Budget, is there any room for reducing the cost of this infrastructure project?

Asked by: Hon HO Kwan-yiu, Junius (LegCo internal reference no.: 24)

Reply:

The proposed new Broadcasting House for Radio Television Hong Kong (RTHK) is still at the planning stage with no project cost estimate so far. RTHK will plan the relevant project in accordance with the overarching principle of continued implementation of the reinforced fiscal consolidation programme announced in the Budget, in order to ensure public resources can be utilised more effectively.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0707)

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (3) New Media

Controlling Officer: Director of Broadcasting (Angelina KWAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work of Radio Television Hong Kong (RTHK) on the New Media, will the Government inform this Committee of the following:

(1) What are the detailed reasons for the increase in the estimated financial provision for the New Media by 168.1% in 2026-27 when compared with the original estimate of last year?

(2) As there will be a net increase of 9 posts under the New Media in 2026-27, please provide the details of these new posts (including the post titles, duties and salaries), as well as the estimated annual expenditure involved.

(3) As RTHK said that it would "continue to provide high-quality new media services with the application of new information technology and artificial intelligence technology" in 2026-27, please advise of the new information technology and artificial intelligence technology currently in use and the relevant information.

(4) From 2 years ago up till now, what were the annual amount of content (such as videos, posts or resources) provided by RTHK on various social media platforms (including but not limited to YouTube, Facebook, Instagram, Xiaohongshu and Bilibili) and the performance measures or key performance indicators respectively?

(5) From 2 years ago up till now, what were the establishment and strength responsible for the new media services respectively?

Asked by: Hon LAM Chun-sing (LegCo internal reference no.: 35)

Reply:

The estimated expenditure under Programme (3)(New Media) of Radio Television Hong Kong (RTHK) for 2026-27 will increase by 168.1% to $134.6 million when compared with

the 2025-26 original estimate. This is mainly due to the consolidation of the estimates for personal emoluments, departmental expenses and capital expenditure relevant to new media content production, which were used to be covered under Programmes (1) and (2), into Programme (3) so as to more comprehensively reflect the resources devoted by RTHK into new media content production. The increase mainly covers the estimates for operating the video news platform, including the 9 posts responsible for video news production (i.e. 1 Principal Programme Officer, 1 Senior Programme Officer, 1 Programme Officer, and 6 Assistant Programme Officers); the expenses for cross-platform dissemination of new media content internally produced by Radio and Television Divisions; and the expenses for publicity used on third-party online platforms. In addition, RTHK is enhancing the website (rthk.hk) and consolidating mobile applications. The related additional expenditure is also included under Programme (3). The above expenditure will be met by internal redeployment of resources within RTHK. No additional manpower and resources are involved.

Under the overarching principle of continued implementation of the reinforced fiscal consolidation programme announced in the Budget, RTHK has strived to develop into smart broadcasting to provide high-quality new media services by applying new technologies such as artificial intelligence (AI), the 5th generation mobile communications (5G) technology and cloud storage technology. Since 2024, RTHK has started to explore and test various AI technologies in media production and broadcasting, e.g. developing video and photo auto-tagging, AI-assisted subtitling and captioning; adopting various AI generative tools to enhance editing capabilities, restore old photos and footages; enriching design effects with AI drawings in producing social media short videos and posts for enhancing interactions; and enabling young students to understand the integration of AI into television and new media productions through visiting RTHK facilities. In addition, the AI Chatbot Assistant service was officially launched on RTHK's website in July 2025 to support programme enquiries and customer services by using the large language model and rule-based system. Moreover, a new generation outside broadcasting truck installed with 5G technology equipment was also put into service formally in July 2025 to achieve faster and more stable audio and video transmission. RTHK will continue to further explore the application of AI in broadcasting and new media, so as to enhance efficiency and cost-effectiveness.

As at March 2026, RTHK maintains official channels on different social media platforms, including Facebook, Instagram, YouTube, LinkedIn, as well as Xiaohongshu, Weibo and Bilibili which are popular in the Chinese Mainland. In 2024-25 and 2025-26, the numbers of posts/videos published on the major social media platforms by RTHK are as follows:

Social media platform	2024-25	2025-26 (As at end of February 2026)
Facebook	5 110	3 668
Instagram	4 993	4 742
YouTube	8 954	6 186
LinkedIn	100	55
Xiaohongshu (Account created in April 2025)	-	751
Weibo	805	768
Bilibili	662	778

Note: The above statistics do not include the posts/videos published on video news platform and the accounts established under the names of individual RTHK channels or programmes.

The key performance measures in respect of new media and RTHK's performance are set out in the Controlling Officer's Report. RTHK will continue to closely monitor the usage of various social media platforms, and make adjustments as and when necessary, in order to reach different listeners and viewers more effectively in its provision of services to the public.

In 2024-25 and 2025-26, the establishment and strength of the Digital Media Delivery Section are as follows:

	2024-25	2025-26 (As at end of February 2026)
Establishment	23	23
Strength	20	22

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **CEDB211**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3226)

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (1) Radio, (2) Public Affairs and General Television Programme

Controlling Officer: Director of Broadcasting (Angelina KWAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Radio Television Hong Kong (RTHK) currently operates 8 AM/FM radio channels and 5 Digital Terrestrial Television (DTT) channels. In this connection, please inform this Committee of the following:

1) What were the actual listening ratings and viewership of the 8 radio channels and 5 DTT channels respectively over the past 3 years?

2) Has RTHK set target listening ratings and viewership for various radio channels and DTT channels? If so, have the targets been met? If not, is there any plan to set performance indicators?

3) With the prevalence of the Internet and the flow of information, many forms of entertainment are available online, resulting in the decreasing number of people listening to radio programmes. Does the Administration have any plan to explore the merging of the 8 radio channels to reduce expenditure?

4) The 5 DTT channels are: RTHK TV 31 which provides general programming; RTHK TV 32 which covers live events including local, the Mainland and international news, press conferences and Legislative Council meetings; RTHK TV 33 to 35 which relay Mainland television (TV) programmes. Among these 5 channels, only RTHK TV 31 has some in-house produced programmes, while RTHK TV 32 to 35 mostly broadcast relayed programmes. In this connection, does the Administration have any plan to explore the merging of the 5 TV channels to reduce expenditure?

5) There are views that RTHK TV channels have lower viewership than other free TV channels. What are the plans and budgets of the Administration for enhancing the public reach of various TV channels? Is there any plan for reorganising the production directions?

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 36)

Reply:

As a public service broadcaster, Radio Television Hong Kong (RTHK)'s programme production has to cater for the needs of different groups in the society, including the mass audience as well as the minority groups such as ethnic minorities and non-Chinese speaking group. Besides, programmes produced by RTHK cover various aspects including news, current affairs, government information, national education, sports, culture, lifestyle and education programmes, etc. As such, viewership and listening ratings are not appropriate reference indicators for evaluating RTHK's performance in providing public broadcasting services.

The performance of RTHK is evaluated under 8 Programme Production Goals (PPGs), which are drawn up based on the public purposes, mission and programming objectives stipulated in the Charter of RTHK. RTHK's performance under respective PPGs is set out in the Controlling Officer's Report. RTHK will review and adjust the service performance criteria on an annual basis to assess the effectiveness.

To provide diversified programmes to the public, the 8 radio channels and 5 TV channels of RTHK have different positioning. For Radio, Channel 1 mainly provides news, information and general programmes; Channel 2 provides entertainment and popular music programmes, and promotes youth, family and community projects; Channel 3 provides news, information and entertainment programmes in English; Channel 4 is the only channel providing classical music and fine arts programmes in Hong Kong; Channel 5 mainly targets the elderly and provides cultural and education programmes; the Putonghua channel mainly broadcasts in Putonghua to provide general, news and finance programmes, as well as the broadcast of Community Involvement Broadcasting Service programmes. To enhance the sense of citizenship and national identity, Channel 6 and Channel 8 relay China National Radio Hong Kong Edition, and Radio the Greater Bay of the China Media Group respectively.

For TV, RTHK TV 31 provides general programmes on current affairs, information, education, culture, arts and entertainment, etc. Since April 2025, RTHK has provided different time slots, some of which are specially designated for children, intellectual content, dramas, lifestyle, animations and comics, etc. to cater for the diversified interests and needs of more audience.

Since January 2026, RTHK TV 32 has enhanced its news and current affairs content, so as to highlight RTHK's role as a government department and strengthen its function of disseminating government information. Apart from launching the live programme "In The Chamber" which focuses on the Legislative Council affairs, RTHK TV 32 has added a segment for news updates every half hour during the daytime, so as to provide the public with latest and accurate news information. RTHK will continue to enhance the programme content of RTHK TV 32, and produce more programmes on government policies, development of our Nation and international affairs to keep the public informed of the latest information. To enhance the sense of citizenship and national identity, RTHK will continue to relay programmes of China Central Television Channel 1, China Global Television Network (CGTN) Documentary and CGTN through RTHK TV 33, 34 and 35, enabling Hong Kong audience to have a better understanding of the Chinese Mainland.

As the radio and TV channels operated by RTHK include relay of Chinese Mainland radio and TV channels, there is very limited scope for RTHK to consolidate all radio and TV channels. Despite this, RTHK will continue to review and adjust the positioning of local radio and TV channels as well as its programming strategies to utilise resources more effectively so as to fulfill the public mission of RTHK.

With the prevalence of the Internet and social media, the video content of RTHK is also provided for viewing by audience through multimedia platforms. The average monthly click-through rate of RTHK's webpage reaches 18.43 million, while the number of subscribers for the YouTube platform is 1.17 million. RTHK will optimise its website to improve user experience, continue to enhance digital platform promotion and explore more new media content to broaden its audience base, including those outside Hong Kong.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **CEDB212**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3227)

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (3) New Media

Controlling Officer: Director of Broadcasting (Angelina KWAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The New Media services of Radio Television Hong Kong currently provide different online platforms and content for audiences through the official website (i.e. "rthk.hk"), 5 mobile applications (including "RTHK on the Go", "RTHK TV", "RTHK Radio", "RTHK News", and "RTHK Audio Description"), and on social media (such as YouTube, Facebook, Instagram, Xiaohongshu and Bilibili). In this connection, please inform this Committee of the following:

1) What were the numbers of downloads, average usage and operating expenditure involved for the 5 mobile applications in the past 3 years?

2) What is/are the reason(s) for the provision of online platforms and content through 5 applications? Has the Administration considered the merging of the 5 platforms into 2 to 3 to reduce expenditures?

3) What were the numbers of subscribers, average page views and operating expenditure involved for various social media platforms in the past 3 years?

4) Given the stringent control over the growth of operational expenses, and the requirement for every government department to consolidate resources, why is there an increase of $77.0 million (up to 133.7%) for the estimated provision in 2026-27 against the revised estimate for 2025-26?

5) There will be a net increase of 9 posts under this Programme in 2026-27. What are the establishment and expenditure on the emoluments for these 9 posts respectively? Will the increase in manpower go against the target set by the Financial Secretary for reducing the civil service establishment by 2% in each of the coming 2 financial years?

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 37)

Reply:

The number of downloads and the annual average usage of the 5 mobile applications of Radio Television Hong Kong (RTHK) in the past 3 years is tabulated below:

Mobile Application	Accumulated Number of Downloads		
	2023	**2024**	**2025**
RTHK on the Go	2 530 000	2 572 000	2 615 000
RTHK TV	659 000	745 000	815 000
RTHK Radio	539 000	598 000	659 000
RTHK News	703 000	729 000	782 000
RTHK Audio Description Note 1	4 600	8 000	12 000

Mobile Application	Annual Average Usage Note 2
RTHK on the Go	1 308 000
RTHK TV	356 000
RTHK Radio	1 332 000
RTHK News	796 000
RTHK Audio Description	- Note 3

Note 1: The mobile application "RTHK Audio Description" transmits the audio channel of the audio description television programmes broadcasting on RTHK TV 31 to mobile devices in real time. The application mainly serves the visually impaired.
Note 2: Rounded to the nearest thousand.
Note 3: As the mobile application is not equipped with usage trackers, there is no relevant data.

The total annual operating expenditure of the 5 mobile applications is about $670,000. RTHK does not have a breakdown of the operating expenditure for individual mobile application.

The number of subscribers for each social media platform in the past 3 years is tabulated below Note 4:

Social media platform	2023-24 (As at 31 March 2024)	2024-25 (As at 31 March 2025)	2025-26 (As at end of February 2026)
Facebook	301 000	322 000	338 000
Instagram	Not available Note 5	35 000	83 000
YouTube	1 027 000	1 150 000	1 177 000
Xiaohongshu (Account created in April 2025)	-	-	99 000
Bilibili	Not available Note 5	50 000	59 000

The annual average page views for each social media platform in the past 3 years are tabulated below [Note 4]:

Social media platform	Annual Average Page Views
Facebook	38 817 000
Instagram	30 322 000
YouTube	500 120 000
Xiaohongshu (Account created in April 2025)	7 095 000
Bilibili	758 000

Note 4: Rounded to the nearest thousand.

Note 5: The relevant platforms were on trial run during the said period and hence RTHK did not keep the relevant statistics.

The social media content is mainly produced by RTHK's in-house staff, and the relevant expenditure is included in the daily departmental operating expenditure. RTHK does not have a breakdown of the operating expenditure for the social media platforms.

The estimated expenditure under Programme (3)(New Media) for 2026-27 will increase by 133.7% to $134.6 million when compared with the revised estimate for 2025-26. This is mainly due to the consolidation of the estimates for personal emoluments, departmental expenses and capital expenditure relevant to new media content production, which were used to be covered under Programmes (1) and (2), into Programme (3) so as to more comprehensively reflect the resources devoted by RTHK into new media content production. The increase mainly covers the estimates for operating the video news platform, including the 9 posts responsible for video news production; the expenses for cross-platform dissemination of new media content internally produced by Radio and Television Divisions; and the expenses for publicity used on third-party online platforms. In addition, under the overarching principle of continued implementation of the reinforced fiscal consolidation programme announced in the Budget, RTHK is enhancing the website (rthk.hk) and consolidating mobile applications. The related additional expenditure is also included under Programme (3). The above expenditure will be met by internal redeployment of resources within RTHK. No additional manpower and resources are involved. RTHK will continue to utilise new technology, develop into smart broadcasting and provide high-quality new media services.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2028)

Head: (160) Radio Television Hong Kong

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director of Broadcasting (Angelina KWAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding further enhancement of news and current affairs services by Radio Television Hong Kong (RTHK), will the Administration inform this Committee:

1. of the major projects and amounts of expenditures involved in enhancing the online platforms, mobile applications and relevant digital services by RTHK in each of the past 3 years;

2. whether RTHK will explore the introduction of artificial intelligence retrieval platform or smart assistant, so as to enhance the experience of public retrieval and browsing of RTHK programmes and information; if yes, of the details such as the relevant plan, timetable and resource allocation; if not, the reasons for that?

Asked by: Hon WONG Kam-fai, William (LegCo internal reference no.: 18)

Reply:

To enhance the quality of service and expand audience reach, Radio Television Hong Kong (RTHK) continues to enhance its online platforms, mobile applications and related digital services. In this regard, the projects involved over the past 3 years include 3-in-1 mobile application "RTHK on the Go" (by consolidating the mobile applications "RTHK TV", "RTHK Radio" and "RTHK on the Go"), provision of subtitles and multi sound track in live and re-run programmes, etc. so as to enhance user experience.

In addition, the AI Chatbot Assistant service was officially launched on RTHK's website in July 2025 to support programme enquiries and customer services by using the large language model and rule-based system. Moreover, since 2024, RTHK has started to explore and test various AI technologies in media production and broadcasting, e.g. developing video and photo auto-tagging, AI-assisted subtitling and captioning; adopting various AI generative tools to enhance editing capabilities, restore old photos and footages; and enriching design effects with AI drawings in producing social media short videos and posts for enhancing

interactions. RTHK is also enhancing the website (rthk.hk) and consolidating mobile applications, and will further explore the use of AI technology in further enhancing their functionality.

The above items are included in the operating expenses of RTHK with no breakdown of figures. Under the overarching principle of continued implementation of the reinforced fiscal consolidation programme announced in the Budget, RTHK will continue to utilise new technology, develop into smart broadcasting and provide high-quality new media services.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3168)

Head: (180) Office for Film, Newspaper and Article Administration

Subhead (No. & title): (000) Operational expenses

Programme: (-) Film Classification, Control of Obscene and Indecent Articles and Newspaper Registration

Controlling Officer: Director of Film, Newspaper and Article Administration (Mr Chaucer LEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Head 180 of the Estimates, it is mentioned that the Government has organised publicity and public education programmes and roving exhibitions with the aim of encouraging children and young people to stay away from indecent and obscene materials on the Internet and promoting public awareness of the provisions of the Control of Obscene and Indecent Articles Ordinance, while processing complaints relating to the publication of obscene and indecent articles. In this connection, please inform this Committee of:

(1) the actual expenditure involved in the relevant publicity work on children and young people in the past year; whether there is any compilation of statistics (regarding the school talk coverage ratio and the rate of awareness among students, etc.) to evaluate the effectiveness?

(2) whether there is any plan to introduce artificial intelligence tools to step up the enforcement efforts of film classification and inspection of obscene and indecent articles in the coming year; if so, what are the estimated expenditure involved and the key performance indicators?

Asked by: Hon CHAN Man-ki, Maggie (LegCo internal reference no.: 37)

Reply:

The Office for Film, Newspaper and Article Administration (OFNAA) has been working to enhance public awareness, especially among children and young people, of the Control of Obscene and Indecent Articles Ordinance (Cap. 390) (COIAO) and to promote the message of staying away from obscene and indecent content on the Internet through various publicity and public education programmes, as well as collaboration with different government departments and organisations. The total expenditure on publicity and public education programmes organised by OFNAA in 2025-26 was about $6 million.

OFNAA introduced in-school mobile promotion stations in primary and secondary schools in the 2025/26 school year to further embed the concept of healthy Internet use in schools through fun and lighthearted activities such as interactive games. A total of 20 sessions of in-school mobile promotion stations were held and attracted about 4 000 participants. In addition, more than 270 talks were organised in 2025 to introduce ways on safe and smart use of the Internet to students, parents and youth groups, with a total attendance of about 38 000. OFNAA also arranged about 100 roving drama performances for schools in the previous school year, attracting about 15 000 primary and secondary students. The 100 drama performances planned for the current school year are fully booked and being scheduled. OFNAA will also continue to organise student programmes and competitions of various formats, such as the "Healthy Information Student Ambassadors Scheme", the "Healthy Mobile App Sticker Design Competition", slogan and colouring competition, the "Healthy Student Video Contest" and the "Healthy Chinese Public Speaking Competition", to further enhance the understanding of the COIAO among children and young people and to promote the concept of healthy use of the Internet.

On the other hand, OFNAA has also been organising a series of 8 roving exhibitions at shopping malls and Government premises since end 2025. These exhibitions promoted the message of healthy Internet use to the general public through a range of interactive experiences such as exhibition panels, game booths and educational videos. Among these, 7 exhibitions have already taken place and attracted about 15 000 visitors.

OFNAA will continue to explore the use of assistive tools such as artificial intelligence in optimising workflow and further enhancing efficiency. As such efforts are part of the daily operation of OFNAA, the expenditure and key performance indicators involved cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1392)

Head: (180) Office for Film, Newspaper and Article Administration

Subhead (No. & title): (000) Operational expenses

Programme: (-) Film Classification, Control of Obscene and Indecent Articles and Newspaper Registration

Controlling Officer: Director of Film, Newspaper and Article Administration (Mr Chaucer LEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to the efforts of strengthening the protection of children and young people from the influence of online objectionable information, will the Government advise on:

(1) how many school talks are planned to be held with the theme of "Safe Use of the Internet" this year; what are the estimated numbers of students, parents and youth groups intended to be covered by such talks respectively?

(2) whether the publicity and education programmes, such as the "Student Ambassadors Scheme", public speaking competitions and roving dramas, will continue to be carried out and whether new promotional videos will be produced?

(3) whether the Government will act, in the light of the rapid development of generative artificial intelligence (AI) technologies which has led to frequent occurrence of cases involving AI-generated indecent materials (including production of contents using deepfake technology) on the Internet, by increasing the estimated expenditure and manpower this year so as to step up the regulatory and enforcement efforts against these generative indecent materials on the Internet?

Asked by: Hon CHIU Duncan (LegCo internal reference no.: 20)

Reply:

The Office for Film, Newspaper and Article Administration (OFNAA) has been working to enhance public awareness, especially among children and young people, of the Control of Obscene and Indecent Articles Ordinance (Cap. 390) (COIAO) and to promote the message of staying away from obscene and indecent content on the Internet through various publicity and public education programmes, as well as collaboration with different government departments and organisations.

OFNAA organised more than 270 talks in 2025 to introduce safe and smart use of the Internet to students, parents and youth groups, with a total attendance of about 38 000, including about 35 000 students and members of youth groups as well as about 3 000 parents. OFNAA plans to organise a similar number of talks in 2026 which are expected to reach a similar number of participants as last year.

In 2026-27, OFNAA will also continue to organise student programmes and competitions of various formats, such as the "Healthy Information Student Ambassadors Scheme", roving drama performances for schools, the "Healthy Mobile App Sticker Design Competition", slogan and colouring competition, the "Healthy Student Video Contest" and the "Healthy Chinese Public Speaking Competition", to further enhance the understanding of the COIAO among children and young people and to promote the concept of healthy use of the Internet.

With regards the governance of indecent articles on the Internet, having consulted relevant bureaux and the Department of Justice, our consolidated reply is as follows.

Where publication of indecent articles is involved, regardless of whether artificial intelligence (AI) was used in their production, the following ordinances apply:

- Any person who publishes or threatens to publish intimate images without consent may violate section 159AAE of the Crimes Ordinance, with a maximum penalty of 5 years of imprisonment. For crimes committed using computers, the Government will handle them under the offence of "access to computer with dishonest intent" under section 161 of the Crimes Ordinance; and

- Publication or display of obscene or indecent articles in Hong Kong, regardless of whether AI was used in their production, is regulated under the COIAO.

Furthermore, the Government is of the view that it must take a candid and proactive approach to the risks (for example, AI-generated indecent materials (including content produced by deepfake technology)) and regulatory requirements that may arise from the development and application of AI, so as to strike a balance between promoting relevant development and mitigating associated risks. To review whether the laws under different policy areas can keep pace with technological developments (including AI), the Secretary for Justice convened a Steering Committee meeting on the establishment of the Inter-Departmental Working Group to Review Legislation to Support Wider Application of AI (Working Group) on 6 March 2026.

The core members of the Working Group will be drawn from various policy bureaux and departments (B/Ds). B/Ds need to first conduct a comprehensive and thorough review of existing laws to identify loopholes and deficiencies, and then formulate targeted and practicable solutions taking into account Hong Kong's actual environment. At present, the work of the Steering Committee and the Working Group will be supported by the Government's existing resources.

Meanwhile, in respect of conduct such as the use of AI to produce pornographic, obscene, or indecent images, it is understood that the Sub-committee on Cybercrime under the Law Reform Commission is studying the existing laws from the angle of cyber-enabled crimes with a view to consulting the public in due course.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1859)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Aaron LIU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government's estimated expenditure for supporting small and medium enterprises and industries has been decreasing from $2.617 billion in 2024-25 to $1.389 billion in the estimate for 2026-27, representing a decrease of 50% over 3 years. Will the Government inform this Committee of the reasons for lowering the estimate? If the financial situation improves in the future, will the funding estimate be increased?

Asked by: Hon CHUNG Ki-fung, Tommy (LegCo internal reference no.: 1)

Reply:

The provisions allocated to support small and medium enterprises (SMEs) and industries under Programme (3) are primarily used to cover the expenditure of the funding schemes under the Trade and Industry Department, including the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), the SME Export Marketing Fund (EMF), and the Trade and Industrial Organisation Support Fund, as well as the operating expenses of various tasks under Programme (3). The annual estimated expenditure of the funding schemes is calculated based on the estimated cash flow requirements for applications approved/expected to be approved for the year.

Enterprises' demand for government funding support has surged in recent years. For the BUD Fund, the number of applications received in 2024 has increased by over 320% as compared with that in 2019, while the funding amount approved from 2019 to 2024 was approximately $5.43 billion, meaning that about 90% of the funding was granted within these 6 years. During the same period, the number of applications for the EMF has also increased by 87%. To ensure financial sustainability of the funding schemes, the Government has implemented a series of rationalisation measures since 14 March 2025. After the implementation of the rationalisation measures, enterprises focus on more prioritised and cost-effective marketing activities and utilise the resources more precisely on effective promotion. Therefore, there will be corresponding changes in the cash flow in 2026-27.

The Government announced in the 2025 Policy Address and the 2026-27 Budget the injection of a total of $1.63 billion into the BUD Fund to implement a series of measures to strengthen the support to SMEs, including expansion of the geographical scope of the BUD Fund by 20% to cover 48 economies, enhancing promotion and facilitating enterprises' participation in exhibitions and export marketing activities through "Easy BUD", increasing the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000, and providing more targeted funding support for enterprises to implement BUD Fund projects which involve artificial intelligence elements. Together with the $2.5 billion already injected into the BUD Fund and the Export Marketing and Trade and Industrial Organisation Support Fund in 2025, the Government will have injected over $4 billion into these funding schemes in the financial years 2025-26 and 2026-27, fully reflecting the Government's strong support for SMEs. In addition, the government will continue to promote services that help enterprises enhance their capabilities, such as providing SMEs with "four-in-one" integrated services and the "SME ReachOut" service which has been enhanced with a government grant of $100 million over 5 years starting from October 2023.

The Government will continue to keep in close touch with the trade, review constantly the operation of various funding schemes and make adjustments as needed to provide appropriate support for SMEs while ensuring the financial sustainability of the relevant funding schemes.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1860)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Aaron LIU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The "amount of government grants approved" under the Trade and Industrial Organisation Support Fund and the number of "SME beneficiaries" under the SME Export Marketing Fund have decreased by around 80% and 25% respectively. The Government justifies the decrease in these numbers with "rationalisation measures". Will the Government inform this Committee of the details of the relevant "rationalisation measures"?

Asked by: Hon CHUNG Ki-fung, Tommy (LegCo internal reference no.: 2)

Reply:

The Government reviews the various funding schemes from time to time, ensuring that resources are utilised properly while effective support can be provided to the trade continuously, helping the latter cope with various challenges.

The Trade and Industrial Organisation Support Fund (TSF)

To motivate the industries to carry out more projects to assist enterprises in upgrading and transformation and to enhance governance, a series of rationalisation measures have been implemented under the TSF since end-December 2024, including providing full funding support (i.e. up to a maximum of 90% of the total approved project expenditure) for upgrading and transformation projects and only partial funding support (i.e. up to a maximum of 50% of the total approved project expenditure) for promotional projects. The new measures also include requiring organisations in general to submit new applications only after completion of their approved projects, etc. After the implementation of the rationalisation measures, we noticed that the approved projects in 2025 were mostly upgrading and transformation projects, but each project had requested a smaller funding amount. Therefore, there is a decrease in the amount of grants approved under the TSF in 2025.

The SME Export Marketing Fund (EMF)

To ensure financial sustainability of the funding scheme, the Government has implemented rationalisation measures since 14 March 2025 such that the EMF is utilised in the most productive manner. These include adjustments to the matching ratio, initial payment and rationalisation of other parameters of the EMF, such as restricting the number of repeated applications of a similar nature on certain activities, etc.

After the implementation of the rationalisation measures, enterprises focus on more prioritised and cost-effective marketing activities and utilise the resources more precisely on effective promotion. Therefore, there are corresponding changes in respect of relevant statistical figures.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1861)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Aaron LIU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The "total number of SME beneficiaries" of the SME Export Marketing Fund has decreased by 25%. Has the Government delved into the underlying reasons? If yes, what are the reasons? If no, what are the reasons? Does the Government have any response measures to increase the "total number of SME beneficiaries"?

Asked by: Hon CHUNG Ki-fung, Tommy (LegCo internal reference no.: 3)

Reply:

To ensure financial sustainability of the funding scheme, the Government has implemented rationalisation measures since 14 March 2025 such that the SME Export Market Fund (EMF) is utilised in the most productive manner with a view to encouraging enterprises to focus on more prioritised and cost-effective marketing activities and utilise the resources more precisely on effective promotion. Besides, to focus resources on equipping enterprises for upgrading and transformation, the EMF will be consolidated into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) upon expiry of the former's special measures on 30 June 2026. This allows enterprises to undertake promotional activities in the context of upgrading and transformation under the BUD Fund, thereby attaining synergy. To this end, enterprises will be presented with a multitude of options to holistically consider their promotional efforts in tandem with upgrading and transformation. The Government could also dedicate more targeted support to equip Hong Kong enterprises for facing the challenging business environment nowadays. There is thus a decrease in the total number of small and medium enterprise (SME) beneficiaries of the EMF. The Government will enhance promotion and facilitate enterprises' participation in exhibitions and export marketing activities through "Easy BUD", thereby developing more diversified markets. The 2026-27 Budget announced that the funding ceiling per "Easy BUD" application will be increased by 50% from $100,000 to $150,000 to strengthen the Government's support for SMEs in promoting their businesses and exploring new markets.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0465)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Aaron LIU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 131 of the 2026-27 Budget Speech that the Government is enhancing various measures to strengthen the competitiveness of small and medium enterprises (SMEs). In this connection, will the Government inform this Committee of the following:

1. What are the specific measures that the Government has implemented or is going to implement to help SMEs cope with the above challenges? Please specify the relevant budget arrangements and how resources are allocated.

2. What are the Government's promotional schemes to facilitate the building of Hong Kong brands and enhance market recognition of local products and services?

Asked by: Hon LEE Hoey Simon (LegCo internal reference no.: 34)

Reply:

The Government strives to support Hong Kong enterprises and strengthen its support for small and medium enterprises (SMEs) through various funding schemes and capacity-building services, with a view to assisting them in promoting brands, exploring markets and enhancing competitiveness. Specific measures are as follows:

Funding schemes

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support to enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements through branding, upgrading and restructuring, etc. To further support SMEs to cope with economic transformation and to harness market opportunities, the Government announced in the 2025 Policy Address and the 2026-27 Budget the injection of a total of $1.63 billion into the BUD Fund. Together with the injection of $1.75 billion made in 2025-26, the

Government would have injected over $3 billion in these 2 financial years. Besides, the Government has announced a series of measures to strengthen the support to SMEs, including expansion of the geographical scope of the BUD Fund by 20% to 48 economies; enhancing promotion and facilitating enterprises' participation in exhibitions and export marketing activities through "Easy BUD" for further brand development and increasing the recognition of "Hong Kong brands"; increasing the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000; and providing more targeted funding support for enterprises to implement BUD Fund projects which involve artificial intelligence elements.

The SME Export Marketing Fund (EMF) provides funding support for SMEs to participate in export promotion activities for developing markets outside Hong Kong. The Government has extended the special measures to end-June 2026 to continue expanding the EMF's funding scope to cover exhibitions targeting the "local market" and online exhibitions, as well as relaxing the eligibility criteria to cover non-SMEs. To focus resources on equipping enterprises for upgrading and transformation, the EMF will be consolidated into the BUD Fund upon expiry of the former's special measures on 30 June 2026, which allows enterprises to undertake promotional activities in the context of upgrading and transformation under the BUD Fund, thereby attaining synergy.

The Trade and Industrial Organisation Support Fund (TSF) provides financial support to non-profit-distributing organisations, such as trade and industrial organisations, professional bodies and research institutes, etc., to implement projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors, including assisting them in promoting Hong Kong brands in any markets.

Capacity-building services

In addition to providing financial support, the "SME ReachOut", established by the Government in January 2020 and operated by the Hong Kong Productivity Council (HKPC), helps SMEs identify suitable government funding schemes and answer questions related to applications. The Government has allocated $100 million to enhance the services of "SME ReachOut" in the ensuing 5 years starting from 2023 to provide SMEs with capacity building services, including arranging visits to more chambers of commerce, commercial and industrial buildings and co-working spaces, and increasing the publicity in social media so as to step up the promotion of government funding schemes. At the same time, the "SME ReachOut" provides more one-on-one consultation sessions to assist SMEs in applying for government funding, and provides SMEs with information related to "environmental, social and governance (ESG)", electronic commerce (e-commerce), technology transformation, digitalisation, etc. through one-on-one technology/business know-how consultation meetings, seminars, networking events and annual large-scale events. As at end-February 2026, "SME ReachOut" has handled over 37 800 enquiries, and organised or participated in 16 exhibitions, over 70 physical seminars or webinars and over 330 promotion activities. Besides, the "SME ReachOut: FUND Fair plus Tech Sourcing 2025" organised by "SME ReachOut", the 3rd annual large-scale event of its kind under the enhanced services, was held on 16 and 17 October 2025 to provide information on government funding schemes and assist SMEs in undertaking digital transformation. The fair is the 3rd annual large-scale event under the enhanced services. The 3 editions have recorded a cumulative total of about 9 100 visitors.

Besides, the Government has consolidated the 4 SME centres, namely the "Support and Consultation Centre for SMEs" (SUCCESS) under the Trade and Industry Department, the "SME Centre" under the Hong Kong Trade Development Council (HKTDC), the "SME One" under HKPC and the "TecONE" under Hong Kong Science and Technology Parks Corporation, since 2019 to provide "four-in-one" integrated services, such that SMEs can receive consultation and referral services in any one of the aforementioned centres. As at end-February 2026, the 4 SME centres handled over 269 000 enquiries. The 4 SME centres from time to time co-organise "four-in-one" seminar series on topics such as ESG, e-commerce and exploration of overseas and Mainland markets in order to enhance the competitiveness of SMEs. SUCCESS also officially launched the Mentorship Programme (Branding and E-commerce Development) in August 2025 to provide a one-year mentorship for mentees with dedicated mentors who offer specific advice to respective mentees so as to strengthen support for SMEs to develop their own brands and leverage the advantages of Hong Kong brands, thereby seizing business opportunities brought about by global cross-border e-commerce, in particular the e-commerce markets of the Mainland and the Association of Southeast Asian Nations (ASEAN).

Other efforts to promote Hong Kong brands

Apart from the above measures, the Government has other measures in place to promote Hong Kong brands. Among which, the Government has been organising, through HKTDC, the Hong Kong Shopping Festival (HKSF) on Chinese Mainland e-commerce platforms since 2024, providing practical experience for enterprises and helping them leverage the extensive customer base and traffic of Mainland e-commerce platforms, with a view to enhancing brand and product awareness on the Mainland and accelerating enterprises' development of the domestic sales market. Having regard to the experience of the 2 editions of HKSF, the Government will launch HKSF through HKTDC for the e-commerce markets of the Mainland and ASEAN over the next 3 years between 2026 and 2028, with a view to providing a platform for Hong Kong enterprises to showcase and promote their products while helping them enhance brand influence and market coverage. Meanwhile, the Government will launch the "Creativity · E-commerce – Beyond Limits" Programme through HKTDC and HKPC to provide Hong Kong SMEs and brands with practical advice related to e-commerce services and professional marketing that keeps abreast of the time through a series of activities like exhibitions, experts' sharing and booth display, etc., with a view to enhancing enterprises' digital marketing capabilities and market competitiveness, as well as assisting them in developing e-commerce business and exploring new business opportunities.

The total estimated expenditure of the BUD Fund, EMF and TSF in 2026-27 is around $1.216 billion. Regarding the work of "SME ReachOut", the estimated expenditure borne by the Government in 2026-27 is around $20.1 million. The expenditure of other work has been subsumed under the respective overall estimates of relevant departments/organisations and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2651)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Aaron LIU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2026-27, the Trade and Industry Department will further enhance the Dedicated Fund on Branding, Upgrading and Domestic Sales by expanding its geographical scope, increasing the funding ceiling for "Easy BUD", providing targeted support for enterprises to implementing projects with artificial intelligence elements, as well as enhancing promotion and facilitating the participation of Hong Kong enterprises in exhibitions and export marketing activities through "Easy BUD". Will the Government please provide details of the relevant enhancement projects and activities and a breakdown of the expenditures?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 1)

Reply:

To further support small and medium enterprises (SMEs) to cope with economic transformation and to harness market opportunities, the Government has announced in the 2025 Policy Address and the 2026-27 Budget the injection of a total of $1.63 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to implement a series of measures as follows to strengthen the support to SMEs:

- Expansion of the geographical scope of the BUD Fund from the current 40 economies, including the Chinese Mainland and other economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements, by 20% to cover 8 more economies. The 8 economies are Saudi Arabia, Bangladesh, Egypt, Hungary, Pakistan, Kazakhstan, Mongolia and Brazil;

- Enhancing promotion and facilitating enterprises' participation in exhibitions and export promotion activities through "Easy BUD", including introducing the BUD Fund's operation through organising seminars, participating in activities of the trade and industrial organisations, and the "SME ReachOut" and " four-in-one" Integrated Services of SME Centres, etc. The Hong Kong Productivity Council (HKPC), being the Programme Secretariat of the BUD Fund, will also promote to enterprises via various

channels such as briefing sessions, exhibitions, advertisements, website and printing promotional leaflets etc. We will also provide clear application guidelines, enabling enterprises to understand project measures which are eligible for funding support under "Easy BUD", including participation in trade exhibitions targeting markets covered by the BUD Fund, placement of online advertisements, and production or enhancement of company websites, etc.;

- Increasing the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000 to strengthen the Government's support to SMEs in promoting their businesses and exploring new markets, thereby helping them to grasp market development opportunities. This enhancement measure will also enable enterprises to obtain more funding support to implement market promotion activities; and

- Providing more targeted funding support for enterprises to implement BUD Fund projects which involve artificial intelligence (AI) elements to implement eligible AI measures to further develop businesses in markets outside Hong Kong. The Government will provide clear guidelines to enterprises to explicitly state that the application of AI would be fundable in eligible projects, provided that the funding criteria of the BUD Fund can be satisfied. Examples include developing AI chatbot function in the company website to strengthen enterprises' sales promotion for market expansion; and/or adopting AI to ensure that the production lines meet the regulatory requirements of target markets to enhance enterprises' productivity and competitiveness.

The manpower and expenditure of the Commerce and Economic Development Bureau and the Trade and Industry Department for implementing the BUD Fund have been subsumed under the respective overall establishment and estimates, and cannot be quantified separately. The estimated expenditure of the BUD Fund in 2026-27 is $998 million, including the manpower and other fees provided to the HKPC as the Programme Secretariat for implementing the BUD Fund, as well as disbursements to grantees.

- End -

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CONTROLLING OFFICER'S REPLY

(Question Serial No. 2044)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Aaron LIU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Budget emphasises that the Government will strive to help small and medium enterprises (SMEs) cope with upcoming economic challenges. Currently, trade organisations and non-profit organisations may apply for the Trade and Industrial Organisation Support Fund (TSF) to implement projects which aim at enhancing the competitiveness of Hong Kong enterprises, with funding support of up to 90% of the project expenditure. However, as reflected by the trade, the documentary requirements for vetting TSF applications are markedly more complicated than those of the SME Export Marketing Fund (EMF) and the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), the 2 popular funding schemes among enterprises, and the restrictions on the expenditure items (such as equipment, travelling expenses) are extremely stringent. The relevant organisations have to spend a lot of time and administration cost on the lengthy application procedures, substantially reducing the attractiveness of the TSF, and in turn making it difficult to provide timely assistance to SMEs. In this connection, will the Government inform this Committee of the following:

(a) What are the (i) total number of applications received, (ii) total number of applications approved, (iii) total amount of funding approved, (iv) number of beneficiary enterprises/organisations, (v) beneficiary sectors and (vi) breakdown of the applications approved by beneficiary sector of the EMF, BUD Fund and the TSF in the past 3 years? How does the Government assess and compare the actual effectiveness of these 3 funding schemes?

(b) Regarding TSF, what is the average processing time from the submission of a complete application to the official approval of the project? How many of the applications were withdrawn during processing due to failure to provide all required documents or the applications being abandoned by the applicants?

(c) Given the pressing need to provide support to the trade at times of economic transformation, will the Government comprehensively review and streamline the application and vetting mechanisms of TSF (such as relaxing the restrictions on some

of the expenditure items) and provide a "fast-track application channel" so as to relieve the administration burden of the applicant organisations for business facilitation?

Asked by: Hon WONG Wing-wai, Ray (LegCo internal reference no.: 2)

Reply:

The funding schemes under the Trade and Industry Department, including the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), the SME Export Marketing Fund (EMF) and the Trade and Industrial Organisation Support Fund (TSF), aim at assisting Hong Kong enterprises, especially small and medium enterprises, in exploring markets and enhancing competitiveness.

The implementation of the BUD Fund in the past 3 years is as follows:

	2023	**2024**	**2025**
Number of applications received Note 1	4 739	7 262	5 347
Number of applications approved	1 690	2 656	2 776
Total amount of funding approved ($)	1.147 billion	1.675 billion	1.783 billion
Number of beneficiary enterprises	1 436	2 231	2 439
Major beneficiary sectors (number of applications approved in relevant sector) (in descending order of the number of applications approved)	1. Wholesale and Retail (346) 2. Import and Export Trade (190) 3. Information Technology (92) 4. Textiles and Clothing (88) 5. Electronics (69)	1. Wholesale and Retail (565) 2. Import and Export Trade (325) 3. Information Technology (156) 4. Electronics (107) 5. Textiles and Clothing (100)	1. Wholesale and Retail (715) 2. Import and Export Trade (306) 3. Information Technology (124) 4. Restaurants and Hotels (111) 5. Electronics (101)

Note 1: Applications received may not be processed in the same year. The figures include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

The implementation of the EMF in the past 3 years is as follows:

	2023	**2024**	**2025**
Number of applications received [Note 2]	29 863	30 918	27 033
Number of applications approved	21 105	24 875	15 790
Total amount of funding approved ($)	588 million	809 million	448 million
Number of beneficiary enterprises	9 497	10 829	8 047
Major beneficiary sectors (number of applications approved in relevant sector) (in descending order of the number of applications approved)	1. Wholesale and Retail (5 351) 2. Import and Export Trade (5 076) 3. Jewellery (1 686) 4. Electronics (768) 5. Printing and Publishing (723)	1. Wholesale and Retail (6 583) 2. Import and Export Trade (6 449) 3. Jewellery (1 747) 4. Electronics (908) 5. Printing and Publishing (799)	1. Import and Export Trade (4 282) 2. Wholesale and Retail (3 885) 3. Jewellery (1 069) 4. Electronics (638) 5. Printing and Publishing (488)

Note 2: Applications received may not be processed in the same year. The figures include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

The implementation of the TSF in the past 3 years is as follows:

	2023	**2024**	**2025**
Number of applications received [Note 3]	43	34	37
Number of applications approved	20	18	5
Total amount of funding approved ($)	39.5 million	30.5 million	5.59 million
Number of beneficiary organisations	19	17	5

	2023	2024	2025
Major beneficiary sectors (number of applications approved in relevant sector) (in descending order of the number of applications approved)	1. Textiles and Clothing (6) 2. Mould and Die (3) 3. Footwear (2) 4. Toys (2) 5. Automotive Parts (1)	1. Cross-sector (4) 2. Metal products (2) 3. Industrial Machinery (2) 4. Giftware (1) 5. 3D Printing (1)	1. Toys (1) 2. Cross-sector (1) 3. Mould and Die (1) 4. Wholesale and Retail (1) 5. Construction (1)

Note 3: Applications received may not be processed in the same year. The figures include applications that were withdrawn voluntarily by organisations afterwards.

The BUD Fund, the EMF and the TSF have benefitted a significant number of enterprises over the years, successfully achieving the policy objective of encouraging enterprises to upgrade their operations and explore more diversified markets to expand their businesses. To assess the effectiveness of the funding schemes, we have been conducting surveys with the beneficiary organisations/enterprises and the results indicate that the funding schemes can provide effective support to them. As at end-February 2026, around 98% of the responding enterprises considered the BUD Fund useful in supporting their business development. The enterprises also indicated that the BUD Fund could assist them in areas such as enhancing image, awareness of their brands/products/services, and their overall competitiveness. Regarding the EMF, around 95% and 98% of the responding enterprises were satisfied with the scheme and considered that it had helped strengthen their marketing activities respectively. As for the TSF, around 99% of the grantees indicated that the scheme was very helpful in enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

For the TSF, the scale of projects is relatively large, with the maximum funding amount for each approved project being $5 million. To ensure proper use of public money, the Secretariat conducts preliminary assessment on all applications, which are then submitted to the TSF Vetting Committee for consideration and formulation of funding decisions. The Vetting Committee is chaired by the Director-General of Trade and Industry and comprises representatives from various sectors. The Vetting Committee examines each application according to established criteria to ensure that the approved projects are cost-effective and the TSF's objectives are achieved.

With regard to the application processing procedures, TSF applications are assessed on a quarterly basis. Over the past 3 years, excluding 51 applications withdrawn voluntarily by the applicant organisations, the Secretariat was able to complete the processing of all applications and submit recommendations to the Vetting Committee for consideration within 60 working days as stated in the performance pledge.

To ensure that project grants are fully and properly used, the applicant organisations have to prepare a budget for each project. There are restrictions on a small number of expenditure items under the TSF. For example, the maximum amount of grant for additional equipment

procured under a project is $1 million, and travelling expenses incurred by project team members should not exceed 5% of the total budgeted expenditure or the total actual expenditure, etc. These restrictions aim to avoid concentrating the project grants on individual expenditure items.

According to the surveys conducted by the Secretariat, 94% of the grantees considered that the application procedures of the TSF were generally simple and easy to understand. To assist the trade in applying for the TSF, the Secretariat provides one-on-one consultation services to organisations, giving practical advice on their proposed projects and helping them in drafting the applications. We review the operation of the TSF from time to time with a view to providing facilitation to grantees. For example, in response to the views that the procurement procedures under the TSF had created administration burden to the trade, the TSF relaxed the procurement requirements for small scale purchases in 2023 by raising the threshold for quotation exemption from not exceeding $2,000 to not exceeding $5,000. We will continue to consolidate the experience in operating the scheme and make reference to the trade's comments in optimising the operation of the TSF.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2046)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Aaron LIU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is announced in paragraph 132 of the Budget that $200 million will be injected into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and the funding ceiling of the "Easy Bud" will be raised. Businesses have pointed out that the fund's vetting procedures often take months or even half a year, easily leading to missed business opportunities for small and medium enterprises (SMEs). In this connection, will the Government inform this Committee of the following:

(a) Please list in a table the total number of applications received and the number of applications approved each year during the period when the BUD Fund matching ratio was 1:1 and the period after the matching ratio was adjusted to 1:3. Has the Government assessed the substantive impact of the change in the matching ratio on SMEs' motivation in applying for the fund?

(b) Regarding the BUD Fund (including the "Easy BUD"), what are the average processing times from the first application submission to approval and from approval to the first disbursement of grant over the past 3 years?

(c) How many applications were allowed to "launch the project in advance" before approval in the past 3 years? Of these, how many companies had to bear the losses themselves because their applications were ultimately not approved?

(d) Given the intense market competition and to be in line with the raise of the funding ceiling of the "Easy BUD" as mentioned in the Budget, will the Government consider raising the ceiling of the "Easy BUD" straight to $500,000 and promising to complete the vetting procedures within 1 month, and allowing enterprises to launch the projects immediately after submission of application? If yes, what are the details? If no, what are the reasons?

Asked by: Hon WONG Wing-wai, Ray (LegCo internal reference no.: 4)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements. To ensure financial sustainability of the funding scheme, the Government has implemented measures in March 2025 such that the BUD fund is utilised in the most productive manner. These measures include adjustments to the funding ceiling and matching ratio, and rationalisation of other parameters of the BUD Fund's arrangement, etc.

Enterprises' demand for the BUD Fund has remained strong. As at end-February 2026, more than 32 000 applications were received. In 2025, the BUD Fund received around 5 350 applications, an increase of over 210% as compared with that in 2019; the total approved funding amount increased by over 320% during the same period. The number of applications received in 2025 remained high, and both the number of approved applications and the total approved funding amount have increased as compared with that in 2024. The implementation of the BUD Fund in 2024 and 2025 (i.e. the year when the rationalisation measures were implemented) is as follows:

	2024	**2025** Note 2
Number of applications received Note 1	7 262	5 347
Number of applications approved	2 656	2 776

Note 1: Applications received may not be processed in the same year. The figures include applications that could not be processed owing to incomplete information and those withdrawn voluntarily by enterprises afterwards.

Note 2: Among the applications received and approved in 2025, 3 458 and 2 128 applications were received and approved respectively on or after 14 March 2025.

To ensure proper use of public money, stringent vetting procedures have been established for the BUD Fund to guard against any abuse of funds or fraud. While vetting the applications, the Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund, will conduct an initial assessment on all applications and may seek clarification or supplementary information from the applicant enterprises as necessary. The Programme Secretariat will submit the applications to the Inter-departmental Committee of the Government for vetting and then to the Programme Management Committee (PMC) for approval. To date, the HKPC could meet the performance pledge of processing all general applications and "E-commerce Easy" applications within 60 working days, as well as the performance pledge of processing all "Easy BUD" applications within 30 working days, upon receipt of all required documents and information of the applications.

Applicant enterprises of general applications and "E-commerce Easy" applications under the BUD Fund can choose to receive initial payment, which will be arranged for disbursement by the HKPC after the signing of funding agreements with enterprises. In the past 3 years (from 2023 to 2025), the average processing time from the signing of funding agreements to the disbursement of initial payments was about 19 working days.

As stipulated in the Guide to Application for the BUD Fund, the project duration for all projects can start from a date before the project is approved by the PMC but after the date of submission of application, subject to the PMC's approval of the application. Among the approximately 17 300 applications received under the BUD Fund in the past 3 years, about 18% of these applications were launched prior to approval but eventually not approved.

The 2026-27 Budget announced that the funding ceiling per "Easy BUD" application will be increased by 50% from $100,000 to $150,000. As at end-February 2026, over 850 "Easy BUD" applications were approved and the average funding amount is about $70,000. It is believed that increasing the funding ceiling per "Easy BUD" application to $150,000 can render the necessary support as needed by the enterprises. At the same time, to ensure prudent use of public money, we need to strike a cautious balance between the funding amount and the potential financial risks when determining the funding ceiling for each "Easy BUD" application.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2047)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Aaron LIU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 136 of the Budget, the Government will earmark $100 million for attracting large-scale international exhibitions with new elements to Hong Kong. However, there is no increase in the support for local small and medium enterprises (SMEs) to "go global" and participate in exhibitions outside Hong Kong. The trade stated that as the Government subsidies under the Convention and Exhibition Industry Subsidy Scheme ended in 2023, the exhibition expenses borne have greatly increased and so has the burden. In this connection, will the Government inform this Committee of the following:

(a) What are the total expenditure on the subsidies granted to local enterprises or trade organisations to participate in exhibitions outside Hong Kong, the number of approved cases and the number of beneficiary enterprises over the past 3 years?

(b) Regarding the decrease in the amount of grants approved last year, has the Government assessed its impact on Hong Kong products tapping into new markets?

(c) Will the Government increase the dedicated funding for SMEs to participate in exhibitions outside Hong Kong in 2026/27? If yes, what is the estimated expenditure? If no, what are the reasons?

Asked by: Hon WONG Wing-wai, Ray (LegCo internal reference no.: 5)

Reply:

The Government strives to support Hong Kong enterprises and assist them in exploring more diversified markets and enhancing competitiveness through various funding schemes. Among others, the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements. The SME Export Marketing Fund (EMF) provides funding support for small and medium enterprises (SMEs) to participate in export promotion activities for expanding

markets outside Hong Kong. The Trade and Industrial Organisation Support Fund (TSF) provides financial support to non-profit-distributing organisations, such as trade and industrial organisations, professional bodies and research institutes, etc., to implement projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

The overall situation of the applications approved under the BUD Fund, the EMF and the TSF involving local enterprises or trade organisations participating in exhibitions outside Hong Kong over the past 3 years is as follows:

Applications involving participation in exhibitions outside Hong Kong	**2023**	**2024**	**2025**
Total number of applications approved	2 235	4 334	3 268
Total amount of funding approved ($) Note 1	414 million	563.25 million	416.46 million
Total number of beneficiary enterprises Note 2	1 706	2 908	2 383

Note 1: The total amount of funding approved is the total amount of funding approved for the relevant applications, including but not limited to expenditures for participating in exhibitions outside Hong Kong.

Note 2: The total number of beneficiary enterprises is the sum of the number of beneficiary enterprises under the BUD Fund and that under the EMF.

To ensure financial sustainability of the funding schemes, the Government has implemented rationalisation measures since 14 March 2025 such that the BUD Fund and the EMF are utilised in the most productive manner. For the BUD Fund, the number of applications received remains high. The total number of applications received in 2025 has increased by over 210% as compared with that of 2019; while the total approved funding amount has increased by over 320% during the same period. As for the EMF, it continues to support enterprises in developing more diversified markets. After the implementation of the rationalisation measures, enterprises focus on more prioritised and cost-effective marketing activities and utilise the resources more precisely on effective promotion.

The Government announced in the 2025 Policy Address and the 2026-27 Budget the injection of a total of $1.63 billion into the BUD Fund to implement a series of measures to strengthen the support to SMEs, including increasing the funding ceiling per "Easy BUD" application under the BUD Fund by 50% from $100,000 to $150,000, as well as enhancing promotion and facilitating enterprises' participation in exhibitions and export marketing activities through "Easy BUD", etc. We will provide clear application guidelines, enabling enterprises to understand project measures which are eligible for funding support under "Easy BUD", including participation in trade exhibitions targeting markets covered by the BUD Fund.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. CEDB224

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0444)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Aaron LIU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 132 of the speech that the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was well-received by enterprises. In this connection, will the Government inform this Committee of:

1. the sectors in which the applicant enterprises of the BUD Fund were engaged in the past 3 years;

2. the number of applications approved under the BUD Fund, the total amount of funding approved and the average amount of funding per application in the past 3 years;

3. the amount of funding provided under the BUD Fund for promoting among the enterprises the use of artificial intelligence in brand transformation and marketing in the past 3 years, if any, and the relevant application details and corresponding funding expenditures?

Asked by: Hon WU Yingpeng (LegCo internal reference no.: 20)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements. As at end-February 2026, a total funding amount of $7.9 billion has been approved under the BUD Fund, benefitting about 8 400 enterprises.

In the past 3 years (i.e. from 2023 to 2025), 7 122 applications were approved under the BUD Fund, with the approved funding amount reaching $4.61 billion. The average funding amount of the approved applications is around $647,000. The applicant enterprises were mainly engaged in the wholesale and retail, import and export trade, information technology, textiles and clothing, and electronics sectors, etc.

The 2026-27 Budget announced that $200 million will be injected into the BUD Fund and more targeted funding support will be provided for enterprises to implement BUD Fund projects with artificial intelligence (AI) elements, with a view to helping them implement eligible AI measures to further develop their businesses in markets outside Hong Kong. The Government will provide clear guidelines to enterprises to explicitly state that the application of AI would be fundable in eligible projects, provided that the funding criteria of the BUD Fund can be satisfied. Examples include development of AI chatbot function in the company website to strengthen sales promotion for market expansion; and/or adoption of AI to ensure that the production lines meet the regulatory requirements of target markets to increase productivity and competitiveness.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3686)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraphs 73-76 of the Budget that Hong Kong can help connect the Mainland aerospace industry with the global market, and provide professional services in areas such as research and development, financing, risk management and law. In this connection, would the Government inform this Committee of the following:

1. It is stated in paragraph 76 of the Budget that the Government will proactively expand telecommunications infrastructure, streamline the relevant licensing regime and promote future 6G applications. In the past 2 years, what were (i) the numbers of applications for Low Earth Orbit (LEO) satellite licences received and (ii) the numbers approved by the Government, (iii) the year-on-year increase or decrease, and (iv) the expenditure and staffing establishment involved?

2. In the past 2 years, how many applications for LEO satellite licences were rejected and what are the reasons for that?

3. Has the Government drawn up a list of telecommunications infrastructure planned for expansion? If yes, what are the details and implementation timetable? If not, what are the reasons? What are the estimated expenditure and staffing establishment involved?

Asked by: Hon CHAN Kapui, Judy (LegCo internal reference no.: 32)

Reply:

On streamlining the vetting procedures of licence applications for operating Low Earth Orbit (LEO) satellites, the Commerce and Economic Development Bureau (CEDB) has primarily completed the study and is formulating detailed arrangement for the streamlined licensing regime, targeting to announce the results of the study within 2026. We expect that a

streamlined licensing regime will attract related businesses and talent to come to Hong Kong and accelerate the development of commercial aerospace services, grasping the opportunities brought by the space economy. Companies intending to operate LEO satellites in Hong Kong must first complete relevant coordination under the framework of the International Telecommunication Union. In the past 2 years, the Communications Authority has not received any licence applications for LEO satellites.

Regarding the telecommunications infrastructure, Hong Kong has currently more than 19 200 radio base stations (RBSs), with fifth generation mobile communications (5G) network coverage exceeding 99% of the population, full coverage in core business districts and more than 9.6 million 5G subscribers. To prepare for the future development of sixth generation mobile communications, the Government will continue to implement various measures to enhance telecommunications infrastructure, including making available suitable spectrum in a timely manner, reserving space in new and redeveloped specified buildings for the installation and maintenance of mobile communications facilities, coordinating with mobile network operators to install additional RBSs at major public event venues, facilitating the installation of RBSs by mobile network operators at government premises and suitable locations (such as sheltered bus stops and multi-functional smart lampposts, etc.), and implementing the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas and the Subsidy Scheme to Extend 5G Coverage in Rural and Remote Areas, etc. in order to enhance the network coverage and capacity in Hong Kong.

Relevant work is carried out with existing manpower resources of CEDB and the Office of the Communications Authority (OFCA). No additional financial or manpower resources are involved. The manpower and expenditure of OFCA is borne by the OFCA Trading Fund.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3361)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (7) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As regards examining consumer complaints and giving advice to consumers, please advise on:

1. the respective numbers of consumer complaint cases received, the cases considered and the cases successfully recovered through the Consumer Legal Action Fund over the past 3 years;

2. the longest, shortest and average time required among the successfully recovered cases; and

3. the staffing establishment involved in examining consumer complaints and giving advice to consumers.

Asked by: Hon CHU Lap-wai (LegCo internal reference no.: 33)

Reply:

The Consumer Council (the Council) endeavours to study and promote the protection of consumers' rights and interests, and carries out its statutory functions in accordance with the Consumer Council Ordinance (Cap. 216), including the handling of consumer complaints relating to goods and services and the provision of advice to consumers, as well as conciliating disputes between consumers and traders, etc.

The Consumer Legal Action Fund (the Fund) is a trust fund set up with the objective to provide legal assistance to consumers in cases involving significant public interest. The Council is the trustee of the Fund. The Board of Administrators of the Fund is responsible for the overall administration of the Fund, and it approves or rejects applications based on the recommendations of the Management Committee of the Fund. Consumers, who are unable

to resolve disputes with traders through non-litigation channels (for example, general complaint handling mechanisms) and wish to file civil litigations, may consider applying to the Fund. In handling the applications to the Fund, factors for consideration include whether significant consumer interest or injustice are involved, the number of consumers affected, the chance of success in litigation, and whether there would be deterrent effect on unscrupulous business practices.

Between 2023 and 2025, the Council received a total of 113 181 complaints, of which 52 939 were pursuable [Note 1], 51 161 cases have been closed [Note 2] and the remaining 1 778 cases are still under conciliation. During the same period, there were a total of 109 applications received by the Management Committee of the Fund, 31 new applications with assistance granted and 38 assisted cases that either resulted in judgment in favour of the applicants or settlement. Regarding the length of time required for the assisted cases to result in judgment in favour of applicants or settlement, the Council does not maintain any relevant statistics.

As of March 2026, the Council has a total of 156 staff members, and the manpower for handling consumer complaints and giving advice to consumers has been subsumed into the Council's overall establishment, which cannot be quantified separately.

Note 1: Some of the complaints received could not be pursued because the required information or documents were not provided by the complainants.

Note 2: 34 513 complaint cases were resolved through conciliation by the Council, 1 913 cases were referred to the Customs and Excise Department, other government departments or organisations for follow-up, and the remaining 14 735 cases were unsuccessful conciliation cases after follow-up for reasons including the failure of the parties to reach a consensus after conciliation, request made by the complainant to withdraw the complaint, failure to contact the trader or a non-cooperative attitude adopted by the trader, etc.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **CEDB227**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3362)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (8) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the past 2 years, the Competition Commission (the Commission) received over 300 complaints. Among them, no more than 10 cases commenced initial assessments, no more than 5 cases proceeded to in-depth investigation, and none were brought to the Competition Tribunal or resolved by Commitments, issuing of Infringement Notices and Warning Notices. In this connection, please advise on:

1. the reasons why cases with initial assessment commenced could not proceed to in-depth investigation, and the reasons why cases could not be brought to the Competition Tribunal or resolved by Commitments, issuing of Infringement Notices and Warning Notices in the past 2 years;

2. the staff establishment involved in handling enquiries and complaints, initial assessments and in-depth investigation;

3. the reasons why the provision for 2026-27 is 43.3% higher than the estimate for 2025-26; the details of the statement in the document that it is "mainly due to (the Commission's projection) based on the latest investigation and litigation progress"; and the rate of increase compared to the same period in the past; and

4. regarding publicity and advocacy, the details of events, seminars, conferences and exhibitions conducted in the past 2 years; the meaning of 170 for outreach on online platforms; and how such outreach work is calculated.

Asked by: Hon CHU Lap-wai (LegCo internal reference no.: 34)

Reply:

The Competition Commission (the Commission) has been closely monitoring potential anti-competitive conduct in the market and takes appropriate action in accordance with the Competition Ordinance (the Ordinance) and relevant procedures should there be a suspected contravention of the Ordinance. In general, the Commission assesses all complaints and referrals received. However, the Commission is not required to investigate complaints that are found to be misconceived, lacking in substance or trivial. As stipulated in the Ordinance, the Commission should have "reasonable cause to suspect" a contravention of any Conduct Rule under the Ordinance before commencing an investigation. Following the investigation, the Commission may decide to commence legal proceedings in the Competition Tribunal or adopt suitable non-litigation remedies, depending on the nature and facts of each case. In order to protect the confidentiality of investigation work, the Commission would not normally reveal the nature of cases involved and status of its investigations, but will provide through its annual reports an outline of its investigations, a summary of complaints received and an outline of all proceedings before the Competition Tribunal.

The Commission's manpower establishment for each year from 2025-26 to 2026-27 is 77. About half of them are professional staff involved in investigations, and the remaining staff members provide support to the operation and other functions of the Commission, for instance, conducting research, publicity campaigns, public engagement and advocacy, providing advice on competition matters, etc. Among the professionals involved in investigations, about one-third handle enquiries, complaints and initial assessments, while the remaining personnel focus on in-depth investigations.

The Government provides subvention to the Commission for its implementation of various functions under the Ordinance. The subvention granted to the Commission for 2026-27 is estimated to be about $189.7 million, which includes recurrent subvention of $124.0 million for the Commission's daily operation and non-recurrent subvention of $65.7 million for its litigation work. Compared to the revised estimates of 2025-26, the overall subvention for 2026-27 increased by 43.3% mainly due to savings in 2025-26 litigation expenses resulted from out of court settlement with respondents of several cases or a discrepancy between the case progress and the original estimates, causing a significant reduction in non-recurrent subvention for litigation work in 2025-26 revised estimates. The nature and degree of complexity of litigation cases handled by the Commission vary, and the litigation estimates of each year are also adjusted in accordance with the progress and developments of the cases concerned. Hence, the estimates of different years should not be compared directly.

The Commission has been proactively reaching out to the public and businesses through various channels to enhance their understanding of the Ordinance and encourage compliance. In 2024 and 2025, the Commission conducted a total of 60 and 65 online or offline engagement briefings, seminars, meetings and exhibitions for various target audiences including the general public, statutory bodies, professional organisations and specific sectors such as procurement, property management and estate agents. In February 2025, the Commission organised the Hong Kong Competition Exchange 2025, which is a flagship international conference that attracted over 400 representatives from the business sector, legal profession, government departments, academia as well as competition law enforcers and experts from the Chinese Mainland, Hong Kong and overseas. At the conference, participants discussed and shared their experiences on various topics related to competition

law and worked towards deepening cooperation on various competition matters. The Commission also organised educational events targeting the youth. For example, it launched the "Post to Compete" Advocacy Challenge in 2024, inviting senior secondary students to formulate social media campaigns to promote the Ordinance. The event was well received by the students.

To broaden the engagement with various target audiences, the Commission also leveraged social media platforms, publishing 170 posts on competition law and the Commission's work on different platforms in 2024 and 2025.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3363)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the following information on the SME Financing Guarantee Scheme (SFGS) in tabulated form:

1. As at end-February 2026, what are the numbers of applications received and approved, the loan amounts of approved applications, the numbers of approved applications by beneficiary sector, the numbers of default cases and the loan guarantee amounts involved, the default rates, and the numbers of default cases with approved applications for the principal moratorium arrangement, broken down by Guarantee Product under the SFGS?

2. What are the numbers of loans not yet matured and percentage distribution by repayment period as at end-February 2026, broken down by Guarantee Product?

3. What are the amounts and percentage distribution for cases approved but not yet matured under the 80% and 90% Guarantee Products as at end-February 2026, broken down by effective loan interest rate?

4. What is the cumulative number of approved applications for the principal moratorium arrangement as at end-February 2026? What are the details of the partial principal repayment option?

5. What is the distribution of the cumulative default cases by sector? What measures has the Government taken to address the default cases?

6. How many applications were found to involve illegal acts as at end-February 2026?

Asked by: Hon CHU Lap-wai (LegCo internal reference no.: 36)

Reply:

The SME Financing Guarantee Scheme (SFGS) is administered and managed by HKMC Insurance Limited (HKMCI). The cumulative application and default figures of the various guarantee products of the SFGS as at end-February 2026 are as follows:

	80% Guarantee Product (launched in 2012)	**90% Guarantee Product (launched in 2019 and the application period ended in end-March 2026)**	**Special 100% Guarantee Product** Note 1 **(launched in 2020 and the application period ended in end-March 2024)**
Number of Applications Received	33 298	21 202	72 824
Number of Applications Approved	29 627	19 220	67 198
Total Loan Amount of Approved Applications ($)	126.8 billion	33.5 billion	143.9 billion
Number of Approved Applications by Beneficiary Sectors			
• Trading, Wholesale and Retail	15 692 (53%)	9 120 (47%)	23 819 (35%)
• Engineering and Construction	2 314 (8%)	1 800 (9%)	5 685 (9%)
• Manufacturing	4 243 (14%)	703 (4%)	3 796 (6%)
• Others (e.g. Catering, Transportation)	7 378 (25%)	7 597 (40%)	33 898 (50%)
Number of Default Cases	2 467	1 394	13 231
Loan Guarantee Amount of Default Cases ($)	5.6 billion	1.4 billion	27.8 billion
Default Rates	5.5%	4.6%	19.3%
Number of Default Cases with Approved Applications for the Principal Moratorium Arrangement	382	386	11 339

Note 1: Some applications submitted before the end of the application period were approved in April 2024 or later.

HKMCI does not collate the statistics in respect of the default cases separately by sectors.

As at end-February 2026, the number of loans not yet matured and percentage distribution by repayment period are as follows:

Repayment Period	80% Guarantee Product	90% Guarantee Product	Special 100% Guarantee Product
Less than 1 year	1 (<1%)	3 (<1%)	0 (0%)
Not less than 1 year but less than 2 years	71 (1%)	173 (1%)	3 (<1%)
Not less than 2 years but less than 3 years	242 (3%)	706 (6%)	22 (<1%)
Not less than 3 years but less than 4 years	1 124 (13%)	2 860 (23%)	478 (1%)
Not less than 4 years but less than 5 years	652 (7%)	894 (7%)	204 (<1%)
Not less than 5 years but less than 6 years	3 044 (35%)	6 666 (54%)	4 159 (8%)
Not less than 6 years but less than 7 years	112 (1%)	183 (1%)	862 (2%)
Not less than 7 years but less than 8 years	3 346 (38%)	34 (<1%)	504 (1%)
Not less than 8 years but less than 9 years	13 (<1%)	726 (6%)	14 818 (30%)
Not less than 9 years but not more than 10 years	4 (<1%)	0 (0%)	1 666 (3%)
More than 10 years (including the corresponding extension of the repayment period due to the principal moratorium arrangement and the partial principal repayment options)	203 (2%)	0 (0%)	26 858 (54%)

As at end-February 2026, the loan amounts and percentage distribution for cases approved but not yet matured under the 80% and 90% Guarantee Products by the effective loan interest rate are as follows:

Effective Loan Interest Rate	Loan Amount ($)
Not higher than 3%	0.4 billion (1%)
Higher than 3% but not higher than 5%	17.7 billion (28%)
Higher than 5% but not higher than 8%	36.5 billion (58%)
Higher than 8% but not higher than 10%	8.2 billion (13%)
Higher than 10%	0.1 billion (<1%)

The annual loan interest rate for the Special 100% Guarantee Product is the Hong Kong Prime Rate, as specified by The Hong Kong Mortgage Corporation Limited from time to time, minus 2.5% (or equivalent), i.e. the effective interest rate is currently 2.75% per annum.

Among the loans approved for the principal moratorium and the partial principal repayment arrangements under the SFGS, most borrowing enterprises have also applied for extension of

the guarantee period at the same time. As at end-February 2026, among the more than 116 000 loan applications approved, around 41 000 applications, involving a loan amount of around $113.4 billion, had been repaid in full as scheduled; cumulatively 50 090 and 13 801 applications have been approved for the old and new principal moratorium arrangements, involving a loan amount of around $110.1 billion and $31.2 billion respectively; and cumulatively 12 060 applications have been approved for the partial principal repayment options, involving a loan amount of around $29 billion. The relevant statistics are as follows:

	80% Guarantee Product (launched in 2012)	**90% Guarantee Product (launched in 2019 and the application period ended in end-March 2026)**	**Special 100% Guarantee Product (launched in 2020 and the application period ended in end-March 2024)**
Cumulative Number of Approved Applications for the Old Principal Moratorium Arrangement [Note 2]	1 601	1 556	46 933
(Percentage of the relevant number of applications approved)	(11%)	(15%)	(72%)
Cumulative Number of Approved Applications for the New Principal Moratorium Arrangement [Note 3]	743	1 815	11 243
(Percentage of the total number of applications approved)	(3%)	(9%)	(17%)
Cumulative Number of Approved Applications for the Partial Principal Repayment Arrangements	328	707	11 025
(Percentage of the relevant number of applications approved)	(2%)	(5%)	(17%)
<u>Partial Principal Repayment Options</u> (Percentage of the total number of approved applications for the Partial Principal Repayment Arrangements)			
Repaying only 10% of the original principal repayment amount per instalment for a period of 12 months	101 (31%)	273 (39%)	4 288 (39%)
Repaying only 20% of the original principal repayment amount per instalment for a period of 18 months	48 (15%)	164 (23%)	4 065 (37%)
Repaying only 50% of the original principal repayment amount per instalment for a period of 30 months	0 (0%)	0 (0%)	940 (8%)

	80% Guarantee Product (launched in 2012)	90% Guarantee Product (launched in 2019 and the application period ended in end-March 2026)	Special 100% Guarantee Product (launched in 2020 and the application period ended in end-March 2024)
Negotiated with the lending institutions for an alternative partial principal repayment arrangement	179 (54%)	270 (38%)	1 732 (16%)
Number of New Loans with Extended Guarantee Period under the New Enhancement Measure [Note 4]	203	929	Not Applicable
Number of Existing Loans with Extended Guarantee Period under the New Enhancement Measure [Note 4]	11	13	Not Applicable

Note 2: The application period of the old principal moratorium arrangement ended on 1 October 2023, hence it is not applicable to the loans approved thereafter.

Note 3: The new principal moratorium arrangement was announced in the 2024 Policy Address, and has been furthered extended for another year in the 2025 Policy Address, with application period ending on 17 November 2026.

Note 4: The new enhancement measures announced under the 2024 Policy Address have come into effect from 18 November 2024. The relevant figures were the figures as at end February 2026.

In processing loan applications, the lending institutions must, based on their policy and prevailing commercial practice, conduct customer due diligence on the borrowing enterprises to confirm that the borrowing enterprises could fulfil the eligibility requirements, and submit the verified applications complete with the documents required to HKMCI for final guarantee approval. In addition, shareholder(s) or beneficial owner(s) holding more than 50% of the equity interest in the borrowing enterprise are required to provide an irrevocable, unconditional and legally binding personal guarantee(s) in respect of the loans obtained by their own enterprise under the SFGS, so as to signify their commitment to the business continuity, repayment obligations and financial position of the relevant borrowing enterprise. HKMCI will also conduct appropriate checks in vetting the applications submitted by the lending institutions, and step up the vetting of suspicious cases, to ensure the prudent use of public money.

Lending institutions and HKMCI have been communicating and working closely with law enforcement agencies (LEAs). If a loan application was found to have potentially involved illegal activities, including using false instruments, providing false information/declarations, etc., the relevant application will be rejected and reported to the LEAs. As at end-February 2026, 3 919 applications of the Special 100% Guarantee Product, involving around $11.4 billion of loans, are found to have involved illegal activities. Among them, 1 660 cases (involving around $5.4 billion of loans) were already rejected by HKMCI and/or the lending institutions during application assessment, while the other 2 259 cases (involving around $6.1 billion of loans) were identified after loan drawdown. As regards the 80% and 90% Guarantee Products, approximately 500 and 110 applications are found respectively to

have involved illegal activities since their launch, involving around $2 billion and $200 million of loans respectively. HKMCI has taken appropriate actions, including reporting the cases that may have involved illegal activities and providing assistance to the LEAs, issuing clear guidelines to the participating lending institutions of the SFGS, taking legal actions through the lending institutions, etc.

HKMCI has been working closely with lending institutions on properly handling default cases. The borrowing enterprises have a repayment obligation. In the event that a borrowing enterprise defaults on repayments, the lending institution will first discuss a feasible repayment plan with the borrowing enterprise, e.g. repaying only the interest or part of the principal during a transition period, so that the borrowing enterprise can continue its operation while making a debt restructuring arrangement as soon as possible, with a view to gradually resuming normal repayments.

If the lending institution and the borrowing enterprise could not reach agreement on the repayment or the latter refuses to cooperate, the lending institution will consider taking appropriate recovery/legal actions in accordance with its policy and prevailing commercial practice, including requesting the relevant enterprise and guarantor to repay the loan, filing a petition for winding-up and/or bankruptcy with the court, etc. If an individual debtor of a case could not be reached, the lending institution will attempt to contact the relevant persons continuously, including other guarantors, to pursue recovery of the outstanding loans. HKMCI and lending institutions will continue to review cases of loan default and take appropriate recovery actions in accordance with prudent commercial principles, with a view to reducing the loss of the Government.

As at end-February 2026, the cumulative default rates of the 80%, 90% and Special 100% Guarantee Products under the SFGS were about 5.5%, 4.6% and 19.3% respectively, lower than the assumed overall default rates (12%, 16% and 25% respectively). The default rates are subject to change having regard to the overall economic environment, the operational situation of individual borrowing enterprises, etc. The Government and HKMCI will continue to monitor the situation closely.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3417)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (000) Operational expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Dedicated Teams for Attracting Businesses and Talents (the Dedicated Teams), set up by the Government's Chinese Mainland Offices and overseas Economic and Trade Offices, are responsible for reaching out to target enterprises and talents. Regarding the work of the Dedicated Teams, would the Government inform this Committee of the following:

(1) What are the staff establishment and expenditure for the Dedicated Teams' work on engaging with and attracting enterprises? What are the details of the estimates for the coming year? Have the Dedicated Teams set goals on the number of target enterprises for each year or each financial year? If so, what are the goals?

(2) In the past 2 years, how many target enterprises have the Dedicated Teams engaged with respectively? Please set them out in table form and specify the business sectors of the enterprises being engaged with.

(3) In the past 2 financial years, how many target enterprises have established and developed their businesses in Hong Kong after being engaged with by the Dedicated Teams? Please set out in table form the business sectors of the enterprises having established their businesses in Hong Kong.

(4) Is there known or estimated information regarding the investment funds and employment places that these enterprises which have established their businesses in Hong Kong can bring into Hong Kong in the coming 3 years?

Asked by: Hon HO King-hong, Adrian Pedro (LegCo internal reference no.: 44)

Reply:

Through its global investment promotion network, including Dedicated Teams for Attracting Businesses and Talents (Dedicated Teams) based in overseas Hong Kong Economic and Trade Offices (ETOs), Invest Hong Kong (InvestHK) proactively identifies and reaches out to large multinational corporations and leading enterprises with high potential and economic value, so as to attract and assist them in setting up and expanding their businesses in Hong Kong.

InvestHK, together with its Dedicated Teams, assisted 539 and 560 Chinese Mainland or overseas enterprises in establishing and expanding their businesses in Hong Kong in 2024 and 2025 respectively. The top 5 sectors of these enterprises are as follows –

	Top 5 sectors	**Number of enterprises**
2024		
1	Innovation and Technology	120
2	Financial Services and Fintech	110
3	Family Offices	95
4	Tourism and Hospitality	58
5	Business and Professional Services	47

	Top 5 sectors	**Number of enterprises**
2025		
1	Financial Services and Fintech	117
2	Innovation and Technology	115
3	Family Offices	80
4	Tourism and Hospitality	65
5	Consumer Products	54

In 2026, the targets for the Dedicated Teams based in overseas ETOs and Mainland Offices are to assist 175 and 295 enterprises respectively. In addition, InvestHK will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises to set up or expand businesses in Hong Kong between 2026 and 2027, thereby bringing in direct investment of at least HK$120 billion and creating at least 12 000 job opportunities.

There are a total of 82 posts of investment promotion staff in the Dedicated Teams based in the overseas ETOs and Mainland Offices. The expenditure involved in the investment promotion work by Dedicated Teams has been subsumed under the overall estimates of InvestHK, ETOs and Mainland Offices, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3406)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is announced in the Budget that the Government will inject $200 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), raise the funding ceiling of "Easy BUD" to $150,000 per application, and provide more targeted funding support for enterprises in artificial intelligence (AI) application. This is a new direction of funding support provided under the BUD Fund. In this connection, will the Government inform this Committee of the following:

(1) What criteria will the Bureau adopt in defining what areas of projects constituting "AI application" and meeting the eligibility requirements? Will different types of projects such as introducing AI-related marketing tools, customer service systems and product designs, or providing staff training on AI skills by enterprises, be covered in the definition?

(2) As the staff responsible for approving AI projects will need the relevant professional knowledge, has the Bureau earmarked resources in 2026-27 to provide relevant training for the approval team or engage professionals with an AI background for the vetting work? What is the relevant estimated expenditure?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 42)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) provides funding support for enterprises to develop business in 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements. The 2026-27 Budget announced that $200 million will be injected into the BUD Fund and more targeted funding support will be provided for enterprises to implement BUD Fund projects involving artificial intelligence (AI) elements, with a view to assisting them in

implementing eligible AI measures to further develop their businesses in markets outside Hong Kong. The Government will provide clear guidelines to enterprises to explicitly state that the adoption of AI would be fundable in eligible projects, provided that the funding criteria of the BUD Fund can be satisfied. Examples include development of AI chatbot function in enterprises' websites to strengthen their sales promotion for market expansion; and/or adoption of AI to ensure that the production lines meet the regulatory requirements of target markets to increase enterprises' productivity and their competitiveness in the market.

All applications under the BUD Fund will be initially assessed by the Hong Kong Productivity Council, the Programme Secretariat of the BUD Fund, and will then be submitted to the Inter-departmental Committee (IDC) and the Programme Management Committee (PMC) for consideration and approval. The applications, including projects that contain AI elements, will be vetted in accordance with the framework and requirements under the BUD Fund. The IDC comprises representatives from the Innovation and Technology Commission, while the PMC comprises representatives from all trades and professions, such as those with business background and those who possess information technology knowledge, so as to ensure that all applications are duly processed.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3411)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

How does the Government ensure that allocated funds under the Dedicated Fund on Branding, Upgrading and Domestic Sales are effectively utilised for brand upgrading, artificial intelligence applications and domestic market expansion among small and medium enterprises (SMEs) in the retail and tourism sectors, thereby genuinely enhancing their core competitiveness amid evolving consumption patterns? Will retail and tourism SMEs be assisted in leveraging policy benefits arising from the Greater Bay Area and Mainland free trade zones? What supporting measures will be introduced to enable enterprises to reposition their products and services for aligning with the demands of Mainland consumers?

Asked by: Hon KONG Man-wai, Vivian (LegCo internal reference no.: 40)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) is one of the Government's measures to support small and medium enterprises (SMEs), which aims to provide funding support for Hong Kong enterprises to develop business through upgrading, restructuring and enhancing competitiveness in a total of 40 economies with which Hong Kong has signed free trade agreements and/or investment promotion and protection agreements, including the Chinese Mainland.

To ensure proper utilisation of public funds, stringent vetting procedures have been established for the BUD Fund. Specifically, the Hong Kong Productivity Council (HKPC), the Programme Secretariat of the BUD Fund, would follow the established procedures to conduct initial assessment on all BUD Fund applications and relevant supporting documents submitted by enterprises in accordance with the eligibility and funding criteria specified in the Guide to Application. The applications will be submitted to the Inter-departmental Committee (IDC) (comprising representatives from relevant Government bureaux/departments) for vetting, and then to the Programme Management Committee (PMC)

(comprising members from the industrial, commercial and professional sectors and small and medium enterprise associations) for consideration and approval. Upon completion of projects, grantees are also required to submit project reports and audited accounts prepared by independent auditors to HKPC for review of project progress and evaluation of project outcomes. The final payment will be disbursed only after the project reports are vetted by IDC, and considered and approved by PMC. The Programme Secretariat will also conduct on-site inspections for selected projects depending on the actual circumstances and needs.

On the other hand, the Government will continue to assist Hong Kong SMEs in developing the Mainland market through the Hong Kong Trade Development Council (HKTDC). In 2021, HKTDC launched the "GoGBA one-stop platform" (the Platform) to provide the latest policy updates and economic and trade information related to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), assisting Hong Kong SMEs in building network and promoting business opportunities. There are currently 11 "GoGBA Business Support Centres" under the Platform that provide consultation services for Hong Kong enterprises. Its network covers all 9 Mainland cities in the GBA and Macao. HKTDC will also continue to enhance the services of the Platform, including organising GBA missions and inviting experts to provide Hong Kong enterprises with in-depth analyses on and practical guidance in doing business in the GBA. These support services help Hong Kong SMEs understand and accommodate the needs of Mainland consumers, thereby grasping the vast opportunities on the Mainland.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3390)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that the Government will collaborate with overseas Economic and Trade Offices and the overseas offices of the Hong Kong Trade Development Council to support enterprise delegations in exploring overseas markets and bringing in overseas enterprises through the "Economic and Trade Express" (ETE) platform. Please advise this Committee of the following:

(1) What is the specific estimated expenditure for the operation, maintenance and promotion of the ETE platform?

(2) How many enterprise and start-up delegations for overseas visits are expected to be organised next year? Which target countries or markets will such visits cover?

(3) Will the Government establish any mechanism to assess the actual economic benefits of facilitating two-way trade flows through the ETE platform?

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 42)

Reply:

As a measure announced in the 2025 Policy Address, the Hong Kong Special Administrative Region Government has set up the functional platform of "Economic and Trade Express" (ETE) to strengthen trio-coordination among overseas Economic and Trade Offices (ETOs), Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC), capitalising on their complementary advantages to jointly promote Hong Kong's trade and investment abroad. ETE focuses on supporting small and medium enterprises (SMEs) and start-ups by proactively organising overseas business missions for relevant enterprises with one-stop supporting services to assist Hong Kong enterprises in exploring business opportunities in overseas markets. In the process, InvestHK will identify overseas

enterprises to connect with Hong Kong's business sectors, facilitating more enterprises to invest and establish operations in Hong Kong, thereby promoting two-way flows of enterprises and investments.

For the purpose of preparing the overseas missions under ETE, the Trade and Industry Department has earlier on consulted local industry and trade organisations, SMEs and start-ups regarding their needs and interest in exploring new markets or setting up operations abroad. When planning these overseas missions, we will take into overall consideration their needs and interest, as well as other relevant factors (such as corresponding arrangements in the target markets, appropriate timing for the missions, etc.) to ensure the effectiveness of the missions. As the actual launch of missions hinges on the participation of enterprises, their business needs as well as external factors in overseas markets, we have not set any rigid indicators for the missions. We will build on experience and continuously review the effectiveness of the missions.

ETE aims to enhance the effectiveness of overseas trade and investment promotional activities by consolidating the existing resources of the trios. The relevant work and expenditure form part of the overall work and budget estimates of ETOs, InvestHK, and HKTDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3404)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2026-27 that the Government will launch a two-year pilot programme to subsidise patent valuation, and will collaborate with the Hong Kong Monetary Authority to launch an intellectual property (IP) financing sandbox. Please inform this Committee of the following:

(1) The total estimated expenditure for the two-year pilot programme, and the expected number of small and medium innovation and technology enterprises to be subsidised for patent valuation;

(2) The implementation timetable of the IP financing sandbox, and the estimated number of participating financial institutions at the initial stage;

(3) Has the Government assessed whether local valuation talents are sufficient to meet the new demand? If so, what is the projected total demand for such talents and the total number of these talents in the coming 2 years? If not, what are the reasons?

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 56)

Reply:

Pilot Patent Valuation Support Scheme (Pilot Scheme)

To promote the development of local intellectual property (IP) financing, the Government plans to launch a two-year Pilot Scheme in the third quarter of 2026 to support eligible local small and medium enterprises (SMEs) to conduct valuation of their patents and other IP assets, which will provide concrete information on the enterprises' assets to serve as a reference for credit financing.

The Intellectual Property Department (IPD) will collaborate with the Hong Kong Technology and Innovation Support Centre (HKTISC) to implement the Pilot Scheme. The Pilot Scheme will adopt a matching grant model of 1 (Government):1 (eligible local SME) and provide each enterprise of an approved application (approved enterprise) with a one-off funding capped at $80,000 to support them in commissioning qualified service providers (mainly accountants, financial analysts and surveyors) to conduct quantitative valuation of their patents and other IP assets.

In addition, if the IP assets of the approved enterprises include at least 1 Hong Kong patent granted under the Patents Ordinance (Cap. 514) that has also undergone substantive examination, IPD's patent examiners will, through HKTISC, provide free qualitative patent evaluation service based on the national standard for 1 Hong Kong patent designated by the approved enterprise concerned. Valuation service providers, banks or other financial institutions may, where appropriate, refer to the results of such qualitative patent evaluation in conducting quantitative valuation.

The Government has earmarked $28 million to support HKTISC in providing innovation and technology enterprises with patent evaluation based on national standard and implementing the two-year Pilot Scheme, among which $16 million is the maximum total amount of funding for the Pilot Scheme (the funding to be provided to each approved enterprise is capped at $80,000 and the maximum number of eligible applications to be approved is 100 per year).

IP Financing Sandbox (Sandbox)

The Commerce and Economic Development Bureau (CEDB) and IPD, in collaboration with the Hong Kong Monetary Authority (HKMA), launched the Sandbox in end 2025 to assist pilot sectors (particularly the technology sector) in leveraging IPs for financing. 3 major banks in Hong Kong and their clients from different enterprises, as well as legal and professional services organisations are participating in the pilot project.

Several trial cases are currently progressing in the Sandbox, with participating banks actively engaging with relevant clients and professional services organisations to negotiate IP financing arrangements.

The Sandbox provides a collaborative and risk-controlled environment for stakeholders to collectively test out the full lifecycle of IP financing on a "pioneer and pilot" approach and accumulate practical experience. CEDB and IPD will, together with HKMA, closely monitor the operation of the Sandbox, timely collect feedback from stakeholders, consolidate market feedback and experience, and make follow-up arrangements, with a view to gradually establishing a more comprehensive IP financing ecosystem.

Supply of Local Valuation Talents

Hong Kong's valuation service providers mainly come from the accounting, financial analysis, and surveying sectors, many practitioners of which possess the necessary professional knowledge and qualifications for valuing commercial or intangible assets (including IP) in accordance with the International Valuation Standards formulated by the International Valuation Standards Council. They are able to provide quantitative valuation services for patents and other IP assets of approved enterprises under the Pilot Scheme.

To ensure that approved enterprises can obtain high-quality valuation service, we will collaborate with relevant valuation professional bodies to draw up a list of designated quantitative valuation service providers for the Pilot Scheme. This will ensure that the service providers commissioned by approved enterprises possess the requisite qualifications and are registered in Hong Kong under the Business Registration Ordinance (Cap. 310). Approved enterprises should, according to their own needs, engage professional quantitative valuation service providers from the list in accordance with the relevant requirements of the Pilot Scheme.

We anticipate that the Pilot Scheme will help drive demand for IP valuation service and attract relevant service providers to develop their businesses in Hong Kong. This will help build a talent pool for IP valuation, enhance market confidence in Hong Kong's IP valuation services, and optimise Hong Kong's IP financing ecosystem.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3405)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2026-27 that the Government will introduce legislative proposals into the Legislative Council to further enhance the Real-name Registration Programme for Subscriber Identification Module (SIM) Cards (RNR Programme). Please inform this Committee of the following:

(1) Under the existing RNR Programme, the total number of pre-paid SIM cards being deregistered in the past 2 years by the Government due to non-compliant information or suspected falsification;

(2) The loopholes in the existing legislation and enforcement process that are mainly targeted by the "enhancement" legislative proposals to be introduced by the Government;

(3) In the past 3 years, what are the numbers of successful cases and the amounts involved in the joint operations conducted by the Police and the Office of the Communications Authority in combatting phone deceptions using local SIM cards?

Asked by: Hon LAM Siu-lo, Andrew (LegCo internal reference no.: 57)

Reply:

The Real-name Registration Programme for Subscriber Identification Module (SIM) Cards (RNR Programme) was fully implemented on 24 February 2023, requiring that all SIM cards issued and used locally (including SIM service plan and pre-paid SIM (PPS) cards) must complete real-name registration before service activation. The Office of the Communications Authority (OFCA), since the implementation of the RNR Programme, has launched various enhancement measures based on operational experience, including requiring telecommunications service providers (TSPs) to conduct regular sample checks on the

registration information of registered PPS card users and perform manual checks on suspected cases. If users subject to sample checks are unable to verify the registration information following the instructions of the respective TSPs, the relevant PPS cards may be deregistered. As at end February 2026, around 5.91 million PPS cards were rejected as a result of failure of providing information in compliance with the registration requirements by users. In addition, TSPs cancelled the registration of about 4.05 million non-compliant PPS cards.

In order to enhance the implementation of the RNR Programme, OFCA has required TSPs to adopt "iAM Smart" as the default registration method for Hong Kong identity (HKID) card holders since October 2024. For non-HKID holders registering PPS cards under the RNR Programme via an online registration platform, TSPs will first verify the identification documents through their system and then activate the relevant PPS cards, followed by manual checks to verify the authenticity of the identification documents provided. Any PPS cards found to be non-compliant (e.g. suspected use of forged documents for registration) will be deregistered.

The RNR Programme has been implemented for around 3 years. Taken into account the implementation experience of the RNR Programme, development of Hong Kong's telecommunications market, experiences of other economies, and information provided by the Police regarding the modus operandi and trends in fraud cases involving the use of PPS cards by criminal syndicates, the Government is conducting a comprehensive review on the overall implementation of the RNR Programme and stepping up measures to combat phone deception from various perspectives. These include lowering the maximum registration limit of PPS cards for individual users and establishing new offences to criminalise the improper use of SIM cards. The Government is currently reviewing the feedback collected and actively formulating the related legislative proposals.

To combat fraudsters using local telephone cards for scams, the Police has been stepping up intelligence gathering and taking timely enforcement actions. In particular, in an intelligence-led operation in August 2024, the Police dismantled 4 operation centres and arrested 11 persons including 6 foreign visitors. 87 modem pools, commonly referred to as "cat pools", and more than 80 000 PPS cards were seized. It was believed that these telephone cards were used in approximately 400 "impersonating customer service" fraud cases, involving over $60 million. In June 2025, the Police conducted a joint operation with its Singaporean counterpart through the Cross-border Anti-Scam Collaboration Platform "FRONTIER+", successfully dismantling a cross-border fraud syndicate, resulting in the arrest of 8 persons, among whom 4 Hong Kong residents were suspected of purchasing approximately 400 000 Hong Kong phone cards locally and using network equipment to disguise incoming calls made by the syndicate from overseas as local phone numbers for fraudulent purposes.

Furthermore, OFCA and the Police have established a working group with the industry in September 2022 to devise and implement various measures to combat deception cases using the telecommunications network at the source. In February 2025, some members of the public reported that they received phishing SMS messages with the prefix "#" from suspected scammers impersonating registered senders under the SMS Sender Registration Scheme. The Police and OFCA suspected that a "fraudulent mobile base station" using illegal radiocommunications apparatus was used to commit the offence, and hence conducted joint investigation. The Police arrested 1 person and seized relevant telecommunications

equipment during the operation, and held a press briefing with OFCA to explain to the public how to guard against such scams. In August to September 2025, following receipt of similar reports again, the Police conducted an intelligence-led operation and joint investigation accordingly, and arrested 1 person.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3444)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-)

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in Programme (2) that the Government will support the further development of wine and liquor-related businesses in Hong Kong. In this connection, would this Committee be informed of the following:

a. Since the reduction of duty on liquor in 2024, whether the Government has assessed the business opportunities brought to the related businesses, the ancillary industries developed and the economic benefits therefrom, and whether enhancement measures will be proposed;

b. As Chinese spirits have become increasingly popular in the market, will the Government consider introducing measures to assist Chinese spirits enterprises in going global?

Asked by: Hon LAMPORT, Jonathan Stuart (LegCo internal reference no.: 40)

Reply:

The purpose of lowering liquor duty is to encourage the trade and auctions of high-end liquor in Hong Kong, thereby giving impetus to the development of other high value-added sectors such as logistics and storage, tourism as well as high-end food and beverage consumption. Since more than a year after the reduction of duty rate on high-end liquor, we note that the volume of duty-paid liquor imported (in litre) increased by nearly 5% as compared with the year before the reduction of duty rate, while its value went up by about 44%, reflecting that the two tier system introduced by the Government is effective in boosting high-end liquor trading. Moreover, the trade grasped the opportunity brought about by the reduction of liquor duty and organised various kinds of wine and spirits fairs, in which the proportion of liquor on sale has evidently risen. The response of the market has been positive. The Government will closely monitor the development of liquor trade and the market dynamics, and to maintain communication with the industry.

As a "super-connector" and "super value-adder", Hong Kong not only provides an important trading platform for Mainland liquor traders, assists Mainland liquor brands to "go global", but also assists foreign liquor brands to enter the Mainland market. We have all along assisted in promoting local wine-related activities, including the Hong Kong Wine and Dine Festival by the Hong Kong Tourism Board and the Hong Kong International Wine and Spirits Fair (Wine and Spirits Fair) by the Hong Kong Trade Development Council (HKTDC), attracting exhibitors who sell various alcoholic beverages, including liquors. Taking the Wine and Spirits Fair organised by the HKTDC in November 2025 as an example, it attracted over 620 exhibitors from 23 countries and regions with over 30% of exhibitors featuring liquors. Nearly half of all activities were liquor-related. The newly launched "World of Spirits" zone highlighted liquors from 14 countries and regions, and gathered 6 major Chinese baijiu brands, with many exhibitors participating in Hong Kong for the first time. As for the participants, the Wine and Spirits Fair also attracted over 8 200 buyers from 57 countries and regions to visit and source different alcoholic beverages, including liquors, showing that Hong Kong plays a positive role in connecting the Mainland and international liquor markets and fostering trading of liquor.

In addition, the Government will, through the overseas Hong Kong Economic and Trade Offices and the Mainland Offices, continue to actively disseminate information about Hong Kong's liquor market and introduce the liquor duty reduction initiative to liquor traders in different regions with a view to attracting more Mainland and international liquor traders to use Hong Kong as a sales platform and logistics hub in the region. The Secretary for Commerce and Economic Development will also continue to suitably incorporate elements promoting wine and liquor trade into the programmes for duty visits to foster the development of the related industries.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3338)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 131 of the Budget Speech, the growing popularity of online shopping and changing consumption patterns have posed challenges to some sectors. The Government is enhancing various measures to strengthen the competitiveness of small and medium enterprises (SMEs). Would the Government disclose the direction of these enhancements? When does the Government plan to announce the above enhanced measures? How many SMEs are expected to benefit? What are the respective staffing establishment and expenditures involved in the relevant review?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 537)

Reply:

The Government is dedicated to providing a reliable and conducive business environment to support the healthy development of enterprises. Having regard to the economic situation and needs of the trade, the Government also enhances various measures from time to time with a view to increasing the long-term competitiveness of small and medium enterprises (SMEs) and driving the overall economic development of Hong Kong.

The 2026-27 Budget mentioned that the growing popularity of online shopping and changing consumption patterns have posed challenges to some sectors, and announced a number of support measures for SMEs, including:

- injection of $200 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to increase the funding ceiling per "Easy BUD" application by 50% from $100,000 to $150,000, and to provide more targeted funding support for enterprises to implement BUD Fund projects with artificial intelligence elements for the development of business in the Chinese Mainland and target markets outside Hong Kong. We plan to introduce the enhancement measures in the 2nd quarter of 2026;

- the Hong Kong Export Credit Insurance Corporation (ECIC) will launch the pilot scheme "SME Protect Plus" to provide protection for SMEs engaging in exports with higher-risk buyers, so as to assist SMEs in exploring new businesses. ECIC will launch the pilot scheme in the 3rd quarter of 2026 for 1 year; and

- continue to provide loan guarantees to enterprises through the SME Financing Guarantee Scheme, including extending the application period for the 80% Guarantee Product to the end of March 2028 and that for the principal moratorium arrangement to mid-November this year.

Apart from the above measures, the Government will also continue to adopt a multi-pronged approach to implement policy measures such as financial support, capacity building, publicity and promotion, as well as market expansion, etc. with a view to promoting the diversified development, upgrading and transformation of SMEs, thereby enhancing their competitiveness. Meanwhile, the Government will continue to implement various initiatives that stimulate economic activities, empowering SMEs to explore new areas of economic growth amid the complex and ever-changing market environment and contributing to high-quality development of Hong Kong's economy.

The manpower and expenditure of the Commerce and Economic Development Bureau and other relevant departments for implementing the above measures have been subsumed under the respective overall establishment and estimates, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3380)

Head: (152) Government Secretariat: Commerce and Economic Development Bureau

Subhead (No. & title): (-) -

Programme: (3) Telecommunications

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Ms Angela LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As stated in paragraph 76 of the Budget, the Government will proactively expand telecommunications infrastructure and streamline the relevant licensing regime for the development of low earth orbit (LEO) satellites. It was also mentioned in last year's Budget that the Commerce and Economic Development Bureau and the Office of the Communications Authority were exploring a set of streamlined procedures for vetting licence applications for operating LEO satellites and expected that the relevant work would be completed this year.

Will the Government inform this Committee of the progress of the study on streamlining the licensing regime? When will a specific proposal to streamline licence applications be introduced so as to provide a clearer policy direction for satellite enterprises intending to invest in Hong Kong?

Asked by: Hon WONG Kam-fai, William (LegCo internal reference no.: 43)

Reply:

Currently, satellite operators may apply for an Outer Space Licence issued by the Chief Executive under the Outer Space Ordinance (Cap. 523) and a Space Station Carrier Licence issued by the Communications Authority (CA) under the Telecommunications Ordinance (Cap. 106) (TO) for each satellite operated in Hong Kong (regardless of whether the satellite is launched in Hong Kong) for the launch and/or operation of the satellite (i.e. 1 pair of licences for 1 satellite). Since Low Earth Orbit (LEO) satellites are operated in a constellation that may consist of up to tens or thousands of LEO satellites, in order to foster the development of space economy, the Commerce and Economic Development Bureau has primarily completed the study on streamlining the vetting procedures of licence applications for operating LEO satellites, and is formulating detailed arrangement for the streamlined licensing regime, targeting to announce the results of the study within 2026. In addition,

operator(s) who wish to provide telecommunications services in Hong Kong through LEO satellites launched and operated outside Hong Kong may apply to CA for a unified carrier licence in accordance with the TO.

- End -

Examination of Estimates of Expenditure 2026-27 | Reply Serial No. **CEDB238**

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3610)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2026-27 of Programme (2), the Intellectual Property Department will engage the Vocational Training Council to establish and operate a two-year Intellectual Property (IP) Academy Pilot Programme (the Programme) to deliver institutionalised, structured and recognised IP professional training programmes. In this connection, will the Government inform this Committee of:

1) the expenditure and staff establishment to be involved in the Programme in 2026-27;

2) the structure and training curriculum of the IP Academy;

3) the target participants, the expected number of beneficiaries and the publicity channels of the Programme in tabular form;

4) the operational expenses of the Programme in tabular form, broken down by general departmental expenses, salaries and personnel related expenses, given the provision which represents an increase of $27.871 million (10.0%) over the revised estimate for 2025-26;

5) whether key performance indicators have been formulated for the Programme; if so, the details; if not, the reasons; and

6) the circumstances under which the Government will, having regard to the implementation of the Programme, consider extending the Programme or converting it into a recurrent programme?

Asked by: Hon KAN Wai-mun, Carmen (LegCo internal reference no.: 31)

Reply:

To strengthen intellectual property (IP)-related on-the-job training and meet the needs of different sectors in using IP across various areas, the Intellectual Property Department (IPD) is collaborating with the Vocational Training Council (VTC) to implement a two-year pilot programme to establish the Intellectual Property Academy (the Academy). The design and planning of the relevant programmes will be more systematic and better recognised, with more diversified and in-depth content, offering varying breadth, depth, and focus tailored to market and policy needs. The programmes will cover areas such as the creation, protection, management, transformation and commercialisation of IP, as well as dispute resolution, and will include the major fields of IP such as patents, trade marks, copyright, and designs. This will help participants acquire knowledge covering the full IP chain in the course of their business operations, enabling them to formulate and implement business strategies effectively. Suitable programmes will be linked to the corresponding levels under the Qualifications Framework. In the course of developing the programmes, we will widely gather feedback from different industry sectors.

The Academy targets practitioners from various sectors, including technology and innovation, cultural and creative industries, commerce and industry, and professional services. Local innovation entities (including research institutions, start-ups, and small and medium enterprises), as well as enterprises and service providers engaged in IP trading and commercialisation, will all stand to benefit. During the two-year pilot period, the Academy is expected to provide training to about 2 000 participants.

The Government has earmarked $52 million to support the establishment of the Academy and its operating expenses for the first 2 years, including staff remuneration, teaching facilities, information platforms, curriculum development and design, qualification accreditation, publicity and promotion, as well as other administrative and operating expenses. As for the specific funding arrangements, IPD will further discuss with the VTC and set out the details of the implementation arrangements in the funding agreement.

In terms of staffing, to prepare for the establishment of the Academy, IPD will first redeploy internal staff to discuss related work with the VTC. As for other staffing arrangements involved in the overall operation of the Academy, IPD will further finalise them with the VTC when implementing the overall work plan and specific implementation arrangements.

The establishment and development of the Academy is one of the Government's supporting measures to cultivate talents and develop a talent hub in support of the sustainable and high-quality development of the local innovation ecosystem. In the course of implementing the pilot programme, the Government will review and evaluate the Academy's initial operation and effectiveness from multiple perspectives, including using questionnaire surveys, case studies and data analysis. The main reference indicators will include industry response to the programmes, such as the completion and passing rates of participants, their satisfaction levels, and feedback from enterprises and employers. The Government will also assess the extent to which the programme content meets the actual needs of the industry, as well as the effectiveness of the programmes in enhancing practitioners' capabilities in IP management and application, so as to make timely adjustments and refine the future direction for nurturing IP talent.

The provision for IPD under Subhead 000 operational expenses for 2026-27 is $306 million, to cover the salaries, allowances and other operating expenses of IPD. This represents an increase of 10.0% over the revised estimate for the previous year. This is mainly due to the increased departmental expenditure for enhancing the capacity of IPD to consolidate Hong Kong as a regional IP trading centre, including the expenses in support of the two-year Pilot Patent Valuation Support Scheme expected to be launched in the 3rd quarter of this year, the qualitative patent evaluation service provided by the Hong Kong Technology and Innovation Support Centre, a two-year pilot programme for the establishment and operation of the Academy to be launched in collaboration with VTC etc.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3560)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Ms Alpha LAU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under the Programme that the total financial provision for 2026-27 represents an increase of 19% over last year, part of which being earmarked for supporting Chinese Mainland enterprises under the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force). Has the Department set any assessment criteria for the number of projects going global? If so, what are the details? If not, how will the effectiveness of the projects be evaluated?

It is mentioned under Matters Requiring Special Attention in 2026-27 that the Government will support GoGlobal Task Force in formulating customised support for Chinese Mainland enterprises. Would the Department specify how the provision will be allocated in formulating the support services? What kinds of support will be provided specifically? How many local employment places are expected to be created?

Asked by: Hon KWOK Fu-yung (LegCo internal reference no.: 47)

Reply:

The 2025 Policy Address announced mobilising Hong Kong offices abroad, including those under Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (HKTDC) as well as the Hong Kong offices in the Chinese Mainland, to form a one-stop platform and establishment of the cross-bureau, cross-departmental and cross-agency Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) to encourage Chinese Mainland enterprises to use Hong Kong as a platform to go global. The Secretary for Commerce and Economic Development steers the work of the GoGlobal Task Force and co-ordinates various bureaux, departments and agencies in formulating comprehensive support services tailored for different needs of enterprises and assisting them to go global through Hong Kong. InvestHK is responsible for the coordination between the GoGlobal Task Force and Chinese Mainland enterprises, organising promotional activities and serving as the secretariat of the Steering Committee for the GoGlobal Task Force to coordinate the work of the members.

Apart from the Commerce and Economic Development Bureau and InvestHK, GoGlobal Task Force members include the Department of Justice; the Constitutional and Mainland Affairs Bureau; the Financial Services and the Treasury Bureau; the Innovation, Technology and Industry Bureau; HKTDC; the Hong Kong Monetary Authority; the Hong Kong Exchanges and Clearing Limited; the Hong Kong Productivity Council; and the Hong Kong Export Credit Insurance Corporation.

The 2026-27 Budget further announced that the GoGlobal Task Force would set up a cross-sectoral professional services platform, bringing together Hong Kong's professional service providers in the field of legal services, accounting, financial services, testing and certification, marketing, etc. to support enterprises going global.

At present, the GoGlobal Task Force has already formulated a preliminary work plan. It will progressively commence a series of promotional activities to proactively attract Chinese Mainland enterprises to establish a presence in Hong Kong, and assist them to expand their businesses in overseas markets. Major work will include the following –

- To focus on attracting key or strategically valuable Chinese Mainland enterprises to establish a presence in Hong Kong for further going global, and support different Chinese Mainland enterprises to go global through the network of the GoGlobal Task Force members;

- To organise promotional events with various industry-specific themes in Hong Kong and Chinese Mainland provinces and cities to promote Hong Kong's unique advantages, and attract Chinese Mainland enterprises interested in going global to set up businesses in Hong Kong and go global via Hong Kong. Drawing on the successful experience of the promotional event held during the China International Import Expo in Shanghai in November 2025, the GoGlobal Task Force will continue to organise large-scale promotional events in the Chinese Mainland to enhance the promotional effect;

- To match the Chinese Mainland enterprises seeking to go global with Hong Kong professional service providers through the cross-sectoral professional services platform established by HKTDC, the first phase of which has been launched and announced on 20 March 2026. The platform provides these enterprises with professional consultation and support services on a case-by-case basis, thereby supporting them in setting up businesses in Hong Kong and expanding their businesses overseas through Hong Kong in an orderly manner; and

- To organise overseas outbound missions to be led by Hong Kong Special Administrative Region Government officials to enable Chinese Mainland enterprises planning to go global to visit target overseas markets and grasp a better understanding of the local market situation.

InvestHK will proactively work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises, including Chinese Mainland enterprises planning to go global through Hong Kong, to set up or expand businesses in Hong Kong between 2026 and 2027, thereby creating at least 12 000 job opportunities.

In 2026-2027, a one-off allocation of $5 million will be allocated to HKTDC to establish a digital platform for the above-mentioned cross-sectoral professional services. Expenditure for other work by GoGlobal Task Force members has been subsumed under their respective overall estimates and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3561)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Ms Alpha LAU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. It is mentioned under the Programme that the total financial provision for 2026–27 will be 19% higher than that of last year. Among others, the increased provision will be used to attract strategic industries and enterprises to set up or expand businesses in Hong Kong by means of preferential policy packages. Will Invest Hong Kong (InvestHK) specify the amount of estimated expenditure to be devoted to attract strategic industries to set up in Hong Kong? What are the targeted types of industries and number of enterprises to be attracted to Hong Kong? Will any requirements be set regarding the investment size and business turnover of the targeted industries and enterprises attracted to Hong Kong? If yes, what are the details? If not, what is the timetable on formulating such requirements?

2. Will InvestHK establish any key performance indicators on the output value or posts created by the relevant industries and enterprises? If yes, what are the specific indicators? If not, what are the reasons?

Asked by: Hon KWOK Fu-yung (LegCo internal reference no.: 48)

Reply:

The 2025 Policy Address announced that the Financial Secretary (FS) would lead the relevant policy bureaux, departments, and public organisations in formulating packages of preferential policies including land grants, land premiums, financial subsidies, and tax incentives, to attract high value-added industries and high-potential enterprises to set up in Hong Kong, thereby promoting high-quality development. Invest Hong Kong (InvestHK) can use the preferential policy packages flexibly during negotiations with enterprises on settlement details, then report to the FS for approval.

The FS has set up the Steering Committee on Preferential Policies for Attracting Industries and Investment (Steering Committee) and formulated a preliminary framework, which would take into account a series of factors, including the enterprise's industry sector and its

technology level, as well as the potential economic contributions and employment opportunities it can bring to Hong Kong. As a member of the Steering Committee, InvestHK will work to attract key enterprises to set up in Hong Kong under the steer of the Financial Secretary. Specific tasks will include –

- To conduct researches on different overseas markets to identify high-potential enterprises that can make significant contributions to Hong Kong's economy and industrial chain and attract them to set up businesses in Hong Kong;

- To act as a "relationship manager" to liaise with the potential enterprises on settlement terms, including assessing the enterprises' business needs and contributions to Hong Kong's economy, and seeking policy support from the relevant policy bureaux and the Steering Committee, with a view to proposing attractive preferential policy packages (such as land grant arrangements, financial subsidies or tax incentives) to the enterprises and attracting them to set up businesses in Hong Kong; and

- To provide customised services and follow up with enterprises on arrangements such as setting up businesses, land deeds, legal contracts, etc. to ensure that the enterprises concerned can set up their businesses and commence operations smoothly.

InvestHK and members of the Steering Committee are proactively taking forward the work related to the preferential policy packages. The Government will announce in due course when cases become mature.

InvestHK will work towards the performance indicator set out in the 2025 Policy Address to attract at least 1 200 Chinese Mainland or overseas enterprises to set up or expand businesses in Hong Kong between 2026 and 2027, including high value-added industries and high-potential enterprises that may be eligible for the preferential policy packages. On target sectors, InvestHK will continue to focus on key sectors including innovation and technology, business and professional services, creative industries, sports and entertainment, transport and logistics, financial services, family offices, fintech, etc. to attract more high value-added industries and high-potential enterprises in 2026-27.

The expenditure involved in attracting enterprises to establish a presence in Hong Kong using the preferential policy packages by InvestHK has been subsumed under its overall estimate, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3559)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Aaron LIU)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Programme that the Government will inject a total amount of $2.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales, the SME Export Marketing Fund, and the Trade and Industrial Organisation Support Fund. Will the Government please specify the percentage of injection received by each funding scheme? What will be the indicators to assess the effectiveness of the measures?

Asked by: Hon KWOK Fu-yung (LegCo internal reference no.: 46)

Reply:

To continue to support the development of local enterprises and help them go global, the Government injected $1.75 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and $750 million into the Export Marketing and Trade and Industrial Organisation Support Fund (which covers expenditures of the SME Export Marketing Fund (EMF) and the Trade and Industrial Organisation Support Fund (TSF)), totalling an injection of $2.5 billion in 2025.

We have been closely monitoring and reviewing the operational arrangements of various funding schemes continuously. Targets and indicators for different aspects of these funding schemes have also been set in the Controlling Officer's Report of the Trade and Industry Department, e.g. the performance pledge of processing applications, planned number of applications received and processed, etc.

To assess the effectiveness of the funding schemes, we have been conducting surveys with the beneficiary organisations/enterprises and the results indicate that the funding schemes can provide effective support to them. As at end-February 2026, around 98% of the responding enterprises considered the BUD Fund useful in supporting their business development. The enterprises also indicated that the BUD Fund could assist them in areas such as enhancing image, awareness of their brands/products/services, and their overall competitiveness. Regarding the EMF, around 95% and 98% of the responding enterprises were satisfied with

the scheme and considered that it had helped strengthen their marketing activities respectively. As for the TSF, around 99% of the grantees indicated that the scheme was very helpful in enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors.

- End -