

# InterSME

## What do you need post COVID-19?

A virtual workshop for SME's and Start-ups in Hong Kong to have your voice heard,  
and hear the voices of others

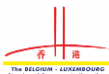
Held Tuesday 14<sup>th</sup> July 2020

### FINDINGS SUMMARY

#### Organising Chambers



#### Supporting Chambers



## Background

An InterSME online workshop was organised to allow Start-ups, Small Businesses and Medium sized enterprises based in Hong Kong, that are members of the events Organising or Supporting Chambers of Commerce, to be heard and express their opinions through a facilitated workshop in response to the following question;

***As an SME or Start-up based in Hong Kong, what do you need from your Chamber of Commerce and the Government to help you recover and prosper after COVID-19?***

which was posed to all event participants.

This document summarises the topics and opinions that were raised, discussed, and presented during the facilitated workshops.

The information is being shared with all participating Chambers of Commerce and is shared on an “as-is” basis. We hope that the ideas will stimulate further discussion within each chamber community, and potentially form the basis of chamber programs or submissions to government.

## Disclaimer

***The information contained in this document does not represent the views or opinions of the facilitators, organising chamber, nor the supporting chambers.***

## Next Steps

Each participating chamber is free to use the information contained within this document as they deem appropriate. We do encourage that participating chambers work together to share ideas and formulate possible responses to the ideas presented.

The InterSME group will work on developing a united submission for the Hong Kong Government with regards to Start-ups, Small and Medium Businesses. Participation in this activity by any Chamber of Commerce is purely voluntary.

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## Introduction

This document represents a summary of the ideas discussed during the InterSME event held on Tuesday 14<sup>th</sup> July 2020. The information is shared freely and AS-IS to all participants and supporters of the event, and we hope that the information can be used to inspire further collaboration and initiatives within and between the different Chambers of Commerce within Hong Kong.

The document has been broken into 3 key categories of ideation received from event participants. These being

- *Government Specific Response*
- *Government and Chamber Collaboration Response*
- *Chamber Specific Response*

We encourage that each Chamber of Commerce receiving this document make use of the information to explore further how they can support their members during COVID-19 and beyond.

## GOVERNMENT SPECIFIC RESPONSES

Feedback from participants was generally positive with regards to the efforts and measures that the Government has implemented as a response to the COVID-19 crisis. A key area of concern for participants was in the detail and execution of several programs, with requests from participants for additional effort to be made to clearly define meanings and to better educate those executing the programs on behalf of the Government. This subsequently led to a call for simplifying the application process and ensuring that process approval timeline is as short as possible.

Several suggestions were made regarding government initiatives currently in place and several suggestions around potential initiatives. We have summarised the key points below.

### Employee Support Scheme

Event participants indicated their support and gratitude towards the ESS program. Several key points were highlighted for improvement

- Extend the ESS program through to the end of Q2 2021. Since COVID-19 has hit its 3<sup>rd</sup> wave in Hong Kong and does not look like abating in the near future, it is expected that the current stress being felt by small businesses will continue, as such continued support through the ESS will help to support the continued employment of staff by SME's as they strive to recover and rebuild their business post COVID-19. It should be noted that comparable programs (Australia's JobKeeper) have already extended their program into next year.
- Increase the individual program cap from HKD\$9,000 a month to HKD\$18,000 per person per month. With unemployment levels rising and the COVID-19 crisis extending beyond expectations, individuals' savings are now under pressure. While the program is universally appreciated, the amount committed to by the government is substantially less than comparable programs, such as the Australian JobKeeper program (A\$1,500 per person per fortnight, or approximately HKD\$7,800 per fortnight or HKD\$15,600 per month).

- Extend the support to self-employed persons to allow a lump sum payment each quarter for the duration of the ESS program. Arguably, a recovery within Hong Kong and around the world post COVID-19 will be reliant upon successful entrepreneurs to build businesses and drive employment opportunities for others in the community. Active support of self-employed entrepreneurs during the crisis will help to activate the recovery post COVID-19.

### 100% Loan Guarantee Scheme

Key feedback from the event participants has included

- A request to simplify the process for eligible companies under the scheme that do not have employees and/or rent by
  - Better and more clearly defining how “Net Income” should be calculated when using the allowed proxy calculation such that the process of application and approval is not held up at the bank level.  
(Note: feedback has indicated that when this method is used, banks negotiated the ‘net revenue’ calculation results downward to protect themselves from the government later challenging the amount and therefore not guaranteeing the amount 100%)
  - Allowing companies without employees to sign a statutory declaration to this effect and thus save them the administrative burden of subscribing to an MPF Scheme to prove that they have no employees  
(Note: feedback indicated that under the current program, companies without employees were required to prove this by providing an MPF scheme statement attesting to this. For several eligible companies, this required the company to undertake the process of subscribing to a scheme for the sole purpose of having a report issued)

### Covid-19 Business Response Website

Currently the Government has the [www.coronavirus.gov.hk](http://www.coronavirus.gov.hk) website as a portal and single source of information for communicating to the general public regarding the current status and health responses to the COVID-19 crisis. Several participants in the event indicated that the programs and information relevant to small business support comes from different agencies and departments. The recommendation was made that the website above, or an equivalent business focussed website, be created as the single source of information relating to business as well as health and linking through to each Government agency and department as appropriate.

### Covid-19 What-If & Scenario Based Sharing

We need to acknowledge that those that have been tasked with the job of keeping the community safe and combating the COVID-19 crisis within Hong Kong are facing a difficult and unenviable role, and that we are grateful for the work that has been done to date. It has at times been felt that the Government is making policy ‘on-the-run’ and undertaking knee-jerk reactions to the COVID-19 health crisis, with new or updated policies being implemented with limited notice to, or preparation time for, the community. While it is understood that the Government is working under difficult circumstances, it was suggested that it would be beneficial for both the government and the community at large if the Government could share scenario and subsequent action plan information

with the community. In other words, if the Government is able to share scenarios and subsequent action plans on an “IF THIS OCCURS, THEN THIS POLICY RESPONSE WILL BE ENACTED WITHIN THIS TIMELINE AND WITH THESE SPECIFIC MEASURES”, then the public and business can be better prepared for such eventualities.

### Domestic Rent Freeze & Automatic Right of Renewal For Tenants

There is an emerging fear within the domestic rental market at the low and mid-market that rents may come under upward pressure due to opportunistic landlords seeking to maximise profits due to changing economic circumstances creating increasing demand resulting from individuals looking to ‘downsize’ and save on rent during these uncertain economic times.

The implementation of a program similar to that enacted by the Government post the SARs outbreak in 2003, whereby tenants with leases expiring in 2020 and early 2021 can automatically renew their existing tenancy agreement for 1 year at the same rental amount and under the same terms and conditions will help to protect tenants from a level of uncertainty. This approach does not disadvantage Landlords as rents would remain at reasonable levels. It also does not prevent Landlords and Tenants from negotiating lower rates if appropriate.

### Business Creation Programs

With the COVID-19 crisis potentially generating our highest unemployment levels in a generation, and more unemployment expected once programs such as the ESS come to an end – the need to build and grow small and medium businesses to generate employment opportunities across the community will become paramount. As such, it is recommended that the Government increase its support of business creation and growth programs. Such activities could involve

- Low interest loans (like the Loan Guarantee Scheme), where the principal and interest are converted to a grant after the achievement of certain employment and growth metrics
- Expanding the classification of businesses eligible for incubation and acceleration under public sponsored programs (namely Science Park, Cyberport and Innotec) to include non-tech/non-digital businesses and business models that have a high possibility of being sustainable and generating employment within the HKSAR.

## GOVERNMENT & CHAMBER COLLABORATION

Participants raised that each Chamber of Commerce currently has an engagement and advocacy approach to the Hong Kong Government. It was raised that there was potential for more collaboration between Government and Chambers of Commerce to generate trade and build business opportunities. These ideas included

### Digital Trade Delegations & Chamber Sponsorship

The Government could work with each Chamber of Commerce in Hong Kong to sponsor DIGITAL trade missions / delegations with each Chamber’s home country. Each Chamber has connections to their home countries trade apparatus and by working with the Hong Kong Government, they could help to stimulate Business to Business connections and trade between Hong Kong Businesses and each chamber’s home countries businesses. With the Government providing funding support the Chambers will be in the best position to take the lead on this initiative and build digital trade

delegations that benefit both business in Hong Kong and in the home country of each Chamber of Commerce.

### GBA Digital Engagement

Trade between Hong Kong and the GBA has been growing steadily over the past years and will continue to be an important part of the ongoing economic development of Hong Kong. The Government, and (most) Chambers of Commerce have a GBA engagement policy and various activities to promote trade. It was suggested that the Government work with the various Chambers of Commerce GBA teams to design and execute a GBA Digital Trade engagement strategy. This could include marketing and awareness campaign, supported by digital trade delegations coordinate between the Government and the different Chamber of Commerce in Hong Kong.

## CHAMBER SUPPORT

As part of the event, participants were asked what their Chambers of Commerce could do to aid in the recovery and growth of SME's post the COVID-19 crisis. In answering this question, participants were asked to make suggests that were realistic and within the capabilities and scope of a Chamber of Commerce. The following suggestions were made.

### More SME Focussed InterChamber Mixer & Business Development Events

Hold more events that allow small businesses to meet and interact with potential customers and partners from within their own Chambers and amongst other Chambers. Potential event types could include

- **Business Speed Dating**  
Similar to Speed Dating. An event that allows each business participant to pitch their “business and ask” to multiple parties in a short period of time. The event acts as part networking and part business development for otherwise busy business owners and founders.
- **InterChamber Industry / Sector Themed Products and Service Fairs**  
Working across Chambers to promote and build awareness of the products and services available from Hong Kong Businesses. While Chambers traditionally operate to promote the business interests of their own members and countries of origin, the COVID-19 crisis has created such a shock to our economic system that members longer term may be better served by the Chambers working together to promote individual sectors and industries, and creating a bi-partisan effort to promote economic recovery.

### Increased Business Matching Services

Many Chambers of Commerce already offer a Business Matching service. During and post the COVID-19 crisis, increasing the efforts and activity around this service offering – and increasing collaboration with different Chambers and external organisations ( such as HKDTC ) will help assist businesses find new and alternative revenue streams and supply chains.

### Covid-19 Information Access and Sharing

Many Chambers have worked hard to communicate information to their members regarding the COVID-19 crisis, updates, and response programs. This has possibly led to duplication of effort across the different chambers. It was suggested that the Chambers could collaborate in sharing information and providing updates to members, and thus ensuring consistency of information flow and the removal of duplicated effort. The desired outcome being that additional time and resources are freed up across the Chambers to support activities that promote economic recovery.