

# Session 7 AEO and Small and Medium-sized Enterprises (SMEs): Addressing Challenges and Promoting Participation

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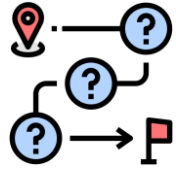
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# AGENDA



**01** SMEs in Hong Kong &  
Challenges faced by SMEs in AEO



**02** certification  
Strategies to help SMEs to join AEO



**03** Programme  
Success story of SME



**04** Way forward

# SMEs in Hong Kong

## Definition of SMEs in Hong Kong

- Defined by Trade and Industry Department
- Manufacturing : <100 employees
- Non-manufacturing : <50 employees

## SMEs of HKAEO

- As of Apr 2024, HK Customs accredited 85 /
- 18 of them are SMEs



# Challenges faced by SMEs in AEO Certification

## HKAEAO Programme

- Full compliance with WCO's SAFE Framework of Standards
- Fulfilled all the required security criteria and standards

## Challenges faced by SMEs:



### 1. Complexity of application process

- Require extensive document and compliance of security standard



### 2. Limited resources and expertise

- Lack resources to navigate AEO certification requirements

# Challenges faced by SMEs in AEO Certification



## 3. Financial constraints

- Additional cost to implement security measures



## 4. Limited awareness and understanding

- Limited awareness on the benefits of AEO certification

# Strategies to help SMEs to join AEO Programme



## 1. Hong Kong AEO Programme - 2-Tier

### Accreditation Regime

- Launched in 2012 - an **★** open, free and voluntary regime
- Unique business environment of Hong Kong: **> 98%** of

1. Customs Compliance

2. Maintenance of Commercial Records

3. Financial Soundness Security Criteria

4. Premises Security & Access Control

5. Personnel Security

6. Cargo Security

7. Conveyance Security

8. Business Partner Security

9. Security Education & Training

10. Info Exchange, Access & Confidentiality

★ 11. Crisis Management & Incident Recovery

★ 12. Measurement, Analysis & Improvement

# Strategies to help SMEs to join AEO Programme



## 2. Publicity of HKAEO Program

- Promotion seminars & company visits



## 3. AEO iPASS – Online Assessment tool

- Swift and quick way to know the readiness
- Improvement advice and e-learning tips



## 4. Cultivation Team

- Follow up with potential companies

# Strategies to help SMEs to join AEO Programme



## 5. Professional advice by Account Managers:

- Help SMEs understand & fulfill AEO criteria

## 6. Communication channels

- Designated hotline, email box, webpage



## 7. Collaboration with trade associations/other agencies:

- Trade associations - reach & assist SMEs
- Trade and Industry Department - joint promotion
- HK Export Credit Insurance Corporation – 10 free credit checks





# Success Story - Cheong Hing Store Limited

**Cheong Hing Store Limited** - SME in HK established in 1917

- Household products,

cosmetics, wines etc



## Major Obstacle to join HKAE0 Programme:

- Complex administrative tasks



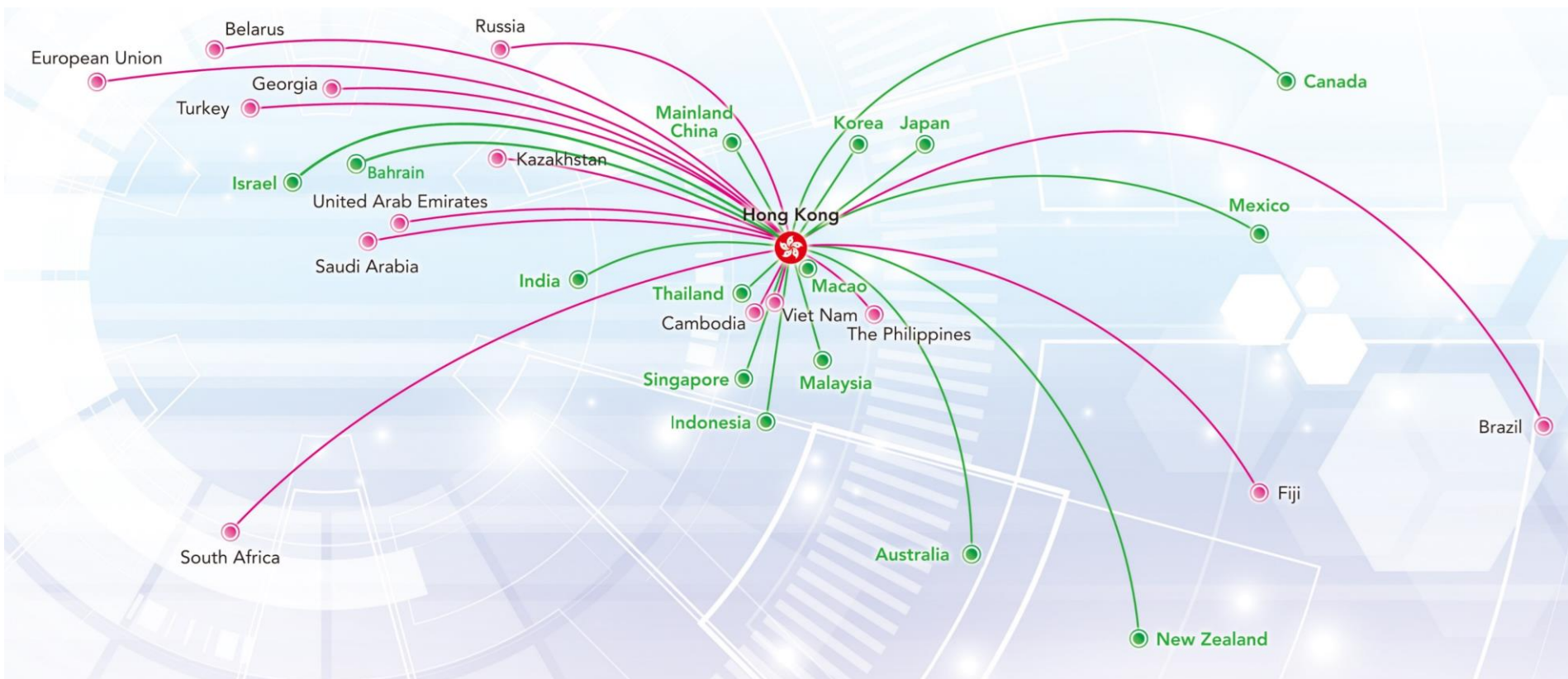
## Assistance from Hong Kong Customs:

- Advice on document control and premises security
- Accredited HKAE0 Tier 1 in May 2018
- Upgraded to Tier 2 in Sep 2018

# Way Forward



- Extend MRA network with HK's major trading partners



# Way Forward



- Strengthen the Greater Bay Area cooperation to enhance SMEs' competitiveness

- Signing of MoU on Enhancing AEO Co-operation in the Greater Bay Area among Mainland, Hong Kong and Macao



- Encourage SMEs participation and strive for more benefits for HKAEOs



**THANK YOU!**