

For information

**LegCo Subcommittee
to Study the Streamlining of Food Business Licensing**

Withdrawn/Abandoned Cases of Food Business Licence Applications

Purpose

This paper provides information on withdrawn/abandoned cases of restaurant and non-restaurant licence applications processed by the Food and Environmental Hygiene Department (FEHD) in 2003 and 2004.

Background

2. Members were informed at the meeting of the Legislative Council Subcommittee to Study the Streamlining of Food Business Licensing (the Subcommittee) on 2 March 2005 that in 2003 and 2004, there were 1,425 and 1,510 abortive cases and a total of 5,491 and 6,045 applications received respectively. These figures included both applications for provisional and full licences and for permits.

3. At the request of the Subcommittee, FEHD conducted a survey on the withdrawn and abandoned cases of restaurant and non-restaurant licence applications processed in 2003 and 2004. For the purpose of the survey, the number of applications was based on the number of applicants, i.e. each application for provisional licence and the parallel application for full licence was counted as one application. The number of applications for permits was not examined as the number was relatively small in comparison with application for licences. On this basis, the total number of applications received in 2003 and 2004 were 2441 and 2581 respectively. The findings of the survey are set out at Appendices I to III.

Findings of Survey

4. Members will note that:
 - (a) The number of withdrawn cases of restaurant and non-restaurant licence applications processed by FEHD in 2003 and 2004 were 332 and 205 respectively, representing 14% and 8% of the total number of applications received. In addition, 206(8%) and 168(7%) applications respectively in 2003 and 2004 did not pass the preliminary screening of layout plan, and another 121(5%) and 46(2%) cases respectively were terminated by FEHD due to the lack of progress in complying with licensing requirements (**Appendix I**);
 - (b) Of the withdrawn cases in 2003 and 2004 with reasons for withdrawal known, the bulk of them (108 and 40 respectively) cited personal problems as the reason for withdrawal. Other reasons provided included poor business and tenancy problems (**Appendix II**);
 - (c) Of the 332 and 205 withdrawn cases in 2003 and 2004, about 48% and 68% of them pulled out in the first six months (**Appendix III**).

Advice Sought

5. Members are requested to note the findings of the survey on withdrawn/abandoned cases of food business licence applications.

Health Welfare and Food Bureau
Food and Environmental Hygiene Department
May 2005

Appendix I

Number of withdrawn/abandoned cases

		No. of applications received#	Cases not passing preliminary screening of layout plan	Withdrawn cases*	Abandoned cases*
2003	Restaurant	1171	51	137	65
	Non-restaurant	1270	155	195	56
	Total	2441	206	332	121
2004	Restaurant	1301	49	107	17
	Non-restaurant	1280	119	98	29
	Total	2581	168	205	46

Number of applications refers to full licences only and excludes provisional licences and permits.

*By 1.3.2005

Note : (a) Withdrawn cases refer to cases of voluntary withdrawal by notice of the applicants

(b) Abandoned cases refer to cases terminated by the licensing authority due to no progress in complying with licensing requirements despite issue of reminders.

Breakdown by reasons for withdrawn cases

		No of withdrawn cases	Reasons for withdrawal				Withdrawn without reasons provided
			Personal problems	Poor business	Tenancy problems	Other reasons	
2003	Restaurant	137	51	8	7	7	64
	Non-restaurant	195	57	18	4	7	109
	Total	332	108	26	11	14	173
2004	Restaurant	107	24	2	3	13	65
	Non-restaurant	98	16	8	2	3	69
	Total	205	40	10	5	16	134

Appendix III

Breakdown by stage of withdrawal for withdrawn cases

	2003	2004
	No. of withdrawn cases	No. of withdrawn cases
1 to 60 days	79	76
61 to 120 days	39	33
121 to 180 days	41	30
181 to 240 days	83	35
241 to 300 days	35	22
301 to 360 days	22	8
Over 360 days	33	1
Total	332	205