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Hon WONG Kwok-hing
Chairman
Panel on Housing
Legislative Council
Hong Kong Special Administrative Region
c/o Legislative Council Secretariat

Fax: 2537 1851

December 15, 2008

Dear Sir,

Submission to the Housing Panel Meeting for December 16, 2008 (Tue)

I am aware that there is a discussion by your Panel on Link's business issues tomorrow. To uphold Hong Kong's free market economy principle, we should as a society refrain from interfering with the business issues of The Link, which is a 100% private-investor-owned listed entity.

As submission of my views to the Panel, I attach an article written by me, and published in SCMP on December 8, 2008.

Thank you.

Dick Yu
Resident of Tseung Kwan O

EDT16 | EDT

South China Morning Post

2008-12-08

Estate shop rent cuts unfair

The Housing Authority's measure to halve shop rents at about 6,000 shops in January and February was extensively reported in the press.

Before drifting along with the thought that the measure may help the tenants I suggest we had better think twice to see whether such a measure really has an impact on the retail market in the long run.

It has been widely known that many Housing Authority tenants are already enjoying rents which are much lower than their peers' on the open market.

I understand that some tenants in the authority's wet markets are paying only a few hundred dollars in monthly rent.

This measure will cost the authority about "HK\$30 million in rental income." (Housing Authority to halve rent at 6,000 shops for two months, November 26).

I wonder if this money could have been used in a more effective way.

The authority's decision to interfere in the operation of the market by spending public money is not fair to other retailers or to taxpayers.

Retailers in a free market situation should be self-reliant. It is up to them to try to prosper in their businesses.

Public money should always be spent in a way which will bring advantages to the entire economy rather than benefiting only a small group.

While the fairness of the government's measure is in question it is unreasonable to ask The Link Management to follow the authority's decision and lower the rents at its malls.

After all, The Link is running a business in a commercial world.

Should we not simply leave things to the market?
Dick Yu, Tseung Kwan O