

(Translation)

**Motion on
“Increasing the business floor areas of the retail industry”
Moved by Hon Vincent FANG
at the Council meeting of 6 February 2013**

**Motion as amended by Hon WONG Kwok-hing, Hon Alice MAK,
Hon Starry LEE, Hon Alan LEONG and Hon Kenneth LEUNG**

That, the services industry is one of Hong Kong’s major industries, in which the retail industry develops rapidly but the urban development planning in Hong Kong does not dovetail with the expansion, development direction and demand for business floor areas of the retail industry, resulting in a severe shortage of retail floor areas in Hong Kong in recent years, which leads to retail shop rents going out of control and spiralling upwards, directly and indirectly causing operating difficulties to the extent of closure of small and medium enterprises and the rise in prices of goods, and rendering people plagued by shopping difficulties and expensive pricing of goods; the Chief Executive, after taking office, has promised the wholesale and retail industries that measures would be taken to increase commercial floor areas, but this has not been mentioned in the Policy Address; in this connection, this Council urges the Government to:

- (1) conduct a comprehensive review of the changes in the retail industry over the next 10 years, including the future development trends of the retail industry in respect of business floor areas, manpower, locations of businesses and business operators (including size and number), so as to work out the future development scale of retail floor areas and appropriately increase their supply year by year to ease rental increases;
- (2) conduct a comprehensive review of grass-root retail businesses, including the number, business floor areas, manpower, licensing regime and regulatory ordinances of wet markets, open-air bazaars and hawking trades, so as to assess what support should be rendered to grass-root retail businesses, including relaxing the restriction on the area of an on-street fixed hawker pitch of only three feet by four feet and re-issuing an appropriate number of hawker licences, adjust the government policy on vacant shops in public markets and relax the application restrictions, and allocate resources to improve the business environment of markets (including installation of air-conditioners), etc., so as to put vacant retail floor areas on the market; and

- (3) review the leasing policies, tenant mixes and functions of the retail floor areas of properties under the Government, including those of the Hong Kong Housing Authority and the Hong Kong Housing Society, so as to prevent the retail floor areas of such properties from becoming those under The Link, and ensure that the relevant properties and organizations adopt ‘consumption needs of residents’ instead of ‘rents’ as the primary principle; and at the same time, explore the feasibility of using part of the retail floor areas to support the development of grass-root, individual and specialty retail businesses, such as assisting old shops with traditional and historical characteristics and small shop tenants compelled to move out by The Link in continuing their businesses, or to assist young people in starting up businesses;
- (4) closely monitor recent speculation in retail properties and introduce measures to curb such activities when necessary; and
- (5) examine various districts’ demands for and proposals on the introduction of public markets, open-air bazaars and hawkers, and expeditiously implement the construction of the relevant facilities; and
- (6) study the feasibility of massively developing underground commercial spaces; expeditiously give impetus to the transformation of industrial buildings; and, focusing on the needs of local small and medium shop tenants and on the premise of fully consulting local communities, set up large-scale exhibition and sales venues, factory outlets and publicly-operated shopping arcades, markets, marketplaces and bazaars, etc., so as to increase the business floor areas of the retail industry and alleviate the pressure of rental increases;
- (7) regarding the successive closure of traditional small shops and market stalls caused by The Link’s hegemony, study the conversion of school premises made vacant by ‘school culling’, idle government industrial buildings and those shopping arcades or car parks still owned by the Hong Kong Housing Authority (‘HA’) into small shops, and encourage shop tenants of The Link who cannot renew their tenancy agreements or people with aspiration to start a business to rent such shops; at the same time, making reference to the operation mode of Domain shopping mall in Yau Tong under HA, expedite the renovation of old shopping arcades with low customer flow, so as to increase retail spaces with reasonable rents; and
- (8) having regard to the characteristics of the various districts in Hong Kong, review the functions and policy objectives of public markets, so as to provide public markets which meet the needs of local residents;

- (9) study the positive and negative impacts of the policy on the Individual Visit Scheme for Mainland visitors and the spending pattern of Mainland visitors on Hong Kong society, and enhance and adjust the relevant policies in this regard, so as to achieve more diversified and balanced development of the retail and catering industries of various classes and alleviate the impact of the policy on the Individual Visit Scheme on members of the public; and
- (10) consult the public and conduct a review of the development direction, positioning, clientele and objective of Hong Kong's local tourism, so as to facilitate the corresponding adjustments and enhancement of the relevant policies on local retail businesses, tourism development and immigration, etc.