

立法會
Legislative Council

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 6 February 2013

**Amendments to motion on
“Increasing the business floor areas of the retail industry”**

Further to LC Paper No. CB(3) 326/12-13 issued on 24 January 2013, eight Members (Hon WONG Kwok-hing, Hon Alice MAK, Hon Starry LEE, Hon Alan LEONG, Hon Michael TIEN, Hon Gary FAN, Hon Kenneth LEUNG and Hon SIN Chung-kai) have respectively given notices of their intention to move separate amendments to Hon Vincent FANG’s motion on “Increasing the business floor areas of the retail industry” scheduled for the Council meeting of 6 February 2013. As directed by the President, the respective amendments will be printed in the terms in which they were handed in on the Agenda of the Council.

2. The President will order a joint debate on the above motion and amendments. To assist Members in debating the motion and amendments, I set out below the procedure to be followed during the debate:

- (a) the President calls upon Hon Vincent FANG to speak and move his motion;
- (b) the President proposes the question on Hon Vincent FANG’s motion;
- (c) the President calls upon the eight Members who wish to move amendments to speak in the following order, but no amendment is to be moved at this stage:
 - (i) Hon WONG Kwok-hing;
 - (ii) Hon Alice MAK;

- (iii) Hon Starry LEE;
 - (iv) Hon Alan LEONG;
 - (v) Hon Michael TIEN;
 - (vi) Hon Gary FAN;
 - (vii) Hon Kenneth LEUNG; and
 - (viii) Hon SIN Chung-kai;
- (d) the President calls upon the public officer(s) to speak;
 - (e) the President invites other Members to speak;
 - (f) the President gives leave to Hon Vincent FANG to speak for the second time on the amendments;
 - (g) the President calls upon the public officer(s) to speak again;
 - (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the eight Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon WONG Kwok-hing to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon WONG Kwok-hing's amendment;
 - (i) after Hon WONG Kwok-hing's amendment has been voted upon, the President deals with the other seven amendments; and
 - (j) after all amendments have been dealt with, the President calls upon Hon Vincent FANG to reply. Thereafter, the President puts to vote the question on Hon Vincent FANG's motion, or his motion as amended, as the case may be.

3. For Members' ease of reference, the terms of the original motion and of the motion, if amended, are set out in the **Appendix**.

(Odelia LEUNG)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Increasing the business floor areas of the retail industry”
to be held at the Council meeting of 6 February 2013**

1. Hon Vincent FANG’s original motion

That, as Hong Kong’s 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-roots retail businesses, including the number, business floor areas and manpower of wet markets, open-air bazaars and hawking trades, so as to assess what support should be rendered to grass-roots retail businesses, and adjust the government policy on vacant shops in public markets and relax the application restrictions, etc., so as to put vacant retail floor areas on the market; and
- (3) review the 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, and explore the feasibility of using such space to support the development of grass-roots, individual and specialty retail businesses, or to assist young people in starting up businesses.

2. Motion as amended by Hon WONG Kwok-hing

That, as ~~Hong Kong's~~ *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-roots retail businesses, including the number, business floor areas ~~and manpower,~~ *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-roots retail businesses, ~~and~~ *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 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, and explore the feasibility of using such space to support the development of grass-roots, individual and specialty retail businesses, or to assist young people in starting up businesses.

Note: Hon WONG Kwok-hing's amendment is marked in *bold and italic type* or with deletion line.

3. Motion as amended by Hon Alice MAK

That, ~~as~~ *since the reunification, owing to the substantial increase in the number of inbound tourists*, Hong Kong's 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, *with shop rents in quite a number of shopping districts affordable only to large chain stores or multinational groups, and small shop tenants and old shops originally operating in these districts subjected to the pressure of exorbitant rents*, directly and indirectly causing operating difficulties to the extent of closure of *such shops and* small and medium enterprises ~~and~~ *eventually*; the rise in prices of goods, ~~and rendering~~ *driven by high rents has rendered* 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~~, *and at the same time, closely monitor recent speculation in retail properties and introduce measures to curb such activities when necessary to ease* rental increases;
- (2) conduct a comprehensive review of grass-roots retail businesses, including *the overall policy on, and* the number, business floor areas and manpower of, wet markets, open-air bazaars and hawking trades, ~~so as to~~ *including examination of 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 at the same time*, assess what support should be rendered to grass-roots retail businesses, and adjust the government policy on vacant shops in public markets and relax the application restrictions, 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,

~~and~~ *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 ~~such space~~ *part of the retail floor areas* to support the development of grass-roots, 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.

Note: Hon Alice MAK’s amendment is marked in *bold and italic type* or with deletion line.

4. Motion as amended by Hon Starry LEE

That, as *at present*, Hong Kong’s 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-roots retail businesses, including the number, business floor areas and manpower of wet markets, open-air bazaars and hawking trades, so as to assess what support should be rendered to grass-roots retail businesses, and adjust the government policy on vacant shops in public markets and relax the application restrictions, etc., so as to put vacant retail floor areas on the market; ~~and~~

- (3) review the 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, and explore the feasibility of using such space to support the development of grass-roots, individual and specialty retail businesses, or to assist young people in starting up businesses; *and*
- (4) *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.*

Note: Hon Starry LEE's amendment is marked in *bold and italic type* or with deletion line.

5. Motion as amended by Hon Alan LEONG

That *the retail industry is an important economic pillar of Hong Kong, and*, as Hong Kong's 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) *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;

(2)(3) conduct a comprehensive review of grass-roots retail businesses, including the number, business floor areas and manpower of wet markets, open-air bazaars and hawking trades, so as to assess what support should be rendered to grass-roots retail businesses, *and improve the business environment of existing shop operators; 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;* and adjust the government policy on vacant shops in public markets and relax the application restrictions, etc., so as to put vacant retail floor areas on the market; and

(3)(4) review the functions of the retail floor areas of properties under the Government, including those of ~~the Hong Kong Housing Authority~~ *HA* and the Hong Kong Housing Society, and explore the feasibility of using such space to support the development of grass-roots, individual and specialty retail businesses, or to assist young people in starting up businesses.

Note: Hon Alan LEONG's amendment is marked in *bold and italic type* or with deletion line.

6. Motion as amended by Hon Michael TIEN

That,—as Hong Kong's 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-roots retail businesses, including the number, business floor areas and manpower of wet markets, open-air bazaars and hawking trades, so as to assess what support should be rendered to grass-roots retail businesses, and adjust the government policy on vacant shops in public markets and relax the application restrictions, etc., so as to put vacant retail floor areas on the market; ~~and~~
- (3) review the 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, and explore the feasibility of using such space to support the development of grass-roots, individual and specialty retail businesses, or to assist young people in starting up businesses;
- (4) *review the modes of operating and leasing the properties under the Government and the Hong Kong Housing Society; study the setting of discounted rent levels by making reference to the market rents of neighbouring shops; adopt 'contract turnover volume' as the primary consideration instead of selecting the highest bidders in tendering exercises, so as to drive shop tenants to pursue their 'contract turnover volumes' by making small profit margins with large sales volumes and cutting price; and require shop tenants to sell daily necessities to meet the needs of nearby people with low or middle income;*
- (5) *study the setting up of a statutory body for managing Government-owned shopping arcades, markets and properties which may be used for retail purposes, with 'caring about people's livelihood' and 'increasing people flow in shopping arcades and markets' as the main objectives of its operation mode and with elites from the retail industry and stakeholders of various sectors being invited by the proposed statutory body to serve as its board members; and study the building of shopping arcades in the vicinity of housing estates under The Link's monopoly to provide more rental choices to small and medium shop tenants; and*

- (6) *study the building of large shopping malls outside core business districts (such as the areas near the boundary control points), so as to, while increasing the business floor areas of the retail industry of Hong Kong, cater for the huge demand of Individual Visit Scheme visitors and divert visitor flows in the city's downtown, with such newly-built shopping malls being able to not only alleviate the spiralling shop rents in the city's downtown but also promote employment in local communities and provide suitable types of retail-related jobs for new arrivals in Hong Kong.*

Note: Hon Michael TIEN's amendment is marked in *bold and italic type* or with deletion line.

7. Motion as amended by Hon Gary FAN

~~That, as Hong Kong's 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~~ *in recent years, following the implementation of the Individual Visit Scheme with no quota and 'multiple entry permits', Hong Kong's retail industry has gradually shown a trend towards homogeneity and chain operation, 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, *extinction of small street-side shops in local communities, the survival of chain shops only,* 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-roots retail businesses, including the number, business floor areas and manpower of wet markets, open-air bazaars and hawking trades, so as to assess what support should be rendered to grass-roots retail businesses, and adjust the government policy on vacant shops in public markets and relax the

application restrictions, etc., so as to put vacant retail floor areas on the market; and

- (3) review the 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, and explore the feasibility of using such space to support the development of grass-roots, individual and specialty retail businesses, or to assist young people in starting up businesses;
- (4) *study Hong Kong's visitor carrying capacity, and based on the findings, cap the number of visitors under the Individual Visit Scheme to avoid endless rental increases caused by the over-expansion of the retail industry;*
- (5) *expeditiously implement the entry policy of 'one trip per day' to reduce the impact of smuggling activities by parallel traders on Hong Kong people's daily living and the negative impact on the retail industry;*
- (6) *in the long run, abolish the current arrangement of 'multiple entry permits', so as to stop parallel traders from entering Hong Kong by 'multiple entry permits' to smuggle Hong Kong goods, and improve the situation of Hong Kong retail businesses becoming homogeneous and small shops with unique characteristics going extinct; and*
- (7) *in the long run, reclaim the vetting and approval right under the Individual Visit Scheme, so that the Hong Kong Government can take active administrative measures to control the number of inbound visitors and proactively intercept the entry of parallel traders who frequently come to Hong Kong for engaging in smuggling activities, so as to reduce the pressure from parallel traders on the people and retail industry of Hong Kong.*

Note: Hon Gary FAN's amendment is marked in *bold and italic type* or with deletion line.

8. Motion as amended by Hon Kenneth LEUNG

That, as Hong Kong's retail industry develops rapidly *and the policy on the Individual Visit Scheme has been relaxed, a large number of Mainland visitors is attracted to Hong Kong to spend*, 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, ***and at the same time, rendering shops homogeneous in type and losing local characteristics***; 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-roots retail businesses, including the number, business floor areas and manpower of wet markets, open-air bazaars and hawking trades, so as to assess what support should be rendered to grass-roots retail businesses, and adjust the government policy on vacant shops in public markets and relax the application restrictions, etc., so as to put vacant retail floor areas on the market; ~~and~~
- (3) review the 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, and explore the feasibility of using such space to support the development of grass-roots, individual and specialty retail businesses, or to assist young people in starting up businesses;
- (4) ***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***
- (5) ***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.***

Note: Hon Kenneth LEUNG's amendment is marked in *bold and italic type* or with deletion line.

9. Motion as amended by Hon SIN Chung-kai

That, as Hong Kong's 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-roots retail businesses, including the number, business floor areas and manpower of wet markets, open-air bazaars, *co-operative societies* and hawking trades, so as to assess what support should be rendered to grass-roots retail businesses, and adjust the government policy on vacant shops in public markets and relax the application restrictions, etc., so as to put vacant retail floor areas on the market; and *at the same time, the Government should establish an incentive mechanism for reward and punishment in the long run, so as to improve tenancy rates;*
- (3) review the 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, and explore the feasibility of using such space to support the development of grass-roots, individual, *environmental industry* and specialty retail businesses, or to assist young people in starting up businesses; *and*
- (4) *while increasing the business floor areas of the retail industry by way of old districts redevelopment, have regard to the cultural value of the streets concerned and the business environment of hawkers and small*

business operators, and during community redevelopment, provide space to retain the original marketplace networks.

Note: Hon SIN Chung-kai's amendment is marked in *bold and italic type* or with deletion line.