

2014 Policy Address and 2014-2015 Budget Consultation
Submission by
Hong Kong Retail Management Association

(30 December 2013)

Executive Summary

The Association's recommendations on the 2014 Policy Address and 2014-15 Budget are summarized as follows:

(A) Overarching Vision

1. The Government has to devise an overarching vision on Hong Kong's long-term development.

(B) Hong Kong's Competitiveness

2. Hong Kong's unique attractiveness and attributes particularly the rule of law, free competition, free-flow of information, and a business-friendly infrastructure should be upheld.
3. There is a need to step up the easing of bureaucracy, lowering compliance cost, improving air quality and the environment, and providing investment incentives.
4. The Government should devise long-term policy to support the sustaining development of the retail industry especially in manpower, retail space, and tourist reception capacity.
5. The current social policy that inclines towards a welfare society should not undermine the hardworking and self-reliance character of Hong Kong people.

High Interchange Fee on Credit Card Payments

6. The high interchange fee on credit card payments and Octopus charges on retail transactions should be reviewed.

High Operating Cost & Excessive Regulatory Measures

7. The high compliance cost due to an increasing number of legislations and regulatory measures imposed in recent years should be examined and relieved.

Standard Working Hours

8. About the proposed Standard Working Hours, the Government should not hastily moving towards legislation before undertaking the followings:
- (a) identify the root cause of long working hours in Hong Kong;
 - (b) conduct an overall assessment of working hours of various industries;
 - (c) consider relaxing the importation of labour for critical sectors including the retail industry.

Cigarette Duty

9. About cigarette duty, it is proposed:
- (a) to freeze the current duty levels and commits additional resources to combat the illegal cigarette market;
 - (b) to adopt Singapore's example where all duty paid cigarettes are marked; and smoking unmarked duty not paid cigarettes are illegal.

Powdered Formula

10. On powdered formula, it is proposed:
- (a) to relax the number of cans from two to a larger quantity each person can carry as the market becomes settled;
 - (b) to devise long-term supply measures by working closely with the suppliers and other stakeholders;
 - (c) to remove the export ban as it seriously damages the free trade principle in Hong Kong.

(C) Education – Meeting Future Needs

11. To provide the right match for the job market and to meet with future development challenges, the Government should act proactively:
- (a) to take the lead to inform the young people, school masters, career councilors, and parents about the many opportunities in different industries including retailing;
 - (b) to inform the community about the urgent needs to nurture talents with vocational and technical training;
 - (c) to devise a holistic plan on education and its curriculum to prepare talents for the future.

(D) Infrastructure

12. It is of prime importance to enhance the connectivity and ease of travel via Hong Kong through upgrading our world-class infrastructure at all levels.

13. About the Hong Kong-Zhuhai-Macao Bridge to be completed in 2016, the Government should focus on the following areas:

- (a) to devise a master plan on the supporting and peripheral facilities to maximize the positive benefits brought by the Bridge;
- (b) to promote seamless integration with the already established tourist clusters in Hong Kong;
- (c) to encourage the business sector to capitalize on the economic opportunities offered by this key development.

14. It is imperative to speed up the building of the third runway without further delay.

(E) Retail & Tourism Development

Expand tourist reception capacity

15. The Government should maintain its policy on Individual Visit Scheme (IVS), and not to restrict it in any manner.

16. The Government should give policy priority in the following areas to expand Hong Kong's tourist reception capacity:

- (a) to expand space for retail and hospitality facilities;
- (b) to develop new tourist attractions;
- (c) to promulgate service excellence and hospitality culture;
- (d) to seize opportunities to host international events;
- (e) to develop North Lantau Island as a new one-stop tourist hub;
- (f) to set up brand outlet centers.

Manpower Development for Retail Industry

17. The recommendations made by the Task Force on Manpower Development of the Retail Industry should be sustained and served as a basis to develop long-term policy initiatives with the Government's support and funding.

18. Funding support should be given to further promulgate the benefits of the retail Qualifications Framework (QF) to the employers, the employees, and the community at large.
19. Subsidies should be granted to employers and educational institutes to develop QF-linked courses, so as for employees who study likewise courses.
20. To motivate employers to install QF-linked in-house training for their staff, the current QF accreditation process for the commercial sectors should be streamlined.

Image Building of Retail Industry

21. The Government should give a forceful push in terms of funding and policy support to rectify the year-long negative image of the retail industry.

A Permanent Setup Overseeing Tourism & Retail Development

22. The Government should consider setting up a permanent structure/organization to oversee the entire development of tourism, hospitality industries, and the retail industry. With enhanced synergy, these sectors will bring much stronger growth impetus to the economy.

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