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**Speech by the Hon Mrs Selina Chow Liang Shuk-ye, GBS, JP
Motion Debate on Local Community Economy, 26 June 2002**

Selina Chow:

Madam President, I do not quite understand what is meant by local community economy, and I only know that one segment of local community economy is made up of businesses which cannot be relocated. If a certain kind of business defies relocation, it must naturally seek to increase its competitiveness, so as to get more local customers, or else many local customers will go elsewhere to buy what they want.

Frankly speaking, the Government is not very good at business and commercial matters. What can the Government do to assist local community economy, or to help those local businesses which cannot be relocated to carry on with their operation or development? The Liberal Party has repeatedly said that the Government should create a friendly business environment. What then is a friendly business environment? We do not ask the Government to offer any subsidy or benefits; we only hope that no one will "stand in others' way". We also hope to see "reduced costs but increased value" and "more attraction but less obstruction". These are basically all the essentials and I hope that the Government can assist businesses that cannot be relocated in achieving all these objectives.

Innovation and creativity may not always be required. I once belonged to the trade, and so I too encourage creativity. But sometimes creativity may not necessarily be the right means to achieve a desired end. Under certain circumstances, instead of creating something new, it would be better for us to continue with the development of existing things. Some businesses used to operate very soundly, but then because of some factors unknown or other circumstances, they have been on a steady decline over the recent years. This may be the result of domestic factors — that is, some may be trying to "stand in others' way"; or, this may be caused by increased external competition. Can we, for example, think of anything that the Hong Kong Government has done, that may have made it "stand in others' way" without itself realizing it?

Admittedly, we have been asking for higher standards of living. In response to our demand, the Government has been trying persistently to raise the various standards, and this has led to the making of many laws and requirements for compliance by business operators. However, while business operators are required to meet all these standards, the Government has not provided them with any assistance, whether in terms of education and the provision of required facilities.

I wish in particular to say a few words on the worst-hit area of the retail sector, that is, the "five guilds" or the food supplies industry. Food is most important to people because it is part of their living, and the associated businesses are definitely incapable of relocation. But if we look at the "five guilds", we will all see that their business environment has been ever deteriorating. We may also look at the government facilities provided at wholesale and retail markets. We just do not know why, but it seems that the only concerns of the Government are the imposition of charges for the facilities under its management and the "user pays principle"; rental increases have never stopped, but there has been no rental reduction at all. There has been no improvement to the facilities provided by the Government, but the operators concerned are constantly asked to raise their service standards. Do Members agree that the operators concerned are being oppressed?

Earlier on, some Members talked about the monopoly of large consortia, criticizing them for oppressing small business operators. Actually, in Hong Kong, as in other major cities, both large business operators and small ones are part of the local community economy, and they are equally significant in value. The key therefore lies in balancing their interests. Let us not forget that the supermarkets located in many housing estates were in fact first established at the request of the residents or other shop operators, who hope that the presence of brand shops or supermarkets in their housing estates can help increase the volume of visitors. Without the presence of any such major business concerns or the so-called "anchor tenants", the operation of small businesses in housing estates will become even more difficult. One of the problems encountered by housing estate shop operators, one which the Legislative Council is also very concerned about, is the market-linked rent policy adopted by the Government. But is there any market linkage in respect of the facilities provided by the Government or the business practices it requires? There is none in reality.

Let me talk about the food supplies industry again. Let us take the sale of chickens as an example. Why is the price of a chicken in Hong Kong some \$40, but just \$10 or so in Shenzhen, while the chickens may come from the same farm? Why has the Government not thought about this question? Have any hurdles or supplies problems led to the higher prices of chickens in Hong Kong? The prices of chickens here are so much higher than those in the Mainland that those people who want to eat chicken may go to Shenzhen. In that case, what is the point of discussing local community economy? This is only one of the many examples.

There is another example. Earlier on, the Government put in place a central slaughtering system for geese and ducks, so the slaughtering of geese and ducks are no longer allowed in Hong Kong. Thus there are now no geese and ducks for sale in local markets. Did the Government think about the consequences when it formulated this policy? If the Government wishes to develop local community economy, it must first consult the operators of businesses that cannot be relocated and find out

what they need. I always have the feeling that the Government is not open enough, and it has not listened enough to the views of business operators. The Government will not consult those going to be most affected but will just go its own way. This is not going to be helpful at all.

I still wish to spend some time on responding to Mr Fred LI's remarks. The Liberal Party strongly supports fair competition, but we do not support the enactment of any fair competition legislation, the reason being that such legislation will only victimize the vast majority of small business operators without affecting the large business operators. Once such legislation is enacted by the Government, those companies that have the means to hire lawyers will find no cause for worry. But in contrast, small business operators may have to suffer.

Thank you, Madam President.