



HKRMA

19 January, 2022

Mr John Lee Ka-chiu, SBS, PDSM, PMSM, JP
Chief Secretary for Administration
Hong Kong Special Administrative Region
25/F, Central Government Offices,
2 Tim Mei Avenue, Tamar, Hong Kong

Dear Mr. Lee,

On behalf of the Hong Kong Retail Management Association, I would like to draw your attention to the recent heightened challenges triggered by the Omicron variant and its devastating impact on our industry as a result of the enforcement of stricter social distancing measures by the Government till 3 February, 2022.

Amid this abrupt market disruption, our members are particularly disappointed that the retail industry is excluded from the Government's 5th round of the Anti-epidemic Fund (AEF) announced on 14 January, 2022. Since the spreading of the Omicron variant will not only swipe away business prospects in the industry's peak sales season of the Chinese New Year, but also delay the re-opening of border, of which the industry recovery hinges very much on.

As one of the hardest hit industries since the outset of COVID-19 pandemic, the retail industry has been facing the longest and deepest recession in record for more than two years by now. At present, the industry employs about 10% of the total workforce in Hong Kong, involving 248,082 persons and covering 62,752 retail establishments, of which 70% are SMEs, and they are in desperate need of a lifeline to sustain their survival amid the deepening austerity.

In this regard, we would like to implore the Government to earmark the retail industry as a target sector in its AEF; while in the immediate term, we suggest the Government to provide focused subsidies to the most suffered retail categories, and to step up relief measures that could alleviate retailers heightened operating cost. To boost local consumption, we suggest the Government to implement another round of Electronic Consumption Voucher Scheme.

Above all, we would like to highlight that many landlords are still charging very high rents despite the market doldrums. To alleviate the undue burden on retailers, we urge the Government to prohibit landlords from increasing rents and related fees. At the same time, the Government should set itself as a good example by granting rental or fee concessions to tenants of all government properties.



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For the aforesaid recommendations, I have taken the liberty to enclose a copy of our Association's submission on 2022-23 Budget Consultation for your kind reference, in which you may find detailed deliberations on each of our key recommendations, alongside a full set of suggestions to the Government.

Last but not the least, you may like to note that during the inception stage of the first round of the AEF, the Association had given prompt and practical advice on retail-related relief measures to Mr. Matthew Cheung, the then Chief Secretary for Administration. We were pleased that these in-depth and timely discussions between Mr. Cheung and our Executive Committee members had yielded fruition and positive impact on the subsequent launch of the Retail Sector Subsidy Scheme and the Employment Support Scheme by the Government.

Under the current difficult circumstances, we would be most grateful if our Executive Committee members including myself would have an opportunity to meet with you to update the industry's latest challenges and to share our recommendations on specific measures to sustain retail businesses and to assist the economy to recover when the pandemic subsides.

We understand you have a busy schedule and would welcome suggestion from your office on a suitable time. Meanwhile, your office may contact Ms. Ruth Yu, Executive Director of our Association, at 2866 8311 if you need any further information.

I look forward to hearing your favourable reply.

Yours sincerely,

Annie Yau Tse
Chairman

Encl.: HKRMA Submission on 2022-23 Budget Consultation