

**CONTROLLING OFFICER'S REPLY**

**FHB(FE)332**

**(Question Serial No. 4471)**

Head: (49) Food and Environmental Hygiene Department

Subhead (No. & title): (000) Operational expenses

Programme: (3) Market Management and Hawker Control

Controlling Officer: Director of Food and Environmental Hygiene (Miss Vivian LAU)

Director of Bureau: Secretary for Food and Health

Question:

The high vacancy rate, poor environment and improper management of public markets and cooked food stalls have all along been subject to criticism. In recent years, the Food and Environmental Hygiene Department (the Department) has allocated resources to upgrade these facilities and enhance their competitiveness.

In this connection, please advise on the works and measures that, apart from retrofitting air-conditioning systems, the Department has carried out to improve the hardware and software of the markets, and whether evaluation (such as patronage survey, business volume survey and questionnaire survey) has been made to assess the effectiveness of these improvement works.

Please also provide information on the operating expenditure on markets and cooked food stalls in the table below:

(\$ million)	Expenditure	Revenue	Surplus/Deficit	Expenditure on market improvement works	Vacancy rate (%)
2011-12					
2012-13					
2013-14					
2014-15					
2015-16					

Asked by: Hon LEUNG Kwok-hung (Member Question No. 147)

Reply:

As an on-going initiative, the Food and Environmental Hygiene Department (the Department) has been conducting promotional activities to enhance the patronage of public markets. These include thematic exhibitions and workshops, festive celebration activities, display of multi-language recipes as well as publication of booklets and quarterly newsletters to provide updated market information. In addition, the Department will continue to let out long-standing vacant stalls at reduced upset auction prices and introduce more service trade stalls to enhance the occupancy rate of public markets.

The consultant which the Food and Health Bureau commissioned in 2013 completed its study in 2015 and recommended measures to improve the operating environment of public markets. The consultant selected six representative markets for detailed study and put forward specific improvement recommendations. The Government is following up the Consultant's improvement proposals for the six selected markets in phases. The Department consulted the Market Management Consultative Committees (MMCCs) of Sheung Fung Street Market and Lockhart Road Market in the fourth quarter of 2015 on the recommended improvement works. The MMCCs expressed support for some of the proposals that do not require temporary closure of stalls or suspension of business. The Department is carefully considering their views and will conduct feasibility studies, work out the estimated costs and seek funding according to the established mechanism for taking forward the improvement works at those two markets. We will start following up the Consultant's recommended improvements for the remaining four markets in 2016-17.

Apart from the improvement works for the six markets selected by the consultant, we have been implementing various improvement works in public markets to improve the operating environment. In 2016-17, in addition to regular maintenance and daily management of markets, the Department will carry out improvement works in Fo Tan Cooked Food Market (East), Fo Tan Cooked Food Market (West), Kwun Chung Market, Haiphong Road Temporary Market, Pei Ho Street Market and Tsuen Wan Market. The estimated cost of these improvement works is \$68.5 million. The scope of works may include installation of a goods lift, improvement of ventilation, lighting systems and fire services, refurbishment of external walls, refurbishment of toilets, etc.

The operating expenditure on public markets (including cooked food markets) in the past five years is tabulated as follows -

	<b>Revenue (\$ million)</b>	<b>Operating expenditure (\$ million)</b>	<b>Deficit (\$ million)</b>	<b>Expenditure on market improvement works (\$ million)</b>	<b>Vacancy rate* (as at 31 December)</b>
2011-12	407.1	575.0	167.9	4.0	12.4%
2012-13	408.7	628.8	220.1	5.1	10.5%
2013-14	411.4	648.7	237.3	22.2	9.6%
2014-15	413.2	741.0	327.8	9.5	8.8%
2015-16 (Revised estimate)	421.1	738.1	317.0	11.2	8.9%

\* Vacant stalls refer to those that are not leased. They include those that are frozen for reasons such as forthcoming improvement works.

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