

**CONTROLLING OFFICER'S REPLY**

**FHB(FE)190**

**(Question Serial No. 2983)**

Head: (49) Food and Environmental Hygiene Department  
Subhead (No. & title): (-) Not Specified  
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:

In Matters Requiring Special Attention in 2017-18 under Programme (3), the Food and Environmental Hygiene Department (the Department) states that it will continue to enhance the viability of public markets by improving management and upgrading facilities, improve the operating environment of public markets as well as to close public markets which are under-utilised. In this connection, please advise on the following:

1. whether there is a target for the overall occupancy rate of its market stalls (if yes, the target); the current vacancy rate of each of the public markets in the New Territories East, the number of markets assessed as "under-utilised" for closure; whether the uses of market stalls for letting, as well as the mix and proportion of retail categories, will be comprehensively reviewed;
2. whether there are plans to conduct any comprehensive review of remedial measures aiming to minimise the vacancy rate of markets, including measures to enhance the patronage of markets with a high vacancy rate, redevelop these markets for other uses in a bid to put public resources to proper use (if yes, the details, if not, the reason(s));
3. the business volume of each of the public markets in the New Territories East; and
4. whether any detailed assessment has been conducted to determine if the number of markets in the New Territories East is sufficient to meet the needs of local population; whether consideration will be made to restate the local population-based planning standard for public markets (i.e. 1 public market stall for every 55 to 65 households or approximately 40 to 45 stalls per 10 000 persons) in the Hong Kong Planning Standards and Guidelines, and to include population as one of the factors in the provision of markets to meet the daily needs of residents.

Asked by: Hon YUNG Hoi-yan (Member Question No. 6)

Reply:

1. The actual letting percentage in 2015 and 2016 achieved 91%. The information sought in connection with the public markets in the New Territories East is provided at Annex. To provide a more flexible mix of trade, the Food and Environmental Hygiene Department (FEHD) has introduced a greater variety of service trade stalls to enhance the occupancy rates of public markets. In 2016-17, we successfully let out stalls for conducting service trades such as Chinese medicine practitioners / bone-setters' clinics, computer-related services, beauty / manicure / massage parlours, laundry delivery services, etc. in a number of public markets. FEHD plans to close Shau Kei Wan Market and Tsuen King Circuit Market in 2017-18, the vacancy rates<sup>1</sup> of which were 44% and 80% respectively as at 31 December 2016. Noteworthy is that a sizable portion of the occupied (i.e. leased) stalls are not in active operation, e.g. for the Shau Kei Wan Market, of the 46 occupied stalls, only 19 stalls are actively in operation.
2. To enhance the patronage of existing public markets, as an on-going initiative, FEHD conducts promotional activities. 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. FEHD will continue, as appropriate, to let out long-standing vacant stalls at reduced upset auction prices and introduce a greater variety of service trade stalls to enhance the occupancy rate of public markets. Besides, we have been implementing various improvement works in public markets to improve the operating environment. The scope of works may include replacement of aged lifts and escalators, improvement of ventilation, lighting systems and fire services, refurbishment of external walls, refurbishment of toilets, etc.

When considering whether an under-utilised public market is to be closed, we will take into account a host of factors, including vacancy rate, prospects for improvement, availability of alternative sources of fresh provision outlets in the vicinity, and the likely cost-effectiveness of upgrading works and the views of the relevant District Councils, etc. FEHD will consult the relevant District Council and the market tenants to be affected on any market closure plans. Where a market is closed and the premises is no longer required by FEHD, the vacated building space will be handled according to established procedures. Depending on the circumstances, the Government Property Agency, Planning Department or Lands Department may be requested to seek inputs from other government departments on proposals to put the premises to gainful long-term use.

3. The information about the business volume of each of the public markets in the New Territories East is not available.
4. The Food and Health Bureau (FHB) conducted a policy review on public markets in 2007-2008, which concluded that the future provision of new public markets should be considered on a case-by-case basis to ensure efficient use of public resources. Apart from the population of the area in question, other relevant factors that should be considered include the demographic mix, community needs, the presence of market facilities nearby, the number of fresh provision retail outlets available in the vicinity,

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<sup>1</sup> Vacancy rate is the percentage of stalls not leased versus the total number of stalls in a market.

and public sentiment towards the preservation of hawker areas in the particular locality. The Government consulted the Panel on Food Safety and Environmental Hygiene of the Legislative Council and all District Councils on the review findings in 2008. As a result of the policy review, those parts concerning public markets in Chapter 6 of the Hong Kong Planning Standards and Guidelines (HKPSG) (which deals with retail facilities) were amended in April 2009 and have remained in force since then. The revised HKPSG is based on a more holistic consideration of relevant factors, rather than just the size of the population, in the planning of public markets. When preparing or reviewing town plans, the Planning Department will consult the relevant policy bureaux and departments, so as to ascertain whether there is a need to reserve land for public markets. We will, in the light of developments and the actual situation on the ground, assess the need to review the planning guidelines for public markets as and when appropriate.

Our focus is on facilitating convenient access for the public to retail outlets in their vicinity for meeting their daily needs on fresh food. Currently, there exists a variety of channels for the public to purchase fresh food. Apart from public markets, many members of the public when purchasing fresh food may choose to patronise markets, supermarkets and various types of retail outlets operated by other public and private entities.

Customer preference for different shopping venues in purchasing fresh food may evolve in tandem with changes in socio-economic circumstances, lifestyles, purchasing power and various other factors. Providing a new public market requires the use of Government land and entails public financial commitment. Therefore, in considering whether a public market should be built, we have to duly assess the need for the market and cost-effectiveness in order to ensure that public resources are put to proper use. In fact, in the face of fierce competition, changing circumstances in individual communities and changes in the purchasing habits of members of the public, some public markets are facing relatively high vacancy rates and low customer flows. Also, the Audit Commission has in previous reports pointed out that, given the high cost of constructing a new public market, the relevant principles should be strictly adhered to.

District	Name of Market	As at 31 December 2016		
		No. of stalls	Occupancy rate*	Vacancy rate#
North	Kwu Tung Market Shopping Centre	98	100%	0%
	Luen Wo Hui Market	338	99%	1%
	Sha Tau Kok Market	66	98%	2%
	Shek Wu Hui Market	392	100%	0%
Tai Po	Plover Cove Road Market	244	96%	4%
	Tai Po Hui Market	313	99%	1%
Shatin	Fo Tan (East) Cooked Food Market	24	100%	0%
	Fo Tan (West) Cooked Food Market	15	100%	0%
	Sha Tin Market	172	98%	2%
	Tai Wai Market	195	88%	12%
Sai Kung	Sai Kung Market	209	99%	1%
	Tui Min Hoi Market	34	85%	15%

\* Occupancy rate is the percentage of let-out stalls versus the total number of stalls in a market. Degree of activity of let-out stalls varies.

# Vacancy rate is the percentage of stalls not leased versus the total number of stalls in a market.

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