

CONTROLLING OFFICER'S REPLY

FHB(FE)321

(Question Serial No. 4268)

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:

With regard to the management of public markets, please provide information on the following:

- (a) the expenditure on subsidising public market management in the past 3 years;
- (b) the number of vacant stalls in public markets and the vacancy rate at present; the average and longest vacancy period; the total rental receivable (in terms of open market rental) from all vacant stalls in 2016-17 as compared with the expenditure on subsidising public market management;
- (c) the number of in-house staff involved in the management of public markets;
- (d) the number of contractors engaged, the manpower they deploy, the types of services they provide and the expenditure involved in the various aspects of market management; and
- (e) given the Food and Environmental Hygiene Department's plan to close under-utilised public markets as stated under the Programme, the list of markets planned to be closed and details of the plans concerned.

Asked by: Hon HO Chun-yin, Steven (Member Question No. 41)

Reply:

The information sought is provided as follows-

- (a) For 2014-15 and 2015-16, the Food and Environmental Hygiene Department (the Department) recorded deficits of \$327.8 million and \$293.7 million respectively in the management of public markets. The deficit for 2016-17 (revised estimate) is \$414.1 million.

- (b) “Vacant” stalls refer to stalls that have not been let out. Degree of activity of let-out stalls varies. As at 31 December 2016, 1 310 stalls out of a total 14 397 stalls in public markets were not let out; this represented 9.1% of the total number of stalls. The figure has included those stalls being frozen for various purposes, such as stalls in markets undergoing improvement works or stalls that may be needed for housing tenants from public markets being planned for closure. Information on the average and longest period of vacancy is not readily available. As these stalls cannot be let out for various reasons, we have not assessed the amount of rental that is otherwise receivable.
- (c) As at 31 December 2016, 207 in-house staff including Non-civil Service Contract staff were involved in the management of public markets.
- (d) As at 31 December 2016, a total of 13 contractors and about 1 500 contractors’ staff were engaged to support the operation of public markets, including venue management, cleansing, pest control and security guard services. The estimated total expenditure involved for 2016-17 is about \$233.5 million.
- (e) As a result of demographic changes, new development/redevelopment projects and competition from other fresh provision outlets, the appeal of some public markets has been diminishing over time thus leading to reduced patronage and high vacancy rates. 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. The Department plans to close Shau Kei Wan Market and Tsuen King Circuit Market in 2017-18, the vacancy rates¹ 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.

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