

**CONTROLLING OFFICER'S REPLY**

**FHB(FE)017**

**(Question Serial No. 0479)**

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 (Ms Irene YOUNG)

Director of Bureau: Secretary for Food and Health

Question:

Regarding public market services under this Programme, please advise on the following:

1. The Financial Secretary earmarked \$2 billion in 2018-19 for implementing the 10-year Market Modernisation Programme (MMP), which has now almost reached its halfway mark. Please provide information on the progress of the MMP, the estimated number of markets and cooked food markets to be improved under the MMP, as well as the expenditure involved, with a breakdown by minor improvement works, installation of air-conditioning, fundamental overhaul and in-situ redevelopment.
2. What is the status of work relating to closing public markets which are under-utilised? How many under-utilised markets were closed in the past 3 years and how many will be closed in the coming 5 years? Please provide the definition of "under-utilised", the progress of such closure, and the future use of the premises concerned.
3. What is the progress of and the latest timetable for the work on planning new public market facilities? Will public markets be planned at New Development Areas or the Northern Metropolis to tie in with the population intake?
4. In the past, public markets were used to re-site on-street hawkers, which has led to disparity in management. What progress has been made in the past 3 years in reviewing the management of public markets, including the positioning of markets, rental, auction rules for market stalls, tenancy renewal and trade mix?
5. The business of public market stall tenants is hard hit by such control and prevention arrangements as the Vaccine Pass that are put in place in response to the fifth wave of the epidemic. Has evaluation been conducted on the impact of the epidemic on the patronage and business of public markets, cooked food markets and hawker bazaars? Has the Department offered any assistance to the affected stall tenants and discussed with them the ways to boost their business in the aftermath of the pandemic by stepping up publicity and attracting patronage? If yes, what are the details? If no, what is/are the reason(s)?

Asked by: Hon CHAN Wing-yan, Joephy (LegCo internal reference no.: 11)

Reply:

1. The Government has earmarked \$2 billion for the implementation of the 10-year Market Modernisation Programme (MMP). The pioneering project is the overhaul of Aberdeen Market. The estimated capital cost of the project is about \$254 million. The works officially commenced in November 2021 and are expected to be completed within this year. We have also proposed the overhaul or redevelopment of Yeung Uk Road Market, Ngau Tau Kok Market, Kowloon City Market and Lai Wan Market, the preparatory and consultation work of which are underway at various stages.

The MMP also includes minor refurbishment or improvement works. The first batch of 11 markets benefitting are Ngau Tau Kok Market, Yeung Uk Road Market, Luen Wo Hui Market, Fa Yuen Street Market, Quarry Bay Market, Shui Wo Street Market, Tsuen Wan Market, Mong Kok Cooked Food Market, Ngau Chi Wan Market, Shek Tong Tsui Market and Nam Long Shan Road Cooked Food Market. Amongst these 11 projects, nine have been completed and one is scheduled for completion within 2023. Preparation for the remaining project is underway. The works are expected to commence in phases in the second half of this year. The project estimates for taking forward the above minor refurbishment or improvement works are about \$78.73 million in total and the estimated expenditure in 2022-23 is about \$39.40 million. The minor refurbishment or improvement works in Yan Oi Market, Sai Kung Market, Po On Road Market, Wong Nai Chung Market and Smithfield Market are at the early stage of planning. The relevant work will commence within this year.

Overhaul or redevelopment of markets under the MMP will include retrofitting of air-conditioning systems, which is more cost-effective than carrying out separate project solely for retrofitting air-conditioning systems. In the past, some markets had gained support from tenants and reached the support threshold for retrofitting air-conditioning systems. As their tenants are, to a certain extent, ready for the improvement works, these markets have more potential to be accorded priority for inclusion in the MMP. In identifying markets for overhaul works, FEHD will consider a host of factors, including the geographical location and distribution of markets, condition of facilities, business viability, community needs and tenants' readiness, etc.

Besides implementing the MMP, FEHD will, depending on the circumstances and needs, improve the ventilation facilities of individual markets as far as practicable, for example, replacing exhaust air-ducts, and installing mechanical fans and air-coolers, etc.

Support from relevant stakeholders, in particular tenants, is crucial to the smooth implementation of projects under the MMP. We will continue to actively follow up on the projects announced and identify more suitable markets for the MMP, so as to make the best use of the \$2 billion earmarked to improve the operating environment of markets. When the above projects are close to completion, the Government will review the effectiveness of the MMP in a timely manner and consider earmarking additional resources for the programme.

2. The Government is conducting a comprehensive review of the utilisation and development potential of existing markets, with a view to formulating appropriate development plans for meeting the policy objectives of optimising land uses, benefitting

the public and promoting district development. When considering whether an under-utilised market is to be closed or consolidated, FEHD will take into account various factors, including the vacancy rate, room for improvement, availability of fresh provision shops in the vicinity, possible cost-effectiveness of upgrading works and the views of the local community.

FEHD closed 3 markets in the 3 financial years from 2019-20 to 2021-22. The vacated premises or sites have been handled according to established procedures. The dates of closure of the markets and the land development/use after closure are set out in **Annex I**.

In 2021, FEHD commenced the preparatory and consultation work for closure of another 3 markets/cooked food markets. In September 2021, FEHD consulted the Building Management, Environmental Hygiene and Works Committee under the Central and Western District Council on the consolidation of Centre Street Market and Sai Ying Pun Market. The plan is to consolidate the 2 markets so as to release Centre Street Market for the Health Branch of the Food and Health Bureau to set up medical and healthcare-related facilities. Depending on the actual progress, FEHD tentatively plans to close Centre Street Market in 2023-24. Besides, in October 2021, the Government Property Agency consulted the Culture, Sports and Community Development Committee under the Sha Tin District Council on the initial user mix of the proposed joint-user complex at Shan Mei Street in Fo Tan. The timetable for closure of Fo Tan (East) Cooked Food Market and Fo Tan (West) Cooked Food Market will tie in with the commencement of works for the construction of a temporary bus terminus and the joint-user complex.

FEHD plans to take forward the preparatory work for closure of another 3 markets. Views from other government departments have been sought in accordance with established procedures to formulate proposals for putting the premises concerned to gainful long-term uses. Stakeholders will be consulted when concrete proposals are available.

3. The Government is taking forward 7 new market projects which are at different stages of development. They include the development of new public markets in Tin Shui Wai, Tung Chung Town Centre, Tung Chung New Town Extension, Tseung Kwan O, Kwu Tung North New Development Area (NDA) and Hung Shui Kiu/Ha Tsuen NDA which are located within the Northern Metropolis, as well as the establishment of a temporary market in Tung Chung Town Centre. The details required are set out in **Annex II**.
4. Public markets managed by FEHD are positioned to be one of the major sources of shopping fresh provisions for the general public, which should be kept decent, clean, neat and tidy without being unduly upmarket. We also hope that public markets can serve a greater social function such that they can provide a resting and gathering place for the public in addition to a choice for fresh provisions. As the landlord of public markets, FEHD assumes the responsibilities of determining the rental level and signing the tenancy agreements with tenants. To enhance the efficiency of market operation, FEHD is adopting a new management mode on a pilot basis at the Skylight Market in Tin Shui Wai which was commissioned in end-2020. Under the new management mode, the role of the service contractor in market management is strengthened and its

scope of services is expanded. In addition to undertaking daily management, cleansing, security and minor repairs for the market, the contractor is also required to formulate promotion and development strategies for the market, maintain liaison and communication with stakeholders, advise on the trade mix in the market, etc., with a view to enhancing business vibrancy of the market and meeting the needs of the public. We plan to adopt a similar new management mode at new public markets (including Tung Chung Temporary Market) and the overhauled markets under the MMP (including Aberdeen Market).

New management measures implemented at the Skylight Market also include introducing “one-tenant-one-stall” rental arrangement to allow more people to rent the stalls hence fostering healthy competition; incorporating new clauses in the licence agreements with the licensees to enhance management of let-out stalls; implementing the Market Demerit Points System to strengthen enforcement against misdeeds and offences; stipulating that licensees are not entitled to renew the licence agreement upon expiry of the term; and taking into account other relevant factors (including performance of the licensee during the term of the agreement) in processing renewal of licence agreement so as to promote healthy turnover of market stalls and encourage good conduct of business. The above “one-tenant-one-stall” rental arrangement will also apply to new public markets under planning, overhauled or redeveloped markets under the MMP, relocation of tenants affected by market closure or consolidation plans, and open auctions for allocating vacant stalls in existing public markets. We will keep in view the implementation of the new management measures in a bid to enhance the overall competitiveness of markets.

5. Cooked food/light refreshment stalls in public markets and cooked food hawker stalls in public housing developments were covered by the fifth and sixth rounds of the Anti-epidemic Fund rolled out by the Government in January and February 2022 respectively to provide relief for businesses and individuals hard hit by the epidemic and directly affected by its anti-epidemic and social distancing measures.

In addition, the Government has provided 50% rental concessions (from October 2019 to March 2020) and 75% rental concessions (from April 2020 to September 2022) for stall tenants of FEHD public markets on a number of occasions since August 2019, which covers a period of 3 years.

The Government will closely monitor the effectiveness of the abovementioned relief measures as well as the local epidemic and economic situation, and assess the need for further concession measures in due course.

As regards publicity work, FEHD has all along maintained close communication and liaison with stakeholders (including representatives of public market tenants and licensed hawkers) and has been gathering views of tenants and hawkers through the Market Management Consultative Committees and the Hawker Management Consultative Committees, in order to formulate appropriate strategies and development plans (including means of promotion) aimed at enhancing business vibrancy in markets and hawker areas and meeting the shopping needs of the public.

## Public markets closed from 2019-20 to 2021-22

	<b>Name of market</b>	<b>Date of closure</b>	<b>Vacancy rate before closure</b>	<b>Land development/use after closure</b>
1.	Cheung Sha Wan Cooked Food Market	June 2019	61%	The market has been demolished and the site will be returned to the Lands Department. The Lands Department has leased out the site to a non-governmental organisation through short-term tenancy for development of transitional housing.
2.	Tui Min Hoi Market	January 2021	44%	The market was handed over to the Social Welfare Department in December 2021 for provision of elderly care services.
3.	Choi Hung Road Market	March 2022	41%	The market is located in the same building with other recreational and sports facilities. The Government plans to redevelop the building in order to improve the recreational and sports facilities and integrate other uses. The relevant planning studies are being concluded and the temporary uses are being considered.

## New public market projects

	<b>Project</b>	<b>Location/Scope</b>	<b>Current stage of development</b>	<b>Expected completion date</b>
1.	Tin Shui Wai market	Above the deck at the section of Tin Fuk Road near Tin Shui Wai Mass Transit Railway (MTR) Station. It is expected to provide about 150 stalls.	Tender evaluation for the “design and build” contract is underway. Funding approval is expected to be sought from the Finance Committee (FC) of the Legislative Council within this year.	Subject to funding approval from the FC of the Legislative Council, the market project is expected to be completed in 2027.
2.	Tung Chung Town Centre market	On the lower floors of a commercial building in Area 6 adjacent to Tung Chung MTR Station. It is expected to provide at least 100 stalls.	The Civil Engineering and Development Department is conducting a further technical feasibility study for the entire commercial building development project (including the public market portion) to ensure that the development project will not affect the safe operation of the MTR.	To be confirmed after the completion of the further technical feasibility study and assessment for the entire commercial building development project.
3.	Tung Chung New Town Extension market	In Area 133A of Tung Chung New Town East Extension.	Preliminary planning is underway.	The development of the public market will tie in with the housing development plan of the district concerned. The expected completion date will be confirmed after the completion of the technical feasibility studies and assessment as well as detailed design.

	<b>Project</b>	<b>Location/Scope</b>	<b>Current stage of development</b>	<b>Expected completion date</b>
4.	Tseung Kwan O market	On the G/F to 2/F of the proposed joint-user complex in Area 67 of Tseung Kwan O (at the junction of Po Yap Road and Tong Yin Street). It is expected to provide no less than 120 stalls.	Preliminary design for the joint-user complex (including the public market) is underway.	To be confirmed after the completion of the detailed design.
5.	Kwu Tung North New Development Area (NDA) market	In the eastern part of Area 19 of Kwu Tung North NDA. It is expected to provide no less than 120 stalls.	Preliminary design is underway.	The development of the public market will tie in with the housing development plan of the district concerned. The expected completion date will be confirmed after the completion of detailed design.
6.	Hung Shui Kiu/Ha Tsuen New Development Area market	To be confirmed after the completion of preliminary planning.	Preliminary planning is underway.	The development of the public market will tie in with the housing development plan of the district concerned. The expected completion date will be confirmed after completion of the technical feasibility studies and assessment as well as detailed design.
7.	Tung Chung Temporary Market	At Fu Tung Street near Tung Chung MTR Station. It is expected to provide 36 stalls.	Construction works are underway.	Expected to be completed for commissioning in the fourth quarter of 2022.

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