

## LCQ2: Public markets

Following is a question by the Hon Andrew Lam and a reply by the Acting Secretary for Environment and Ecology, Miss Diane Wong, in the Legislative Council today (December 18):

Question:

The Audit Commission conducted in 2003 and 2008 audits on public markets managed by the Food and Environmental Hygiene Department (FEHD) and found that there was an upward trend in the vacancy rate of public markets, and the audit report in 2003 even pointed out that more than 50 per cent of the vacant market stalls had been left vacant for at least two years. FEHD has been progressively implementing the Market Modernisation Programme (MMP) since 2018, which includes comprehensive refurbishment or redevelopment projects, as well as piloting a scheme on stall enhancement projects on trial. However, there are views that changes in the consumption pattern of members of the public and the current occupancy rates of market stalls have aroused doubts among the public about the overall efficacy of public markets. In this connection, will the Government inform this Council:

(1) whether it has reviewed the effectiveness of MMP; if so, of the details; and

(2) whether it has reviewed afresh the functions of and actual demand for public markets and thoroughly reviewed the way forward for their development; if so, of the details; if not, the reasons for that?

Reply:

President,

At present, there are 96 public markets (including cooked food centres) under the Food and Environmental Hygiene Department (FEHD). Over 60 per cent of the public markets were built before the 1990s (i.e. being in service for over 30 years). The FEHD has been striving to boost the occupancy rate and improve the hardware and management of public markets through different initiatives.

The FEHD has put up vacant stalls for leasing on numerous occasions through open auctions or other means and has adopted various measures (e.g. re-introducing the arrangement whereby long-standing vacant stalls are put up for auction at concessionary upset prices, etc) to boost the occupancy rate of markets. The FEHD has successfully leased out about 1 500 stalls since June 2021, on average 440 stalls per year.

On hardware, in addition to carrying out regular repair and maintenance as well as improvement works, the FEHD has been embarking on the Market Modernisation Programme (MMP) since 2018 to carry out improvement works for public market facilities, so as to enhance the operating environment of

existing public markets.

On management, the FEHD has implemented improvement measures for the management of tenancy agreements of existing public markets, and adopted a new management model and implemented improvement measures in new public markets and overhauled/redeveloped markets under the MMP, with a view to raising the management standards and improving market services, so as to make public markets more vibrant and better meet the needs of the public.

Moreover, with demographic changes, new development/redevelopment projects and competition (from such examples as other fresh provision outlets nearby), the appeal of some long-time public markets has been diminishing over time with low patronage. With a view to optimising land use, the FEHD has been closely monitoring the utilisation of existing public markets and considering closing or consolidating under-utilised public markets. Since 2018, the FEHD has closed a total of seven public markets with persistently high vacancy rates, and has released the sites concerned to other bureaux/departments for other suitable uses (e.g. transitional housing operated by non-governmental organization(s), elderly services, etc) in accordance with established procedures.

My reply to the two parts of the question raised by the Hon Lam is as follows:

(1) To improve the operating environment of existing public markets, thereby facilitating tenants' business operation and providing market patrons with a more pleasant shopping environment, the Government has earmarked \$2 billion for the implementation of the MMP, which includes overhaul or redevelopment projects, stall enhancement projects, as well as minor refurbishment or improvement works.

Overhaul or redevelopment projects generally involve re-configuring the overall layout of a market, upgrading of building services installations and carrying out other improvement works. Aberdeen Market and Lai Wan Market officially re-opened in May 2023 and March 2024 respectively upon completion of overhaul works. The two markets have been operating smoothly since re-opening. The patronage of Aberdeen Market has been stable in general since its resumption of operation in May 2023, with a daily average patronage of about 12 000, an about 17 per cent rise from that before the overhaul works. Since the re-commissioning of Lai Wan Market in March 2024, its patronage has remained at an average of more than 8 000 per day, an increase of about 13 per cent as compared to that before the overhaul works.

Stall enhancement projects carry out repair and beautification works based on actual needs and circumstances, as well as replace and repair simple equipment. The FEHD earlier launched a pilot stall enhancement project in Queen Street Cooked Food Market. The works commenced in February 2024 and the market resumed full operation on September 12, 2024. Up to the end of November 2024, the daily average footfall of the cooked food market is above 1 600, which has increased by about 26 per cent as compared with that before the works. Stall tenants indicated that the enhancement works have improved

the operating environment of the cooked food market. Many members of the public have also expressed that the enhanced cooked food market offers a contemporary feel and a clean and comfortable dining environment. The FEHD will identify other suitable venues to carry out stall enhancement works, including the proposed works in the Cooked Food Centre of Luen Wo Hui Market which will commence within 2025.

Minor refurbishment or improvement works have been carried out in 16 markets. The works in 14 markets have been completed, while those in the other two markets are expected to be completed in 2025.

In the course of embarking on the MMP, the FEHD has been continuously reviewing its implementation and effectiveness. Since September 2024, we have been in communication with major stakeholders (including Legislative Council Members) to consolidate the experience so far in taking forward MMP projects, review its implementation, the challenges and limitations faced and the various views of the community, so as to explore whether there could be room for adjustment or improvement. We are now in the process of consolidating the feedback collected.

(2) As indicated during the past discussion between the Government and the relevant Panel and its Subcommittee of the Legislative Council, the community in general consider that public markets have their social functions. Public markets are positioned as one of the major sources through which the public shop for fresh provisions. They should be kept clean and tidy without being unduly upmarket.

As society continues to progress, the facilities and management of public markets need to keep up with the pace of the development of the city to strive for continuous improvement. We understand that the public and various sectors of the community are paying concern to public markets. During the process of consulting the stakeholders on the MMP as mentioned above, we have also received different views on the positioning and functions of public markets and the way forward. For example, some opined that the Government should review the need to continue to invest additional public funds in the construction of public markets amidst changes in consumption patterns; while others considered that public markets also served certain social functions – not only providing choices for fresh provisions, but also serving as a gathering place for the public. In reviewing the way forward for public markets, we will carefully consider these various views.