

Letterhead of Environment and Food Bureau Government Secretariat

Your Ref.: CB2/HS/1/00
Our Ref.: EFB(CR) 10/7/5/2
Tel No.: 2136 3333
Fax No.: 2136 3281

12 November 2001

Mrs Constance Li
Clerk to Subcommittee to follow up the
outstanding capital works projects of the former municipal councils
Legislative Council
Legislative Council Building
8 Jackson Road
Central
Hong Kong

**Subcommittee to follow up the outstanding capital works projects
of the former municipal councils**

Thank you for your letter of 23 October 2001. Our response to the points raised in respect of items under the purview of the Food and Environmental Hygiene Department is provided in the following paragraphs.

Implementation time-table

Architectural Services Department is engaging the services of consultants for the schematic design works for the projects. These should be completed by February 2002 when detailed consultation with the Market Management Consultative Committees and lessees could start. Once agreement with the lessees has been obtained, the design works could be finalized and tenders called. If all goes smoothly, construction work would

commence in April 2003, with completion dates between May 2004 and early 2005 depending on the scope and complexity of individual projects.

FEHD and other relevant departments have dealt with all the ex-Provisional Municipal Council projects relating to the retrofitting of A/C to the 19 existing markets and/or CFCs and would proceed with the projects along the lines reported to the Subcommittee earlier. Whilst focusing the effort on implementing these projects, FEHD would continue to examine the need to improve the ventilation of other markets and CFCs as appropriate.

Job creation

The estimated number of jobs to be created by the implementation of the 19 A/C retrofitting and general improvement works projects is about 1,610, including positions for some 80 professional/technical staff and 1,530 construction workers.

Proposal to construct new markets in lieu of existing ones

The cost effectiveness of constructing new "replacement markets" cannot be worked out based simply on construction costs. For example, we would have to take into account issues such as -

- (a) the demolition costs for the existing market;
- (b) the costs for relocating the affected stall lessees to a temporary market (such as costs for preparation of sites, establishing water and electrical supply, etc.);
- (c) the possibility of loss of established patrons for stall lessees because of the relocation;
- (d) the costs for relocating the lessees back to the new market once its construction has been completed; and

- (e) the land premium lost or the public facilities (such as parks and amenities areas) that might be delayed because of the use of the temporary market site.

Even if an alternative site for a new market could be found and there is no need to rebuild the market on the old site or identify a temporary market site, stall lessees might still have to face losing established patrons due to the relocation.

Constructing new markets in lieu of existing ones is a very complicated issue. Out of the 19 markets and/or CFCs, 18 are located in buildings with users other than FEHD and any new markets built would have to take into account of the requirements of these users. It is anticipated that to pursue the proposal to replace these markets would require considerable time in identifying suitable sites, and consultations with the affected stall lessees and parties concerned. These would further delay the implementation of these projects.

It should be noted that FEHD has accorded the highest priority to the implementation of the 19 A/C retrofitting and general improvement works projects. We would closely monitor the project progress and regularly report to the Subcommittee on developments.

Yours sincerely,

(David K K Lau)

for Secretary for the Environment and Food

c.c.

DFEH (Attn.: Mrs. Marion Lai) (Fax: 2524 8719)

D Arch S (Attn.: Mr. S.K. Wong) (Fax: 2523 4693)