

**For Discussion  
on 19 February 2003**

**Subcommittee to Follow up the Outstanding  
Capital Works Projects of the Former Municipal Councils**

**Retro-fitting of Air-conditioning and General Improvement Works  
to 19 Existing Markets and/or Cooked Food Centres**

**Purpose**

The purpose of this paper is to brief Members on the latest position in respect of the retro-fitting of air-conditioning (“A/C”) and general improvement works to 19 individual markets and/or cooked food centres (“CFC”).

**Background**

2. At the Subcommittee meeting held on 14 November 2002, Members were informed that A/C retro-fitting and general improvement works would be carried out for CFCs with a support rate of 85% or above. These CFCs include the Fa Yuen Street Market CFC, Bowrington Road Market CFC and Yue Wan Market CFC. In respect of the Shek Wu Hui Market CFC and Ngau Tau Kok Market CFC, though the support rate has reached 85%, further discussions with the lessees would be required to work out the net support rates after discounting lessees who attached to their support conditions which cannot be acceded to, such as lower A/C recurrent cost and compensation from Government, etc.

3. For the remaining markets and CFCs which have a support rate less than 85%, we proposed to proceed with essential improvement works in compliance with the latest statutory requirements (including works to comply with fire safety requirements and provision of barrier-free access for people with a disability) and/or other general improvement works (such as upgrading of existing ventilation system, replacement of floor and wall finishes in common areas, lighting improvements, upgrading of entrances and signages).

4. At the November meeting, the Subcommittee expressed disappointment that A/C retro-fitting would be carried out in none of the 18 markets concerned. Members requested the Administration to consider lowering the support threshold from 85% to 70%. In response, we undertook to try our best to boost the support rate of markets which had a support rate close to 85% before early 2003.

### **Latest Position**

5. For CFCs that have attained a support rate of 85% or above (i.e. Bowrington Road Market CFC, Yue Wan Market CFC and Fa Yuen Street Market CFC), we have informed the stall lessees concerned in December 2002 that A/C retro-fitting and general improvement works would be carried out. The Architectural Services Department has started preparing the detailed design and tendering documents for these three projects.

6. As regards Shek Wu Hui Market CFC and Ngau Tau Kok Market CFC, we have further consulted stall lessees who did not support the A/C retro-fitting works or raised conditions/requests that could not be fulfilled. Despite the consultation, the net support rates for the two CFCs are still below 85%. We will continue with our efforts to persuade the stall lessees concerned to change their mind. The Administration is prepared to take forward the A/C retro-fitting projects if these two CFCs could meet the 85% requirement by the close of this financial year.

7. For markets which had a support rate close to 85%, we have conducted another round of lobbying with the stall lessees concerned in December 2002. As a result of our lobbying efforts, the Yue Wan Market and Fa Yuen Street Market have now attained a support rate of 89.9% and 86.3% respectively.

8. To sum up, as at late January 2003, there were a total of five markets and CFCs that have attained a (net) support rate of 85% or above. They are:-

| <u>Name of Market/CFC</u>      | <u>Support rate reported on 14 November 2002</u> | <u>Current support rate</u> |
|--------------------------------|--|-----------------------------|
| (a) Fa Yuen Street Market CFC  | 89.5%  | 100%                        |
| (b) Bowrington Road Market CFC | 91.7%  | 91.7%                       |

|                           |       |       |
|---------------------------|-------|-------|
| (c) Yue Wan Market CFC    | 85%   | 85%   |
| (d) Yue Wan Market        | 73.5% | 89.9% |
| (e) Fa Yuen Street Market | 73.1% | 86.3% |

A table showing the current support rates for all the 19 markets and/or CFCs is at Annex.

9. Regarding the Subcommittee's request for lowering the 85% threshold to 70%, we have considered the proposal carefully and remain of the view that there is a good case to adhere to the 85% support requirement. First, lowering the threshold will be against the wish of a sizable group of incumbent lessees who prefer continuation of business in the current operating environment and at a relatively lower cost. Secondly, a reasonably high support rate is crucial to the smooth implementation of A/C retro-fitting works. Thirdly, the Administration has to be sufficiently assured that the vast majority of stall lessees will be willing to pay the A/C recurrent costs before the works are embarked upon. Finally, the latest consultation outcome reflects that a support rate of 85% or over is indeed achievable for certain markets.

### **Way Forward**

10. We will proceed with A/C retro-fitting and general improvement works for the five markets/CFCs named in paragraph 8. For the remaining markets and CFCs which have a support rate or net support rate below 85%, we will carry out the improvement works as mentioned in paragraph 3 if their support rates as of late March 2003 are still below the 85% threshold.

11. We have informed the relevant Market Management Consultative Committees of the latest consultation outcome and the proposed way forward. We will proceed to seek the necessary funding approval to facilitate early implementation of the A/C retro-fitting and/or other improvement works. For A/C retro-fitting and/or improvement works with individual projects costing over \$15 million, we plan to submit funding requests to the Public Works Subcommittee before the end of this legislative session.

Health, Welfare and Food Bureau  
Food and Environmental Hygiene Department  
February 2003

**Retro-fitting of A/C and General Improvement Works to 19 existing Markets and/or Cooked Food Centres  
Outcome of Consultation with Stall Lessees as at 31 January 2003**

|     | Market/CFC                 | No. of occupied stall | No. of Letter of Intent returned |      | No. of lessees supporting the proposed works and agreeing to pay A/C recurrent cost |       |
|-----|----------------------------|-----------------------|----------------------------------|------|---|-------|
|     |                            |                       | No.                              | %    | No.   | %     |
| 1.  | Po On Road Market          | 411                   | 331                              | 80.5 | 71  | 17.3* |
|     | Po On Road Market CFC      | 17                    | 15                               | 88.2 | 6   | 35.3* |
| 2.  | Tokwawan Market            | 243                   | 243                              | 100  | 22  | 9.1   |
| 3.  | Bowrington Road Market     | 259                   | 228                              | 88   | 110   | 42.5* |
|     | Bowrington Road Market CFC | 12                    | 12                               | 100  | 11  | 91.7  |
| 4.  | Shek Wu Hui CFC            | 27                    | 27                               | 100  | 23  | 85.2* |
| 5.  | Kwun Chung Market          | 151                   | 151                              | 100  | 0   | 0     |
|     | Kwun Chung Market CFC      | 12                    | 12                               | 100  | 0   | 0     |
| 6.  | Fa Yuen Street Market      | 161                   | 160                              | 99.4 | 139   | 86.3  |
|     | Fa Yuen Street Market CFC  | 16                    | 16                               | 100  | 16  | 100   |
| 7.  | Ngau Tau Kok Market        | 404                   | 376                              | 93.1 | 215   | 53.2* |
|     | Ngau Tau Kok Market CFC    | 20                    | 19                               | 95   | 17  | 85*   |
| 8.  | Ngau Chi Wan Market        | 359                   | 329                              | 91.6 | 86  | 24    |
|     | Ngau Chi Wan Market CFC    | 14                    | 14                               | 100  | 1   | 7.1   |
| 9.  | Sheung Wan Market          | 161                   | 161                              | 100  | 4   | 2.5   |
| 10. | Aberdeen Market            | 279                   | 221                              | 79.2 | 53  | 19*   |
|     | Aberdeen Market CFC        | 10                    | 10                               | 100  | 1   | 10    |

|     | Market/CFC                | No. of occupied stall | No. of Letter of Intent returned |      | No. of lessees supporting the proposed works and agreeing to pay A/C recurrent cost |        |
|-----|---------------------------|-----------------------|----------------------------------|------|---|--------|
|     |                           |                       | No.                              | %    | No.   | %      |
| 11. | Yue Wan Market            | 296                   | 281                              | 94.9 | 266   | 89.9** |
|     | Yue Wan Market CFC        | 20                    | 20                               | 100  | 17  | 85     |
| 12. | Tung Yick Market          | 273                   | 273                              | 100  | 169   | 61.9*  |
| 13. | San Hui Market            | 267                   | 260                              | 97.4 | 202   | 75.7   |
| 14. | Sai Kung Market           | 164                   | 164                              | 100  | 109   | 66.5*  |
| 15. | Tsuen Wan Market          | 385                   | 205                              | 53.2 | 52  | 13.5*  |
| 16. | Tsuen King Circuit Market | 140                   | 129                              | 92.1 | 3   | 2.1    |
| 17. | Yeung Uk Road Market      | 323                   | 236                              | 73.1 | 34  | 10.5*  |
| 18. | North Kwai Chung Market   | 222                   | 222                              | 100  | 32  | 14.4*  |
| 19. | Wing Fong Street Market   | 114                   | 114                              | 100  | 25  | 21.9*  |

Note :

(\*) For markets/CFCs with an asterisk, some lessees, who have indicated support for the project and agreed to pay the A/C recurrent cost, have put down various requests/conditions in the letters of intent such as lower A/C recurrent cost, compensation from Government, shorter business suspension period for some stalls during constructions etc. Some of the requests/conditions like compensation from Government could not be entertained. If the lessees with requests/conditions that could not be entertained are discounted, the support rate for these markets/CFCs will be reduced by about 1% to 39%.

(\*\*) Net support rate in respect of Yue Wan Market is 89.2%.