

**Legislative Council Panel on Food Safety and Environmental Hygiene
Relocation of the Yau Ma Tei Fruit Market**

PURPOSE

This paper informs Members of the background, progress and present situation regarding the relocation of the Yau Ma Tei Fruit Market (the Market).

BACKGROUND

2. The Market has been operating at its existing location for more than 70 years. Its facilities are old and no longer adequate to cope with the current market throughput. There has been spilling over of market activities onto nearby streets (parking and loading/unloading of delivery vehicles in particular). In view of the noise and traffic nuisances caused by the market operation, the Administration plans to relocate the Market to the West Kowloon Reclamation as part of the Cheung Sha Wan Wholesale Market Complex Project (CSWWM).

3. CSWWM was originally designed to relocate markets of five trades (fish, vegetable, fruit, egg and poultry) serving Kowloon and the New Territories. The Phase 1 complex (CSWWM-1) was completed in 1993 accommodating the fish, vegetable and egg markets. The Phase 2 complex (CSWWM-2), according to the original plan, aimed to relocate the Market and the Cheung Sha Wan Temporary Wholesale Poultry Market.

4. In response to the concerns of the Director of Audit and the Public Accounts Committee in 1996, the Administration considered development options to optimize the use of the 9.89-hectare site reserved for CSWWM-2. It was proposed that the site should be developed to accommodate mid-stream container handling facilities and industrial/office uses in addition to the two wholesale markets. In parallel, a working group under the then Yau Tsim Mong District Board was also formed to step up efforts to contain the nuisances caused by the market operation and to monitor the progress of market relocation. A tendering exercise to invite private participation in the development of the CSWWM-2 site started in September 1997. However, the only tender received departed materially from the tender conditions and was therefore rejected in early 1998.

PROGRESS

5. Following a review of the project scope, the Administration decided in August 1998 to implement the project as a Public Works Programme (PWP) item.

To improve site utilization, the project scope was revised to constructing a multi-storey market complex to relocate the existing facilities of CSWWM-1 and the Vegetable Marketing Organization (VMO) market in addition to the fruit and poultry markets. The intention was to release the sites currently occupied by the existing CSWWM-1 and the VMO, fruit and poultry markets for other uses.

6. The traders concerned were consulted in 1999 over the multi-storey market complex proposal. However, they raised strong objection to the proposal because they believed that the non-conventional market design would cause insurmountable traffic problems and operational conflicts among different trades. They were also very concerned that the huge capital cost (estimated at \$4.9 billion at 1998 price) would force up market rent under the prevailing full-cost-recovery policy to a level that they could not afford. The fruit traders further insisted on a stand-alone, ground-level market at a separate site in urban Kowloon.

PRESENT SITUATION

7. To address traders' concerns, the Administration is exploring other options including the feasibility of separate relocation of the fruit market. However, the fact that wholesale food markets are considered environmentally sensitive activities has very much restricted the availability of alternative sites. We will consult the traders again.

Agriculture, Fisheries and Conservation Department
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