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3 July 2008

Miss Flora TAI
Clerk to Panel on Food Safety and Environmental Hygiene
Legislative Council Building
8 Jackson Road,
Central,
Hong Kong

Dear Miss Tai,

Panel on Food Safety and Environmental Hygiene

Follow-up to meeting on 13 May 2008

At the meeting of the Panel on Food Safety and Environmental Hygiene on 13 May 2008, in discussing the provision of public markets in Hong Kong as set out in CB(2)1849/07-08(01), Members asked for further information on why some markets with high patronage show high deficits. The Administration's response is set out below.

Some examples of markets with high deficit (ranging from \$5 million to over \$8 million per market annually) and high occupancy rate include Pei Ho Street Market (97%), Ap Lei Chau Market (94%), Chai Wan Market (89%), Smithfield Market (88%), Sai Ying Pun Market (79%) and Luen Wo Hui Market (77%). The average number of patrons for these markets is estimated to be over 900 per day and in the case of Pei Ho Street Market, it is estimated that there is a patronage of over 1 000 people visiting

the market during the peak shopping hour. Among those six markets, four of them have over 100 leased stalls in each market with the highest having over 240 leased stalls. The above statistics reflect the vibrancy of the markets.

As regards the cause for high deficits, we note that, for example, in the case of Pei Ho Street Market, Ap Lei Chau Market, Smithfield Market, Sai Ying Pun Market, the number of stall lessees paying rent which is below 50% of the Open Market Rental is 92%, 90%, 72% and 85% respectively. Other factors leading to the deficit include the inability to fully recover the electricity charges (mainly air-conditioning charges) from tenants, and the actual number of vacant stalls in some of the bigger markets.

Yours sincerely,

(Francis HO)
for Secretary for Food and Health

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