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Subcommittee on Issues Relating to Bazaars

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 6 December 2016**

Purpose

This paper provides background information and summarizes the discussions at meetings of the Legislative Council and its committees on issues relating to bazaars in Hong Kong.

Background

2. Bazaars are a longstanding feature of local communities in Hong Kong, and are intertwined with the Government's management of licensed hawkers. It has been the Government's official position since the early 1970s that no new hawker licences should normally be issued and that on-street licensed hawkers should be put into public market buildings or off-street hawker bazaars as far as practicable. Licensed fixed hawker pitches are concentrated in Hawker Bazaars.

3. The Government has also been working with District Councils ("DCs") and/or non-government organizations to facilitate different kinds of open-air bazaars, with examples such as the Hong Kong Computer Festival and the Wong Tai Sin Dragon Market, which features stalls selling general merchandise and cooked food with entertainment performances on weekends and Sundays as public appeal.

Bazaars and local communities

4. In recent years, there have been views in the society advocating for the establishment of bazaars in various districts with a higher concentration of public rental housing ("PRH"), such as the Tin Shui Wai district, where the shopping arcades have been divested to Link Asset Management Limited ("Link"). Advocates of such views have criticized the Link for monopolizing local shopping arcades of PRHs and depriving the grass-root residents of affordable market shops by driving out markets and bringing in chain stores selling goods at a premium. As such, establishing bazaars would provide a viable alternative for residents to shop for basic necessities in order to counteract the Link's monopoly.

Government policy

5. The Government maintains that it keeps an open mind towards proposals for the establishment of open-air bazaars (including night markets), and considers the district-led approach desirable. The Government will render assistance to development proposals as long as they will not jeopardize food safety and environmental hygiene or obstruct public access, and provided that suitable sites can be located by the organizations concerned and that support from the local communities and respective DCs has been obtained.

6. The Government believes that, for the purpose of maintaining a flexible, low cost environment and sustaining vibrancy, allowing district organizations to assume a leading role in planning and management will enable bazaars to develop and thrive in an organic manner, and will provide more room and flexibility in meeting the needs of districts.

7. Moreover, as residents living near open bazaars would inevitably be affected to a certain extent, the Government considers that a consensus on the proposal for open bazaar should be forged with full consideration given to the views of nearby residents as well as discussions and endorsement by DCs. If a consensus can be reached at the district level, the relevant government departments will undertake the relevant follow-up work within their respective purviews.

Past discussions by Members

8. Members have expressed concerns on the subject at Council meetings, meetings of the Panel on Food Safety and Environmental Hygiene, Panel on Home Affairs, Panel on Manpower, and Panel on Housing as well as the Subcommittee on Hawker Policy and Subcommittee on Poverty. Their major views and concerns are summarised below.

Bazaars as part of local community economy

9. Members have time and again called on the Government to formulate policies for the development of local community economy, including the promotion of bazaar economic activities. At its meeting on 17 March 2010, the Council passed a motion urging the Administration to strive to preserve the culture of open-air bazaars, and expeditiously study subsidizing the development of open-air markets in remote areas, so as to stimulate economic activities of neighbouring communities and create job opportunities for residents in remote areas. Some Members also believed that the development of tourist night markets may help to promote local gourmet culture, thereby creating employment opportunities and boosting the economic development of the territory.

10. The Panel on Food and Safety and Environmental Hygiene passed a motion at the meeting on 21 June 2013 urging the Government to, inter alia, undertake to preserve and conserve existing bazaars. In response, the Administration advised that while it fully recognized the history of hawking in Hong Kong and its significance as both an alternative shopping venue and tourist attraction, it had the responsibility to regulate hawker activities to address environmental hygiene and fire safety concerns. Details of the Administration's response can be found in the letter dated 19 July 2013, which is hyperlinked at the **Appendix**.

Poverty alleviation

11. Bazaars, as a means to alleviate poverty, were a subject of deliberation at the Subcommittee on Poverty set up under the House Committee. Some Members considered that the development of bazaars could help the poor, in particular the socially disadvantaged residing in remote areas, get rid of poverty.

12. Members shared the view that development of community economy and bazaars is not only a mode of social economy but is also an effective way to alleviate poverty. Community groups have therefore made many efforts in putting forward many creative ideas of developing community economy and implementing community economy projects, which help alleviate poverty. However, development of community economy and bazaars is hindered by the absence of a specific government policy and a platform for coordination of the Administration's handling of applications for operating community economy projects. DCs cannot help much in developing community economy as too many government departments are involved in handling applications for operating community economy projects.

13. The Administration explained that it sought to formulate a hawker policy which could strike an optimal balance between allowing licensed hawking business to thrive on the one hand, and meeting other legitimate concerns in addition to ensuring food safety, environmental hygiene, and public safety on the other. More specifically, on top of measures that were being taken, the Administration was prepared to look into proposals relating to hawker policy, including local open-air bazaars.

14. Notwithstanding the Administration's explanation, Members called on the Administration to set up an inter-departmental platform and formulate a specific policy on the development of community economy and bazaars to facilitate poverty alleviation at the district level. Considering that the relevant legislation on co-operative societies was outdated, Members also urged the Administration to review the relevant legislation.

Tin Sau Bazaar

15. On 1 September 2012, the Chief Secretary for Administration announced the proposal of setting up the Tin Sau Bazaar in Tin Shui Wai ("TSW"). The objectives of the Bazaar were to provide more shopping choices for local residents, develop the local economy and create local employment. The Bazaar commenced operation in February 2013. The Bazaar, which has been operated and managed by the Tung Wah Group of Hospitals ("TWGHs"), provided some 200 low-rental stalls selling daily necessities.

16. Members considered the Tin Sau Bazaar unsuccessful given its low patronage. They were of the view that instead of exercising too much control on the management and operation of bazaars, the Administration should facilitate cooperation and enhance cohesiveness among operators of bazaars. It was also important to locate bazaars at places where there were supportive facilities in the vicinity for attracting and sustaining patronage. The Administration advised that it had been assisting operators in implementing measures to enhance the operating environment and competitiveness of the Bazaar.

17. Noting that over 60% of the stall operators of the Tin Sau Bazaar were the underprivileged with low income or recipients of Comprehensive Social Security Assistance, Members considered that the Administration should provide more support to the stall operators, e.g. providing them with information on suppliers who might offer discounts, accept small orders and provide delivery service, in order to lower the operating costs.

18. The Administration advised that to enhance the business skills of the stall operators of the Bazaar, TWGHs had organized a training series named "Winning Tips", and five workshops had been conducted between April and September 2013. Representatives from non-government organizations, academics from tertiary institutions and businessmen were invited to share their experience and strategies in pricing, market promotion and sales. TWGHs would also gather information on suppliers who might provide discounts, accept small orders and offer delivery service.

19. Members urged the Administration to formulate a long-term policy on the development of bazaars in local communities and consider setting up open-air bazaars in other districts. The Administration explained that setting up the Bazaar was a specific measure aiming at addressing the needs of residents in TSW North. It would take into account the unique circumstances of individual districts in considering the need for establishing open-air bazaars in other districts, having regard to the experience gained in operating the Bazaar. In so doing, the Administration considered it necessary to look into the local demand and whether suitable sites were available. The traffic impact, noise, environmental hygiene and management problems should be carefully assessed.

District-led approach

20. In 2014 and 2015, the Subcommittee on Hawker Policy set up under the Panel on Food Safety and Environmental Hygiene discussed, inter alia, the improvement of the management and operating environment of the hawker areas. Members requested the Government to preserve the hawking trade and identify venues suitable for hawking activities in the course of urban renewal. Some of them suggested that the Administration should consider issuing new hawker licenses and setting up hawker bazaars and night markets.

21. In March 2015, the Administration presented proposals to the Subcommittee, covering the setting up of district-led bazaars. In the same month, the Food and Health Bureau ("FHB") briefed the Chairmen of the 18 DCs. On these occasions, the Administration articulated its stance on hawker policy and invited interested parties to identify suitable sites in districts to set up bazaars. The Administration expected that relevant proposals might be either gestated by (a) a committee of an interested DC which would take the initiatives to identify suitable site(s) for relevant purposes or (b) local interested communities, and any of these proposals should have been discussed by the DC concerned.

22. An individual organization held a bazaar on a trial basis in Kiu Kiang Street in Sham Shui Po on Sundays of August 2015. Besides, a kaifong organization organized a bazaar with stalls selling cooked food at Maple Street Playground in Sham Shui Po during the Lunar New Year period of 2016.

23. In November 2015, the Administration advised that it received proposals related to bazaars from a number of organizations. FHB wrote to the DC Chairmen concerned, seeking their assistance in putting the proposals before the DCs for discussion and follow-up. With the support of Sham Shui Po DC, an organization organized a bazaar in Kiu Kiang Street in Sham Shui Po from June to October 2016. The relevant government departments did not raise objection to the application. Separately, the Islands DC has formed a Working Group on Promotion of Bazaar Development, which has held two meetings since April 2016 to follow up the bazaar proposals. The Administration advised that it would keep in touch with the DCs concerned to take forward the proposals.

Urban development and reprovisioning of bazaars

24. Some Members expressed concerns that bazaars in urban districts would often have to be closed down to give way to urban development. They noted that the Administration would provide compensation in the form of ex-gratia payments to stall owners surrendering their hawker licence, or arrangement for relocation to an alternative location (such as a government market close by) to continue their businesses. The Yen Chow Street Temporary Bazaar in Sham Shui Po district was closed down in October 2016. Members were concerned about the suitability of the alternative locations identified by the Administration and whether the affected stall owners had been properly consulted. Members also expressed concerns about the handling of hawkers without a license.

Bazaars in public rental housing

25. Members shared the view that holiday bazaars provided foods and goods at prices more affordable to PRH tenants without causing prolonged nuisance to the estates as they would operate during public holidays only. As Link kept disposing of market facilities divested by the Housing Authority ("HA") and introducing chain supermarkets in its renovated retail facilities which pushed up prices of products to levels that PRH tenants found it hard to afford, the Administration should set up holiday bazaars in PRH estates to counteract Link's monopolistic operations. The Administration advised that it maintained an open position towards the proposal and would convey Members' views and suggestions to HA for consideration.

26. The Panel on Housing, at its meeting on 10 May 2016, passed a motion urging the Housing Department to expeditiously increase the number of commercial units and set up holiday bazaars in various PRH estates, so as to counteract Link's monopoly.

27. In response, the Administration advised that regarding any proposals of setting up bazaars in open areas in public housing estates, HA would consider the need and circumstances of the estates concerned, in accordance with Government's policy and established arrangement on the setting up of bazaars. At the same time, HA had to carefully examine the impact of such proposals on individual estates. In general, public housing estates were densely populated. Open spaces on the ground level were often used for public passage, sitting-out areas or common spaces for residents' use. HA had to thoroughly consider residents' need for common spaces, as well as the views of residents, other stakeholders and the local community on the change

in its use. Moreover, HA also needed to consider whether the proposals would cause environmental hygiene problems, obstruction of public passages, nuisances to residents or illegal hawking activities, etc. Furthermore, some public housing estates were located on land lots subject to land leases, which set out restrictions on floor area and land use. Hence, approval from the Lands Department and consent from other owners might be required for implementation of such proposals.

Council questions

28. At the Council meetings on 3 and 17 February 2016, Dr Hon Priscilla LEUNG Mei-fun and Dr Hon Helena WONG Pik-wan raised questions on the relocation of Yen Chow Street Temporary Bazaar. At the Council meetings on 15 and 22 June 2016, Hon CHAN Kin-por and Hon WU Chi-wai raised questions related to the establishment of bazaars. The Council questions and the Administration's replies are hyperlinked in the **Appendix**.

Latest development

29. At the Council meeting held on 24 November 2016, the Council passed a motion urging the Administration to, inter alia, "set up temporary bazaars at suitable locations in various districts to provide residents with choices other than those markets and shopping arcades under Link REIT".

30. The Subcommittee on Issues Relating to Bazaar will have its first meeting on 6 December 2016.

Relevant papers

31. A list of relevant papers is in the **Appendix**.

**Subcommittee on Issues Related to Bazaar
List of relevant papers**

Meeting Date / Issue Date	Event	Paper
17 March 2010	Council meeting	<u>Agenda</u> <u>Motion</u>
21 June 2013	Panel on Food Safety and Environmental Hygiene	<u>Agenda</u> <u>Minutes</u> <u>The Administration's response to the motion</u>
15 April 2014	Subcommittee on Hawker Policy	<u>The Administration's paper on Hawker Policy</u>
5 October 2015	Subcommittee on Hawker Policy	<u>Report of Subcommittee on Hawker Policy</u>
10 May 2016	Panel on Housing	<u>Agenda</u> <u>Minutes</u> <u>The Administration's response to the motion</u>
20 May 2016	House Committee meeting	<u>Report of the Subcommittee on Poverty</u>
24 November 2016	Council meeting	<u>Agenda</u> (with wording of motion)

Hyperlinks to relevant Council questions:

Meeting Date	Council Question
3 February 2016	<u>Question by Dr Hon Priscilla LEUNG Mei-fun</u>
17 February 2016	<u>Question by Dr Hon Helena WONG</u>
15 June 2016	<u>Question by Hon CHAN Kin-por</u>
22 June 2016	<u>Question by Hon WU Chi-wai</u>