



## Public markets

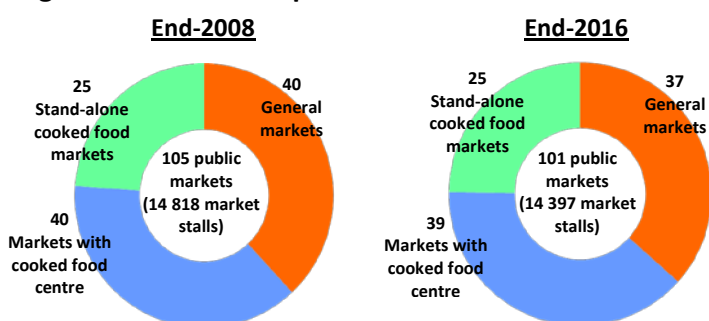
**Figure 1 – Distribution of markets, supermarkets and fresh provision shops in Hong Kong<sup>(1)</sup>**

		No. of markets			No. of stalls/shops			
				領展 LINK				
	Central & western	0	0	0	6	748	47	114
	Eastern	0	2	2	10	1 433	50	174
	Southern	2	2	2	6	823	29	84
	Wan Chai	0	0	0	6	666	22	86
	Kowloon City	1	0	2	4	1 085	44	127
	Kwun Tong	0	0	10	8	963	47	258
	Wong Tai Sin	3	0	6	4	1 031	33	168
	Sham Shui Po	3	0	1	5	1 105	46	147
	Yau Tsim Mong	0	0	0	6	779	60	209
	Sha Tin	2	9	14	4	406	58	272
	Tai Po	0	0	5	2	557	18	95
	North	0	1	4	4	894	31	66
	Kwai Tsing	5	2	6	8	488	49	180
	Tsuen Wan	2	3	0	6	1 224	40	102
	Tuen Mun	1	3	9	6	485	34	171
	Yuen Long	2	0	5	8	1 111	42	183
	Sai Kung	0	4	5	2	243	32	149
	Islands	0	0	2	6	356	13	51
	<b>Total</b>	<b>21</b>	<b>26</b>	<b>73</b>	<b>101</b>	<b>14 397</b>	<b>695</b>	<b>2 636</b>

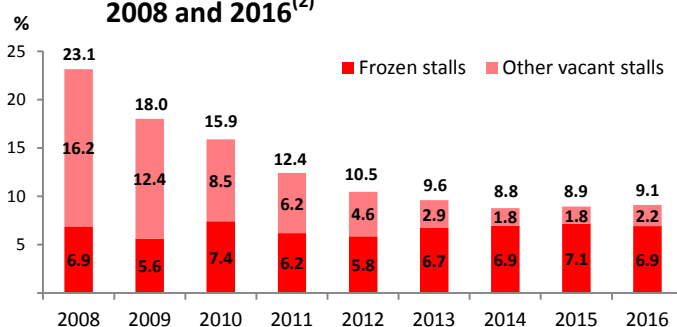
Housing Authority    Private developers    Link Asset Management Limited  
 FEHD    FEHD stalls    Supermarkets    Fresh provision shops

Note: (1) Latest figures from FEHD's reply to the initial written questions raised by Finance Committee Members in examining the Estimates of Expenditure 2017-2018.

**Figure 2 – Number of public markets and market stalls**



**Figure 3 – Vacancy rates<sup>(1)</sup> of public markets between 2008 and 2016<sup>(2)</sup>**



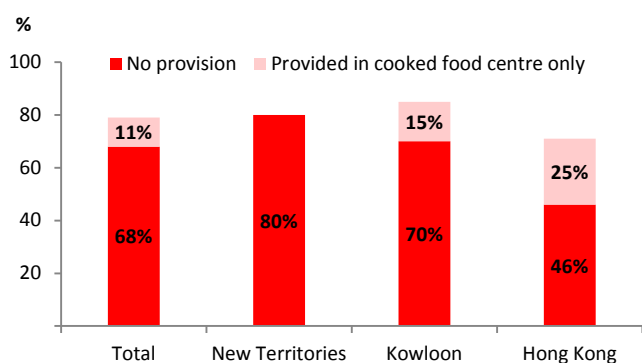
Notes: (1) Vacant stalls refer to stalls that are not leased. They include stalls that are frozen for designated purposes such as re-siting and renovation.  
(2) Figures as at 31 December of each year.

## Highlights

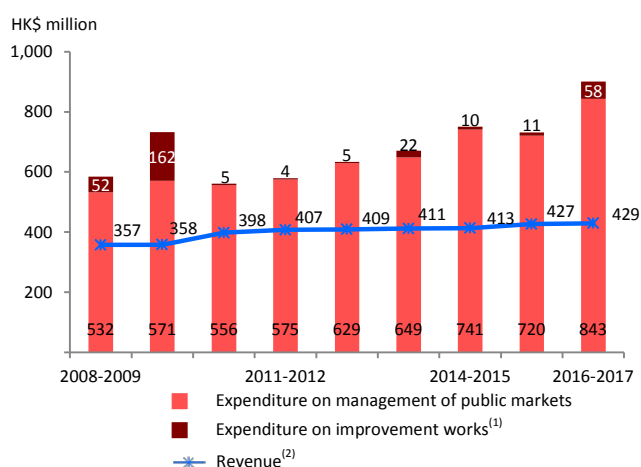
- In Hong Kong, public markets are places where many people go to buy daily necessities. They also generate employment opportunities for the grassroots people. Meanwhile, the Food and Environmental Hygiene Department ("FEHD") is operating the largest number of markets compared with other operators (**Figure 1**). Yet, there have been concerns over the viability of public markets in view of the high vacancy rates due to unsatisfactory operating environment, poor management, and keen competition from other market facilities and retail outlets.
- As at end-2016, FEHD managed 101 public markets, accommodating a total of 14 397 stalls selling a variety of goods and services. In contrast, there were 105 public markets and 14 818 market stalls as at end-2008 (**Figure 2**). During the period, four public markets were closed due to their consistently high vacancy rates.
- In the past decade, FEHD has indeed implemented various measures to boost the occupancy of public markets. These include lowering the reserve prices when auctioning off long-standing vacant stalls and introducing a greater variety of service trade in the public markets. As a result, the overall occupancy rate of public markets has improved since 2008, but the vacancy rate still remained at a high of 9.1% in 2016 (**Figure 3**). In particular, nine public markets even had vacancy rates above 30% as at end-2016. FEHD has planned to close two of these markets in 2017-2018, affecting a total of 323 stalls.

## Public markets (cont'd)

**Figure 4 – Provision of air-conditioning system in public markets as at end-2016**



**Figure 5 – Expenditure on and revenue from public market management**



Notes: (1) Market improvement works are funded by block votes managed by the Architectural Services Department. They do not include the replacement projects of aged lifts and escalators.  
(2) The 2008-2009 revenue figure refers to revenue in the 2008 calendar year.

**Figure 6 – Complaints and enforcement actions against public market stalls between 2014 and 2016**

No. of case	2014	2015	2016
Complaints <sup>(1)</sup>	1 310	2 122	2 283
Prosecutions	1 291	1 658	2 065
Convictions	1 214	1 523	1 911
Verbal warnings	595	691	1 180
Warning letters	1 736	2 195	2 763
Notice of terminations	17	41	42
Stalls repossessed	16	28	35

Note: (1) Most of these complaints raised by the public were related to environmental hygiene and management issues (e.g. obstruction of passageways).

Research Office  
Information Services Division  
Legislative Council Secretariat  
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Tel: 2871 2143

## Highlights

- The high overall vacancy rate is attributable to, among other things, unsatisfactory operating environment of some public markets. As at end-2016, 68% of the public markets were not provided with air-conditioning. For other public markets, 11 of them had installed air-conditioning systems only at their built-in cooked food centre (**Figure 4**).
- Apart from installing air-conditioning system, there have been calls for the Government to implement other measures to improve the operating environment of public markets. Between 2008-2009 and 2016-2017, the Government spent a total of HK\$329 million on general improvement works for various public markets such as improvements to drainage, ventilation and lighting (**Figure 5**). While the Government has planned to conduct comprehensive improvement works for six representative markets as identified in a consultancy study completed in mid-2015, improvement works will only commence for one of the six markets in 2017-2018.
- Management of public markets has been another area of concern in recent years. The Government has consistently recorded operating deficits on managing the public markets with expenditure incurred outpacing revenue receivable over the years (**Figure 5**). Apart from the high vacancy rates of some public markets, the reduction of monthly market stall rentals in 1998 and the rental freeze since then until June 2017 have contributed to low revenue growth.
- Recently, the Office of the Ombudsman has initiated an investigation into FEHD's system of leasing market stalls and enforcement of the relevant legislation and tenancy conditions for management of public markets. This is in response to the concerns over the management of the public markets as reflected by the increased number of complaints and enforcement actions against public market stalls between 2014 and 2016 (**Figure 6**).

Data sources: Latest figures from the Food and Environmental Hygiene Department and Food and Health Bureau.