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For information

LegCo Panel on Food Safety and Environmental Hygiene

Issues Relating to the Relocation of Yau Ma Tei Fruit Market

Purpose

This paper seeks to report on the Administration's work in relation to the relocation of the Yau Ma Tei (YMT) Fruit Market and the latest developments.

Actions taken by the Administration since the ExCo decision in 1969

2. Arising from the Executive Council decision in 1969, the Government constructed Cheung Sha Wan Wholesale Market Phase 1 (CSW Phase 1) in 1993. Subsequently, the Government had planned the development of the Cheung Sha Wan Wholesale Market Phase 2 (CSW Phase 2), for relocating the YMT Fruit Market, the Vegetable Marketing Organization (VMO) CSW Wholesale Vegetable Market and the traders operating at CSW Phase 1. Critical events are chronicled as follows.
3. The Government has always faced difficulties in reprovisioning the YMT Fruit Market owing to scarce land resources. In 1990, the Government planned to reprovision the YMT Fruit Market to CSW Phase 1. However, the plan had to be aborted due to the signing in 1991 of the Memorandum of Understanding on construction of the new airport. This is because to construct the new airport at Chek Lap Kok, the Government had to conduct the West Kowloon Reclamation project, so as to construct the West Kowloon Expressway serving the new airport at Chek Lap Kok. Relocation of the Fresh Water Fish Market, the Imported Vegetable Market and the Fish Marketing Organization's (FMO) Marine Fish Market to CSW Phase 1, which stood in the way of the project, had to take precedence. As for the YMT Fruit Market, the Government then decided to relocate it to CSW Phase 2, which was scheduled for completion by late 1997.

4. In October 1996, the Director of Audit's Report No. 27 reported, *inter alia*, that the YMT Fruit Market has yet to be reprovisioned. It also recommended, amongst other things, that the Administration should explore the possibility of maximizing the development potential of the CSW Phase 2 site. In January 1997, the Legislative Council (LegCo) Public Accounts Committee (PAC) Report No. 27 urged the Administration to expedite the development of CSW Phase 2 project, and in particular, the reprovisioning of the YMT Fruit Market.

5. In April 1997, the Finance Committee approved the upgrading of the CSW Phase 2 project (including a wholesale market for fruits) to Category A. In May 1997, the Administration advised the PAC that the Government accepted the PAC's recommendation. In September 1997, invitation was issued to private developers to tender for the construction of a combined-user development (including wholesale market for fruits) at the CSW Phase 2 site. PAC was informed accordingly in October 1999.

6. In December 1997, the Government opened tender for the construction of a combined-user development at CSW Phase 2. Only 1 non-conforming tender was received. Therefore, the Chief Secretary's Lands, Works, Transport, Housing and Environmental Protection Policy Group decided in February 1998 that the Government should implement the CSW Phase 2 project by itself, and in order to make optimum use of the site which occupied a prime location in the urban area, the Government should explore the possibility of including other uses in developing the CSW Phase 2 site.

7. In August 1998, the Chief Secretary's Lands, Works, Transport, Housing and Environmental Protection Policy Group agreed to the proposal of developing a multi-storey market complex at the CSW Phase 2 site. The complex would accommodate five trades, namely, vegetable, eggs, fish, live poultry and fruits. Apart from reprovisioning the YMT Fruit Market and CSW Poultry Market, it would also reprovision CSW Phase 1 and the VMO CSW Wholesale Vegetable Market.

8. Fruit wholesalers in YMT Fruit Market have requested a piece of land in the urban area in February 1999, preferably at the present site in YMT or in the vicinity of the Kwun Tong Public Cargo Works Area to operate a fruit

market at rental charges that are commensurate with the amounts currently paid to the Lands Department under existing short-term tenancies. This proposal is considered not feasible as the Works Area is zoned "Open Space" on the draft Kai Tak Outline Zoning Plan and the planning intention is to phase out the Works Area to provide a waterfront promenade in the long term. Moreover, no suitable site is available in YMT.

9. Following the 1998 decision of the Chief Secretary's Lands, Works, Transport, Housing and Environmental Protection Policy Group, the Agriculture, Fisheries and Conservation Department (AFCD) proceeded to consult the relevant trades in 1999. The parties consulted include wholesalers in fruit, vegetable (including VMO), live poultry, fish (including FMO) and egg. The trades objected strongly to the concept of accommodating all of them in a multi-storey complex. Objections were based on the ground that the multi-storey complex would cause serious traffic problems and operational conflicts, and the concept would not work in practice. The traders were also concerned about the high rental that would be charged in order to recover the high construction cost.

10. In May 2000, in the light of the outcome of the consultation, the then Environment and Food Bureau and the AFCD reviewed the scope of the CSW Phase 2 project and recommended that due to public health reasons, the CSW Poultry Market should be excluded from the CSW Phase 2 project, and the CSW Phase 2 site would only accommodate four trades (vegetables, eggs, fish and fruits).

11. In considering the revised proposal, the Chief Secretary's Lands, Works, Transport, Housing and Environmental Protection Policy Group agreed in June 2000 that the CSW Poultry Market should be excluded from the CSW Phase 2 project, and decided that the Government should explore alternatives sites to relocate the YMT Fruit Market, having considered factors such as the costs for the original CSW Phase 2 project, and the traders' unwillingness to move thereby creating the risk that the facility at CSW Phase 2 would be under-utilized.

12. In 2000, the Planning Department was requested to conduct a site search for relocating the YMT Fruit Market. The result was not fruitful. For all the shortlisted sites, there were genuine insurmountable problems associated

with them. For sites outside urban areas, the traffic generated from the container vehicles was a concern and the retailers would consider these sites inconvenient and hence unacceptable. For sites in urban areas, the environmental problems rendered them not feasible for fruit market use. An interdepartmental working group chaired by Health, Welfare and Food Bureau (HWFB) was formed in 2003 to explore various options.

13. In May 2004, the Administration advised the PAC that –
- (a) the Government had decided not to pursue the five-trade option for developing the Phase 2 site and the CSW Market Phase 1 should continue its operation;
 - (b) the Government was reviewing other options of developing the Phase 2 site for wholesale market purpose, taking into account current economic environment and land demand, concerns of relevant traders, as well as the need for reprovisioning some wholesale markets; and
 - (c) the Government would keep the LegCo Panel on Food Safety and Environmental Hygiene informed of the development.

14. Subsequently, the HWFB and AFCD discussed internally regarding possible options for reprovisioning the YMT Fruit Market. Meanwhile, the Government has been reviewing the overall policy on the construction of fresh food wholesale markets. The Administration has also continued to explore various options for developing the CSW Phase 2 site (including options for relocating the YMT Fruit Market) having due regard to the full utilization of land resources, value for money concerns and how the new market could accommodate for traders' needs.

15. In 2006, the government interdepartmental working group on YMT Fruit Market (convened by HWFB, with representatives from Home Affairs Bureau, Housing, Planning and Lands Bureau, Planning Department, Lands Department and AFCD) explored different options for reprovisioning the YMT Fruit Market. The HWFB and other relevant bureaux and departments have now taken a position on the project, and have briefed the PAC at the public hearing on 30 April 2007 as follows: to resolve the problems relating to the YMT Fruit Market, the Government can consider constructing a new

wholesale market for fresh fruits in part of the CSW Phase 2 site, for relocating the YMT Fruit Market. We will open discussion with the District Councils, fruit traders and related trades on the proposal through District Officers. Relevant information has been distributed to the Yau Tsim Mong District Council and the Sham Shui Po District Council.

16. Members are invited to note the content of this paper.

Health, Welfare and Food Bureau
30 April 2007