APPENDIX 4

漁農自然護理署

九龍長沙灣道三0三號長沙灣政府合署五樓



AGRICULTURE, FISHERIES AND CONSERVATION DEPARTMENT

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7 January 2009

Clerk to Public Accounts Committee
Legislative Council
Legislative Council Building
8 Jackson Road
Central
Hong Kong
(Attn: Ms Serena CHU)

Dear Ms Chu,

Follow-up to Public Accounts Committee Report No. 48 Management of Government Fresh Food Wholesale Markets

Thank you for your letter dated 23 December 2008.

(a) Letting of market facilities

As of 31 December 2008, we have rented out 24 of the 99 previously vacant stalls. The 75 stalls which have not been leased out include 15 stalls in the Cheung Sha Wan Temporary Wholesale Poultry Market (which will not be further leased out in view of the recent Voluntary Surrender Scheme for the live poultry trade) and 9 stalls located in the Western Wholesale Food Market (the area where the stalls are situated has been allocated to the Hongkong Post as a Speedpost and regional delivery centre through the assistance of Government Property Agency).

The remaining 51 stalls are mainly located in the egg or fruit sections of the Cheung Sha Wan and Western Wholesale Food Markets. We observed that importers are increasingly distributing eggs and fruits to supermarkets or retailers direct, i.e. without going through Government wholesale markets. As a result, the demand for egg and fruit stalls remains low. That said, we will continue to monitor the vacancy situation closely and carry on promoting these stalls through trade associations, advertisements in major local news papers and

the homepage of the Department. In parallel, we have recently allowed these stalls to be used for the wholesaling of canned food, kitchen utensils and fruit associated products in addition to eggs and fruits, with a view to attracting more tenants.

(b) Collection of rental – introduction of surcharge

During the latest consultation with tenants on the overdue surcharge, tenants continued to object strongly to the proposal. In view of the latest economic situation and the Government's commitment to revive the economy by supporting Small and Medium Enterprise (SMEs), we are considering possible refinements to the proposal and will consult the tenants again in due course.

ours faithfully

for Director of Agriculture, Fisheries and Conservation

c.c. Director of Audit