

Motion Debate on
“Supporting the Market for Traders Running Small Businesses”
at the Legislative Council Meeting on 17 March 2010

Progress Report

Purpose

At its meeting on 17 March 2010, the Legislative Council (LegCo) passed a motion on “Supporting the market for traders running small businesses” as moved by Hon Tommy CHEUNG Yu-yan and amended by Hon Frederick FUNG Kin-kee, Hon Fred LI Wah-ming, Hon WONG Yung-kan, Hon Paul TSE Wai-chun and Hon Priscilla LEUNG Mei-fun. This paper aims to report on the follow-up actions taken by the Administration regarding Members’ suggestions.

Fixed-Pitch Hawker Licences

2. As the Administration has not issued any new hawker licences for years, there were vacant stalls in some open-air hawker bazaars arising from relocation or surrender of licences by stall owners. The LegCo Panel on Food Safety and Environmental Hygiene (the Panel) earlier supported our proposal of giving priority to fixed-pitch hawkers in the front row in taking up adjacent vacant fixed pitches in the back row. Any vacant pitches left after selection by front row fixed-pitch hawkers would be open to application by those interested in the hawking trade. Priority selection of vacant fixed pitches in the back row by front row fixed-pitch hawker licensees, involving about 640 pitches, has been completed.

3. Regarding the allocation arrangements for the remaining vacant fixed hawker pitches, the Panel discussed the subject in January this year. Having considered the Panel’s views, we decided to give priority to existing registered assistants with experience to apply for and make selection from 70% of the vacant fixed hawker pitches. After

consultation with the District Councils (DCs), the Food and Environmental Hygiene Department (FEHD) has made 218 vacant on-street fixed pitches available for application by people interested in the hawking trade. In late April, the FEHD conducted an open computer random number allocation process to determine the priority of eligible applicants for pitch selection. Selection process by applicants is underway.

Itinerant Hawker Licence

4. The Administration agrees that licensed itinerant hawkers, particularly holders of the newly issued Itinerant (Frozen Confectionery) Hawker Licence (commonly known as “small ice cream vendors”), should have as much space for hawking as possible. However, Hong Kong is a small place with a huge population. Licensed itinerant hawkers gathering at main passageways and places with heavy flow of people will inevitably cause obstruction to pedestrians and vehicular traffic. Therefore, with the interests of various parties in mind, we do not recommend that licensed itinerant hawkers operate in these places. Under the *Hawker Regulation*, a licensed itinerant hawker shall ensure that no stall or other equipment used by him in the course of his trade obstructs or interferes with the free flow of vehicular traffic or the free movement of pedestrians, otherwise he shall be guilty of an offence. To enhance transparency and avoid misunderstanding arising from the hawkers' lack of knowledge about the locations at which no prior warning would be given before enforcement action is taken against hawking offences, in 2007, the FEHD informed in writing all licensed itinerant hawkers, the relevant hawker associations as well as DCs, and displayed a list of such locations at FEHD offices in various districts and uploaded the list onto the FEHD website for public reference. We have also given a detailed account of the matter at different meetings with hawker associations. The Administration will continue to strike a proper balance between allowing licensed itinerant hawkers as much room for hawking as possible and ensuring that main passageways are free from obstruction, and will review the relevant enforcement procedures when necessary.

5. As for the voluntary surrender scheme for licensed itinerant hawkers (the Scheme), after it was introduced in 2002 with a validity period of five years, its validity period had been extended twice in view of the possible implications of the then on-going review of hawker licensing policy on the future operation of the itinerant hawker licences. At the end of last year, in response to the requests of hawker associations for allowing the relevant licensed itinerant hawkers more time to consider whether or not to surrender their licences and how to choose from the options available under the Scheme, we decided to extend the validity period of the Scheme further by one year to 31 December this year. As the aim of the Scheme is to encourage itinerant hawkers to surrender their licences voluntarily as soon as possible and public money is involved, we have to consider carefully whether the implementation of the Scheme on a long-term basis would be appropriate as well as its implications.

Open-Air Bazaars

6. One of the conclusions of the review of hawker licensing policy is that when a “dai pai tong” is to be closed down because of the old age or death of the licensee or other reasons, we will consult the DC to seek its views on the continued in-situ operation of the “dai pai tong”, taking into account the actual local situation and residents’ wishes. If the relevant DC supports the continued in-situ operation of the “dai pai tong”, we may consider relaxing the succession and transfer arrangements of the “dai pai tong” licence to align with that of other fixed-pitch hawker licences so that the licence can be succeeded by or transferred to the licensee’s “immediate family members” other than spouse, or to issue new licences to other interested operators.

7. Regarding the proposal of developing open-air bazaars, the Government keeps an open mind. The conclusion of the review of hawker licensing policy is that if the proponents can identify suitable sites and secure the support of the local community, and provided that the proposal fulfils the relevant food safety and environmental hygiene requirements, the FEHD stands ready to provide suitable assistance in collaboration with relevant government departments.

Rental Policy and Design of Public Markets

8. The Administration pointed out in a paper submitted to the Panel last year that there was a need to align market stall rentals progressively with the open market rental (OMR) in the long run. However, it has been accepted that as the majority of public market traders are self-employed and low-skilled workers, any adjustment in rental should not be too radical and has to be made in a gradual manner, giving due regard to the overall affordability of these operators and the prevailing economic situation, so that the impact on operators can be reduced to a reasonable and acceptable level. Based on this principle, we have formulated a proposed rental adjustment mechanism and consulted the Panel and tenant representatives. During the consultation period, the Panel and tenant representatives generally considered that as the current operating environment of public markets was difficult, it was not the right time to discuss the rental adjustment mechanism. The Administration will further examine the public market rental adjustment mechanism and consult the Panel in due course.

9. Separately, the Administration announced in April 2010 that the rental freeze for public market stalls would be extended for another year till 30 June 2011.

10. As regards the installation of air-conditioning (A/C) systems in public markets, based on past experience and assessments, the costs of such projects are very high. Each installation project is likely to involve tens of millions of dollars. Besides, market tenants are responsible for paying the recurrent costs, such as electricity charges and maintenance fees. Full co-operation from market tenants is also needed as partial closure of the market may be required during the course of installation works. Therefore, the installation of A/C systems in public markets is subject to the level of support from tenants. In principle, we will consider the feasibility of implementing the relevant project if the agreement of 85% or more of the tenants is secured with regard to installing the A/C system and bearing the recurrent expenditure. As all sitting tenants in the market will need to pay for the additional charges once the A/C system is installed, such projects are only possible with the support of a sufficient number of tenants. In fact, various sectors have

divergent views on whether or not A/C systems should be installed in public markets. Some consider that installing A/C systems would enhance the appeal of these markets, while some market tenants are of the view that this would increase their operating costs. In the past, when Members considered whether funding should be provided to install A/C systems in public markets and cooked food centres, there were also divergent views and a consensus has not been reached.

Food and Health Bureau
July 2010