



中華人民共和國香港特別行政區政府總部食物及衛生局  
Food and Health Bureau, Government Secretariat  
The Government of the Hong Kong Special Administrative Region  
The People's Republic of China

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(Translation)

7 August 2013

Clerk to Panel on Food Safety and Environmental Hygiene  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong  
(Attn.: Mr Jove CHAN)  
[Fax: 2185 7845]

Dear Mr Chan,

**Meeting of the Panel on Food Safety and Environmental Hygiene on  
9 July 2013**

**Improving the Operating Environment of Public Markets and Related  
Issues – Consultancy Study**

On 31 July 2013, we wrote to the Chairman of the Panel on Food Safety and Environmental Hygiene regarding the captioned subject. In the letter, we referred to the Panel meeting held on 9 July 2013 where the Chairman remarked that even though the consultancy brief could not be fully made public due to confidentiality, it was hoped the Panel could be informed of the relevant parts of the brief, thereby facilitating Members in providing views on the direction or perspective of the consultancy study. In that connection, we foreshadowed in the letter that the Administration would issue, through the Clerk to the Panel, an information note on the relevant

parts of the consultancy brief for Members' reference. The information note is attached at Annex.

Yours sincerely,

[signed]

( Vinci CHAN )  
for Secretary for Food and Health

c.c.: Director of Food and Environmental Hygiene  
(Attn.: Mr FAN Yung-kai)  
[Fax: 2530 1368]

## **Major Content of Consultancy Brief**

### **Purpose of Study**

- The objective of the consultancy study is to assist the Administration in developing proposals for improving the operating environment of public markets managed by the Food and Environmental Hygiene Department (“FEHD”).

### **Scope of Study**

- The consultant will focus on existing public markets and explore ways to improve their operating environment befitting their functions and positioning. Specifically, the scope of the study may cover four areas as set out below:

(1) Tender views on the functions and positioning of public markets

- In 2009, the Government conducted a review on the functions and positioning of public markets and concluded that public markets remain one of the major sources of fresh provisions for the grassroots. This important social function of public markets is beyond doubt. These markets also provide employment opportunities for the grassroots, meeting their livelihood needs. Besides, the best selling point of public markets is that they offer commodities of good quality at reasonable prices amidst competition posed by other retail outlets selling fresh provisions (e.g. supermarkets). This positioning and their edge over other competitors should be maintained, and the community has generally accepted and got used to the current mode of operation of public markets and their traditional and public-at-large oriented positioning.
- In recent years, shops selling fresh provisions and various kinds of dry and wet goods have become more diversified, including supermarkets and specialist stores which sell fresh provisions in

addition to dry and wet goods. Such retail outlets offer an alternative environment and experience for shoppers. Some of them target patrons who do not frequent public markets, but others are less conspicuous in their positioning. These retail outlets are scattered all over the territory, with some located very close to public markets, thus giving rise to competition. Despite the different options available, some shoppers may have special preference for public markets due to their role as a conventional shopping avenue for everyday needs and the more down-to-earth traditional commodities offered. Meanwhile, there are stalls in public markets that are selling traditional commodities or involving traditional specialty which may be of heritage value and much treasured by the patrons.

- We will invite the consultant to survey and give advice on the updated functions and positioning of public markets having regard to the above developments.

(2) Survey the public markets and come up with concrete improvement proposals for five or six representative ones

- There are at present some seventy public wet markets managed by the FEHD. The facilities of some of the public markets have aged with the passage of time, and their design has also fallen short of meeting present-day expectations. Shoppers' preferences and behaviour, the availability of alternative shopping facilities in the community, as well as the profile of shoppers and market tenants have also been evolving in the course of time, in tandem with rising expectations on the part of consumers who patronise public markets.
- We will invite the consultant to comprehensively survey the public markets and categorise them according to their individual conditions. Five to six representative markets will then be selected based on the categorisation, for which the consultant is required to put forward concrete improvement proposals. These may include extension of stall areas, widening of passageways, enhancement of market layout, improvement of lighting and ventilation system, and installation of air-conditioning etc., with a view to upgrading the facilities of public markets, thereby improving the operating environment of these markets.

- When conducting the study and developing the improvement proposals, the consultant is expected to take an overview of the relevant factors such as consumer profile, shopping preference, transport network in the vicinity, and possible constraints in taking forward the improvement works etc., and come up with concrete improvement plans for selected public markets. The consultant has to identify the major hurdles inherent in implementing the improvement plans, and recommend ways to overcome the hurdles or, failing that, what fall-back options are available given the hurdles and existing constraints.
- The consultant will also need to take into account certain anticipated constraints and challenges, such as the likely resistance from market tenants if the improvement works require temporary or permanent relocation of stalls, or temporary closure of part or the whole of the market, thus causing disruption to their business. Tenants may also resist the conduct of improvement works during business hours, which would cause nuisance to customers and affect their business.
- Taking the installation of A/C systems as an example, under the existing arrangement, the Government would install A/C systems in a public market if not less than 85% of the stall tenants of the market supported the installation and agreed to bear the electricity charges and costs of daily general maintenance after installation. The Government has so far maintained the threshold at 85%, because once A/C is installed, all tenants will have to pay for the electricity charges and costs of daily general maintenance afterwards. Charges aside, installation of A/C systems often involves partial or complete closure of the market for months, which disrupts business and may adversely affect the livelihood of the tenants. We believe therefore it is only fair that a proposal to install an A/C system should not proceed until and unless a vast majority of tenants agree to pay for the charges and accept the disruption of business during the construction stage. Other than the sustainability of markets and tenants' wishes, the physical conditions of some old market buildings, which were constructed at a time when the installation of A/C systems was not contemplated, may impose insurmountable constraints on the feasibility of retrofitting projects. In developing the proposals, the consultant needs to take into account these constraints and come up with feasible solutions.

(3) Provide some general suggestions for the routine improvement works for public markets

- Apart from putting forward concrete improvement plans for five to six markets, the consultant is also expected to give general advice that would help draw more customers to public markets and enhance customer satisfaction etc. These would provide handy reference on easy to administer measures or minor improvements when we roll forward the routine maintenance programme for public markets.

(4) Suggest ways and pragmatic measures to preserve market stalls that are selling traditional commodities or involving traditional specialty

- Over the past decades, other retail outlets have mushroomed which offer similar, if not the same, commodities as public markets. Notwithstanding this, some shoppers may harbour special preference for public markets due to their role as a conventional shopping avenue for everyday needs and the more down-to-earth traditional commodities offered. Meanwhile, there are stalls in public markets that are selling traditional commodities or involving traditional specialty which may be of heritage value and much treasured by the patrons.
- We will invite the consultant to propose concrete and pragmatic measures to preserve market stalls that are selling traditional commodities or involving traditional specialty which may be of heritage value and much treasured by the patrons.

### **Direction and Perspective of Study**

- Since each market may have its own unique circumstances (in terms of the physical facilities required, the operational problems encountered, the competition that it is facing from similar retail outlets in the vicinity, etc.), the consultant shall categorise the problems and analyse them accordingly with a view to tackling the problems on their own merits.
- In developing the proposals, the consultant shall, as appropriate, draw in experts from the retail, design and other professions with experience in helping clients to boost/maximise the patronage of retail/shopping outlets as needed. The consultant shall also collect

views from different stakeholders (including market stall tenants and customers) for formulating the proposed plans.

- The consultant is expected to comprehensively analyse all relevant factors affecting the operating environment of public markets such as consumer profile (e.g. income and age), their shopping preferences, the mode of market operation, current management constraints and manpower arrangements, as well as the state of transport network in the vicinity etc. with a view to formulating cogent, well-argued and comprehensive recommendations.

### **Service requirements**

- To enable public markets to fulfil their functions commensurate with their positioning, we will engage consultants with expertise in retail consulting to help us develop concrete and pragmatic improvement plans.
- The selected consultant shall propose and agree with the Administration on the work plan, which should include a detailed description of the methodology to be employed to design and deliver the key tasks, resources required, deliverables and work schedule.

### **Work schedule**

- The consultant is expected to commence the study in the fourth quarter of 2013. If everything goes well, we hope the consultant will submit the preliminary findings of the study in mid-2014.

**Food and Health Bureau**  
**August 2013**