

**For discussion
on 2 March 2015**

**Legislative Council Panel on Food Safety and Environmental Hygiene
Subcommittee on Hawker Policy**

Proposals on Hawker Management

PURPOSE

In its letter dated 13 January 2015, the Subcommittee on Hawker Policy requested the Government to provide a paper covering the following issues –

- (a) the need for, and if so, arrangement for issue of new hawker licences;
- (b) measures to improve the management and operating environment of hawker areas; and
- (c) the feasibility of establishing hawker bazaars on a district basis.

2. The Government's responses are set out below. Where appropriate, reference to overseas practices has been made in drawing up the responses and proposals.

EVOLUTION OF HAWKER POLICY IN HONG KONG

3. Government's policy towards hawkers and hawking, which underpins the relevant licensing and management arrangements, has

evolved in tandem with changes in community needs and aspirations, some of which may stem from divergent values and perspectives. More details of the development history are available in the paper discussed at the meeting of this Subcommittee on 15 April 2014 (ref: LC Paper No. CB(4)566/13-14(01)).

4. In the early post-war years, hawkers were generally regarded as a means of making a living for the grass-root and a convenient and non-expensive source of daily necessities. Many customers might also find on-street trading convenient. While on-street hawking became a feature of life in Hong Kong, the proliferation of hawkers was not without its problems because hawking could affect the life of those not in the hawking business. For the residents living nearby, on-street hawking activities might cause obstruction, environmental nuisance or even hazards relating to hygiene and fire risks. Shopkeepers selling similar and substitutable products in commercial premises nearby might consider rent-free on-street hawking activities an unfair competition. Noteworthy is that such shopkeepers could be small- and medium- sized enterprises many of which were operating with a small capital base. As the community became more affluent in the course of time, more people were looking to other forms of retail outlets and food premises. At the same time, we have seen rising community expectations favouring modern city management and a reduction in haphazard on-street hawking. Also relevant is the increasingly keen competition for land as population and economic activities grow.

5. It has been the Government's official position since the early 1970s that no new hawker licences should normally be issued and that on-street licensed hawkers should be put into public market buildings or off-street hawker bazaars as far as practicable. Where streets were occupied by on-street hawkers, the situation should be brought under control and improved gradually by regularizing and regulating some of these hawkers and allowing them to operate in properly allocated pitches either on-street or in off-street hawker bazaars.

6. The decision of not issuing new hawker licences, coupled with the gradual changes in the shopping habits of the population and the growing competition from other retail outlets (especially chain stores) have led to a gradual reduction in the number of licensed hawkers. As at end-January 2015, the total number of licensed hawkers was about 6 300, compared with about 20 000 in the late 1980s.

LOCAL VS OVERSEAS EXPERIENCE

7. We have studied overseas practices in managing hawking activities and licensing hawkers in Singapore, Taipei City, Melbourne and Bangkok. We note that as these cities develop, all have embraced varying degrees of regulation to contain haphazard hawking and to better ensure the overall compatibility between hawking and the cities' development plans, even though the manifested outcomes may be different thanks to the different contexts and concerns with which each city is trying to grapple.

8. Similar to Hong Kong, for better control and management of on-street hawking activities, Singapore moved on-street hawkers indoor by building hawker centres in the 1970s to 1980s. On the other hand, cities like Taipei have adopted a more tolerant approach towards unlicensed on-street hawking activities, and some others might have even issued licences or permits to regularise unlicensed on-street hawkers. We also note that cooked food street stalls and night bazaars were set up in Taiwan and Thailand, and many of them have become a tourist attraction later on.

9. While there have been calls for Hong Kong to learn from the successful experience of cooked food street stalls and night bazaars in places such as Taipei and Bangkok which are well-received by both the locals and tourists, we wish to point out that different cities adopt different approaches to managing hawking activities at different points in time, taking into account a wide array of factors including but not limited

to its population density¹, physical constraints such as availability of suitable locations, economic situation and the related alternative uses of land, preferences of the community prevailing at the time, etc. For example, the hawker control practices currently applicable in Bangkok are not dissimilar to the hawker control measures adopted by Hong Kong between the 1970s and 1980s – during that period Hawker Permitted Area Scheme and Hawker Permitted Place (HPP) Scheme were introduced to allow hawkers to trade in designated on-street areas, and hawkers were allowed to erect readily removable structures on their pitches, if they agreed to remove them after the specified hours of operation. Hong Kong has since moved on with time to a different stage of development as the services industry of Hong Kong took off from the mid-1980s.

VIEWS EXPRESSED BY SUBCOMMITTEE MEMBERS IN PREVIOUS MEETINGS

10. At previous meetings with the Subcommittee, Members have urged the Government to formulate its hawker policy from a “development” perspective rather than that of “management and control”. They suggest that a comprehensive and long-term hawker policy to improve the management and operating environment of hawker areas and

¹ The most densely populated district in Bangkok is Pom Prap Sattru Phai (26 977 persons/km²), while Chatuchak, where the famous Chatuchak weekend market is located, records 4 905 persons/km².
[Source: *Statistical Profile of Bangkok Metropolitan Administration 2011*, Bureau of Registration Administration, Department of Provincial Administration, Ministry of Interior, and City Planning Department
([http://office.bangkok.go.th/pipd/05_Stat/08Stat\(En\)/Stat\(En\)54/pdf%20\(not%20edit\)/stat_eng2011%20\(not%20edit\).pdf](http://office.bangkok.go.th/pipd/05_Stat/08Stat(En)/Stat(En)54/pdf%20(not%20edit)/stat_eng2011%20(not%20edit).pdf)).]

The most densely populated district in Taipei is Daan (27 581 persons/km²), while Shilin, where the famous Shilin Night Market is located, records 4 646 persons/km².
[Source: *Taipei City Statistical Yearbook 2013*, Department of Budget, Accounting and Statistics
(http://w2.dbas.taipei.gov.tw/News_weekly/abstract/data/03/6160.htm).]

The most densely populated district in Hong Kong is Kwun Tong (55 204 persons/km²), followed by Wong Tai Sin (45 181 persons/km²), Yau Tsim Mong (44 045 persons/km²) and Sham Shui Po (40 690 persons/km²).
[Source: *Population Density by District Council District, 2001, 2006 and 2011*, Census and Statistics Department (<http://www.census2011.gov.hk/en/main-table/A202.html>).]

revitalize the hawking trade should be developed. Members also suggested that other relevant bureaux should be invited to contribute to the formulation of such a policy, from the angles of town planning, promotion of tourism and local culture, promotion of local economy, creation of employment opportunities and poverty alleviation.

11. Members have also requested the Government to preserve the hawking trade and identify suitable places for hawking activities to take place in the normal course of urban renewal. Some of them have suggested the Government to consider issuing new hawker licences and setting up hawker bazaars and night bazaars. The existing cooked food bazaars should also be refurbished in order to improve the operating environment. In addition, Members have suggested that the Government should learn from the successful experience of cooked food street stalls and night bazaars in places such as Taiwan and Singapore, as well as other overseas experience, and consider if they can be applied in Hong Kong.

PRINCIPLES FOR POLICY FORMULATION

12. The history of hawker policy in Hong Kong as outlined in paragraphs 3 – 5 above reflects that, at all times, the Government has tried to identify a sensible balance among competing and evolving considerations. Some perspectives may also be incompatible, as illustrated in paragraph 4. Hence, forging a perfect hawker policy capable of pleasing all parties at all times is a tall order. Nevertheless, despite the evolving as well as interests- and value-laden nature of hawker policy, the Government does have a duty to endeavour its best in striking a sensible balance that can command overall community support in the prevailing circumstances.

13. Having studied the experience of Singapore, Taipei City, Bangkok and Melbourne, and taken into account the present-day social circumstances in Hong Kong, we are of the view that the further

evolution of the local hawker policy should be premised on the following principles:

- (i) we should not have a policy bent on eradicating hawking for the sake of eradicating it. Regulatory and supportive measures should be put in place with a view to upholding our commitment to ensuring food safety, and maintaining a clean and hygienic living environment for the people of Hong Kong, especially for those residing in the vicinity of areas designated for hawking;
- (ii) we have not detected any significant support for introducing means-testing in the grant/renewal of hawker licences or for price control of goods/services sold by hawkers. Therefore, when seeking to deploy hawking policy as one of the means to promote small business (小本經營), we should avoid positioning the hawker trade as a form of social welfare for the disadvantaged or for poverty alleviation. Hawking should be seen as one of the modes of economic transactions;
- (iii) diversification of the local economy is a worthwhile cause and hence, hawking should not be prohibited unless it runs counter to other public policies;
- (iv) we should allow room for traditional or creative cultural activities and / or handicrafts. However, the promotion of culture and tradition should not be an excuse to justify insulation from market forces. A hawker would still have the primary responsibility to identify a mode of operation and a market niche that can sustain the hawking business in question;
- (v) the Government should keep an open mind towards district-led proposals on local bazaars and their mode of their operation, so long as food safety and environmental hygiene would not be compromised;

- (vi) since the details of a hawking proposition (especially its location, hours and other conditions of operation) often affect different stakeholders in the local community differently, we see considerable benefits of a bottom-up approach. A proposal gestated within the local community would stand a much better chance of enjoying broad local support, local participation and ownership, in addition to meeting local needs;
- (vii) with district support, consideration may first be given to utilising existing fixed-pitch hawker areas, if any, in the district; and
- (viii) if district-led proposals with community consensus (see points (v) and (vi) above) are put up, we are happy to facilitate liaison with the relevant bureaux and departments.

PROPOSALS

14. On the basis of the principles set out above, we have reviewed the situation in Hong Kong and the existing policy on hawker control and management, and set out some proposals below for Members' comments.

➤ **Proposal 1: Review the case for issue of new fixed-pitch hawker licences**

15. We are monitoring closely the implementation of the relocation plans under the five-year Assistance Scheme for Hawkers in Fixed-pitch Hawker Areas (the Scheme)², including whether there would be a large number of vacant pitches after completion of the relocation programme, thus affecting the business ambience of these hawker areas. While the

² A five-year assistance scheme was launched in June 2013 to provide one-off financial assistance to fixed-pitch hawkers in 43 hawker areas for stall reconstruction and relocation to improve fire safety, covering the materials and design of hawker stall structure and provision of fixed electrical installations, as well as subsidy for relocating stalls away from staircase discharge points of buildings or emergency vehicular access in hawker areas. An ex-gratia payment will be paid to hawkers who opt for voluntary surrender of their hawker licences to the Government

completion of the Scheme may be a logical time to conduct a review on the issue of new licences for on-street hawker pitches, we shall keep in view the progress of the implementation of the Scheme with a view to considering the optimal time for conducting the review.

16. The proposed review bears out that we do not have a policy bent on eradicating hawkers. In our review, we will take account of the circumstances of individual hawker areas, including their fire safety and environmental hygiene situations, the business environment, comments of relevant departments, as well as the views of the relevant District Council (DC) and local residents.

17. In the interim, we will follow up the issue of licences to unlicensed street tradesmen with characteristics reminiscent of our local culture and heritage. Examples include cobblers, watch repairers, locksmiths, knife sharpeners, Chinese facial cosmeticians, letter writers, etc. After obtaining DCs' support and clearance of other Departments, licensing in-situ or at another suitable site as fixed pitches will be considered, and the surveyed tradesmen may apply for Fixed Pitch (Tradesman) Hawker licences, so that if issued with the licence, they can continue to conduct business at suitable sites legally. Where this is not possible, the tradesmen concerned will be given the options to choose a site from the district's existing vacant hawker pitches or to propose new sites for assessment of their suitability. In respect of the latter, the Government will invite the relevant DCs to consider the acceptability of the proposal in addition to inviting views from relevant Departments in respect of traffic, fire, safety and other prudential considerations. For those unlicensed tradesmen who have expressly indicated that they intend to continue to operate but have no intention to apply for a hawker licence, the Food and Environmental Hygiene Department (FEHD) will explain to them again that the purpose of licensing is to allow them to conduct business legally.

➤ **Proposal 2: Enhance the operating environment of existing hawker areas**

18. Apart from seeking to reduce fire risk of hawker areas by relocating those hawker stalls situated directly in front of staircase discharge points of buildings, the five-year Scheme also provides one-off financial assistance to hawkers in the 43 hawker areas for in-situ reconstruction of their existing hawker stalls. Some hawkers have taken this opportunity to reconstruct their hawker stall structures to reach a higher fire safety standard and, at the same time, to enhance the stall functionality and appearance, thus improving the operating environment of the respective hawker areas. At present, some large hawker areas, e.g. Fa Yuen Street in Mong Kok and Apliu Street in Sham Shui Po are undergoing major revamp of hawker stalls. The Scheme brings about a face-lift to the hawker areas, and changes the overall layout and design of existing hawker areas.

19. Under the Scheme, where circumstances permit, we also encourage hawker licensees of HPP hawker stall licensees whose stalls have not been dismantled everyday due to historical reasons to reconstruct the stall structures in-situ to a higher fire safety standard without compromising the interest of the neighborhood and local environment. At the same time, we have also collaborated with electrical companies to provide individual electricity meters to stall licensees; this helps reduce fire risks and enhance the trading environment. HPP stalls in Apliu Street and Ki Lung Street in Sham Shui Po are pioneers in using the financial assistance to overhaul these fixed-pitch stalls. We will continue to collaborate with electrical companies in enhancing hawking environment in hawker areas and rationalise wherever possible the HPP hawker stalls to a fixed-pitch hawker stall status.

➤ **Proposal 3: Consider the issue of new “Dai Pai Tong” licences**

20. FEHD has issued licences for the operation of on-street fixed-pitches selling cooked food or light refreshment (commonly known as “Dai Pai Tong”). As at end-January 2015, there were 24 Dai Pai Tong licences across the territory. Subject to the support of the relevant DCs, we are prepared to consider issuing new Dai Pai Tong licences on a pilot basis.

21. To minimise the possible impact on food safety and environmental hygiene and avoid obstruction to common passageway, additional licensing conditions in respect of the discharge of waste water, demarcation of seating area, construction materials of the stall and use of fuel may be imposed. The pilot cases will be reviewed against such licensing conditions and community sentiments, including views of the DCs concerned.

➤ **Proposal 4: Consider converting existing public market with low occupancy into off-street cooked food centre**

22. As articulated on previous occasions, the Government keeps an open mind towards proposals on new modes of hawker operation. We may consider converting, on a pilot basis, an existing public market with a low occupancy rate into an off-street cooked food centre, which would provide operating space for individual cooked food vendors to provide traditional Dai Pai Tong type of cooked meals, traditional snacks or other forms of light refreshment. To allow more flexibility in the management of the proposed cooked food centre, the mode of operation may not need to follow that of a public market. One option is to appoint a social enterprise through contract to take charge of the business planning and daily management of the cooked food centre. This notwithstanding, to safeguard public health and safety, stalls operating in the converted cooked food centre will still be subject to the fire, safety, hygiene and other prudential regulations and inspections.

➤ **Proposal 5: Set up district-led open-air hawker bazaars and night markets**

23. In recent years, there have been calls for the establishment of open-air bazaars with local characteristics. While keeping an open mind, we believe that for the successful operation of such bazaars, the proposals should be district-led and bottom-up so that they can fully address the divergent needs and concerns of the local community in addition to commanding broad local support. If suitable sites are identified and support from the relevant DCs has been obtained and provided that food safety and environmental hygiene are not compromised, we stand ready to facilitate liaison with relevant government departments.

24. Since we believe that proposals to set up new hawker bazaars should be district-led, we do not consider it appropriate to mandate that any particular site should be reserved for setting up vendor's bazaar in every newly developed area during the planning stage. Indeed, there is also no reason why suitable sites in private ownership / management cannot be a possibility. If any organisations can identify suitable private sites, secure support from community and take up the management work, hawker licences may not be necessary since the vendors would then be operating inside these open-air bazaars. They may need other licences though depending on the types of commodities sold in addition to meeting the prevailing fire, safety, hygiene and other requirements.

CONCLUSION

25. From a policy perspective, the Government is committed to formulating a hawker policy which can strike an optimal balance between allowing licensed hawking business to thrive on the one hand and meeting other legitimate concerns such as avoiding unreasonable nuisance to the local community in addition to ensuring food safety, environmental hygiene and public security on the other. From a practical implementation perspective, the Government keeps an open

mind towards concrete proposals on developing the hawker trade in any locality, so long as food safety and environmental hygiene are not compromised, public passageways are not obstructed and local community support is obtained.

ADVICE SOUGHT

26. Members are invited to note the content of the paper and give views on the proposals in the paper.

Food and Health Bureau
Food and Environmental Hygiene Department
February 2015