

For Information

Legislative Council Panel on Economic Development

Extension of the Food Truck Pilot Scheme

Purpose

The Tourism Commission (TC) under the Commerce and Economic Development Bureau (CEDB) launched the two-year Food Truck Pilot Scheme (the Scheme) on 3 February 2017. The Scheme has been extended for two more years till 2 February 2021. Having evaluated the impact of the COVID-19 outbreak on food truck operation and the development of the Scheme so far, this paper briefs Members on Government's decision to extend the Scheme again for another year up to 2 February 2022.

Objectives and positioning of the Scheme

2. Food truck was an initiative announced in the 2015-16 Budget. TC was tasked to devise a proposal for its implementation as a tourism initiative. TC briefed Members on the details of the Scheme on 15 December 2015 (Paper No. CB(4)305/15-16(09)).

3. The objectives of the Scheme are to add fun and vibrancy to Hong Kong's tourist attractions by providing diverse, creative and high quality food options to tourists and locals whilst at the same time showcasing good hygiene and food safety. Food trucks are positioned to enhance and complement the existing food landscape in Hong Kong and not intended to drive consumers away from the existing restaurants.

Modus operandi of the Scheme

4. Under the Scheme, food trucks can operate at venues¹ designated

¹ Given that the urban area of Hong Kong is already saturated with traffic and restaurants and taking account of the need to be consistent with the prevailing hawker control policy, food trucks are not allowed to operate on public roads as itinerant hawkers or to operate in locations very close to existing restaurants which are normally paying high rent.

by TC. At the start of the Scheme, TC has designated eight operating venues for food truck operation. To increase the business opportunities of food trucks, TC has subsequently introduced eight new operating venues since end May 2017 to June 2020 in addition to the original eight for food truck operation. Details are set out below:

(a) Designated operating venues (introduced at the start of the Scheme)

- (i) Golden Bauhinia Square (GBS);
- (ii) Tsim Sha Tsui Salisbury Garden (SG);
- (iii) Tsim Sha Tsui Art Square (AS);
- (iv) Central Harbourfront Event Space (CHES);
- (v) Ocean Park (OP);
- (vi) Hong Kong Disneyland (HKDL);
- (vii) Energizing Kowloon East Venue 1 (EKEV 1); and
- (viii) Wong Tai Sin Square (WTSS)

(b) New operating venues (introduced since end May 2017 to June 2020)

- (ix) AsiaWorld Expo (AWE)²;
- (x) Science Park (SP)³;
- (xi) Hong Kong University of Science and Technology (HKUST)⁴;
- (xii) Hong Kong Science Museum (HKSM)⁵;
- (xiii) Hong Kong-Zhuhai-Macao Bridge Hong Kong Port (HZMB HKP)⁶;
- (xiv) Tai Po Waterfront Park (TPWP)⁷;
- (xv) Jockey Club HKFA Football Training Centre (HKFTC)⁸; and

² AWE provided two pitches for food truck operation since 20 May 2017. It did not join the extension period of the Scheme in light of its development plan.

³ SP provides one pitch for food truck operation at suitable events held in the venue since 6 June 2017.

⁴ HKUST provides one pitch for food truck operation on weekdays since 7 November 2017.

⁵ HKSM provides one pitch for food truck operation since 18 December 2017.

⁶ HZMB HKP provided one pitch for food truck operation from 8 July 2019 to 31 July 2020. It did not join the Scheme further because of its construction work at site.

⁷ TPWP provided one pitch for food truck operation from 22 July 2019 to 30 September 2019 to cover the service gap when its kiosk and restaurant were temporarily closed.

⁸ HKFTC provides one pitch for food truck operation on Saturdays and Sundays since 7 December 2019.

(xvi) West Kowloon Cultural District (WKCD)⁹

5. Food trucks can also operate in a number of mega events organised by the Hong Kong Tourism Board (HKTB). In response to the request of operators, they are allowed to operate at self-identified events on application as long as the events are open to the public and with appropriate licences.

Commencement of the Scheme

6. Fifteen food trucks started their business at different times between February and December 2017. Upon the withdrawal of two food trucks in 2019 and 2020, the particulars of 13 food trucks in operation are at **Annex A**.

A

Refinement and helping measures

7. Taking into account the business performance of food trucks and operators' opinions, TC has rolled out a number of refinement measures since May 2017 to reduce restrictions and enhance operation flexibility. Since mid-2019, the business environment in Hong Kong has worsened as a result of the social events and deteriorated further since January 2020 due to the outbreak of COVID-19. The Government has implemented a series of helping measures and launched the Anti-epidemic Fund to support businesses and keep employments, including measures that also benefitted food trucks. Details are set out at **Annex B**.

B

Evaluation of the Scheme

8. The business performance of food trucks from early February 2017 to mid-July 2020 are set out in the ensuing paragraphs.

(a) Business performance of food trucks

9. From the start of the Scheme in early February 2017 to mid-July 2020, food trucks have completed the operation of a total of 11 Rotation Cycles (RC)¹⁰. The gross revenue of all food trucks by the end of 11th RC

⁹ WKCD provided two locations for food truck operation from 19 June 2020 to 31 August 2020 and increases to three locations from 5 September 2020 to 30 November 2020.

¹⁰ Food trucks will move from one designated operating venue to another at a bi-weekly interval and complete a rotation cycle of all designated venues (see paragraph 4(a)) in 16 weeks.

was \$51.02 million. With the outbreak of COVID-19 since January 2020, the gross revenue of food trucks dropped substantially in the latest two RCs. The gross revenue of food trucks in the 11th RC (March – July 2020) dropped to \$167,000.

Rotation Cycle		Gross revenue of all food trucks (\$'000) (% change over previous cycle)
1 st	Feb – June 2017	8,919
2 nd	June – Oct 2017	6,058 (-32%)
3 rd	Oct 2017 – Feb 2018	8,382 (+38%)
4 th	Feb – May 2018	6,639 (-21%)
5 th	May – Sep 2018	4,794 (-28%)
6 th	Sep 2018 – Jan 2019	5,470 (+14%)
7 th	Jan – Apr 2019	4,873 (-11%)
8 th	Apr – Aug 2019	3,121 (-36%)
9 th	Aug – Dec 2019	1,721 (-45%)
10 th	Dec 2019 – Mar 2020	877 (-49%)
11 th	Mar – Jul 2020	167 (-81%)
Total:		51,021

10. As for individual food trucks, the business performance varied quite significantly (below table refers) and was dependent upon various factors, including the pricing, menu setting and the frequency of operation, etc.

Gross revenue (up to mid-July 2020, a total of 42 months)	Number of food trucks
Over \$5 million	1
Over \$4.5 million to \$5 million	2
Over \$4 million to \$4.5 million	2
Over \$3.5 million to \$4 million	2
Over \$3 million to \$3.5 million	3
Over \$2.5 million to \$3 million	2
Over \$2 million to \$2.5 million	2
At or below \$1 million	1

11. In order to assess whether the business performance of individual food trucks is satisfactory or not, we have made reference to the aggregate performance statistics of other eating and drinking places in Hong Kong (including takeaway shops, coffee shops, herb tea shops, bars, beverage serving places, dessert houses and event catering establishments) as compiled

by the Census and Statistics Department for 2018. We note that the business performance of only two food trucks per operation day is so far comparable to that of the aforesaid eating and drinking places as at mid-July 2020.

(b) Performance of food trucks in operating venues and events

12. Among the gross revenue of all food trucks at \$51.02 million, about \$45.4 million came from operating venues (below table refers). Amongst all the operating venues, food trucks performed the best at HKDL. The gross food truck revenue at HKDL reached \$28.4 million (about 63% of all operating venues), followed by AS and SG at some \$4 million respectively.

Operating venues	Gross revenue of all food trucks (\$'000) (Up to mid-July 2020)
(A) Designated venues	
HKDL	28,394
AS	4,501
SG	4,147
OP	2,589
GBS	1,777
WTSS	977
CHES	862
EKEV1	557
(A) Subtotal	43,804
(B) New operating venues	
HKUST	863
HKSM	261
SP	221
HKFTC	95
AWE	55
WKCD	38
TPWP	12
HZMB HKP	8
(B) Subtotal	1,553
(A)+(B) Total	45,357

13. Venues aside, food trucks so far had operated in seven mega events organised by HKTb and 97 self-identified events as at mid-July 2020. The gross revenue at all mega events and self-identified events was about \$1.1 million and \$4.6 million respectively.

Extension of the Scheme

14. The tourism industry bears the brunt of the negative impact arising from the social incidents last year and the current COVID-19 outbreak. A number of operating venues, e.g. HKDL, OP, SG and AS have been closed most of the time since the outbreak of COVID-19 in early 2020 for implementing the social distancing measures. Food trucks were unable to maintain normal operation and the gross revenue plummeted. We decide to extend the Scheme for another year till 2 February 2022 so that food trucks can continue to operate during this extension period.

15. We have sought the agreement in principle from the management of most of the existing operating venues to continue providing food truck pitches. We are in discussion with the relevant venue management on the implementation details of the extension of the Scheme including the level of service fees and deposit and other terms and conditions of the extension agreements, etc. Furthermore, we will also continue to arrange food trucks to operate at the designated mega events organised by HKTB.









Way forward

16. We will brief the operators of the extension of the Scheme for another year and arrange their sign off of the extension agreements with the existing operating venues. We will also arrange the renewal of their operating licences in due course.

**Tourism Commission
Commerce, Industry and Tourism Branch
Commerce and Economic Development Bureau
October 2020**

Particulars of the 15 Food Trucks
15部美食車的資料

	Food Truck 美食車	Outlook 外觀	Signature dish 招牌菜
1	Pineapple Canteen 菠蘿仔食堂		Pineapple Bun with Fresh Cream & Pineapple 鮮忌廉菠蘿包 
2	Book Brothers 大師兄美食車		American-style BBQ Meat in Steamed Bread 美式叉包 
3	Ma Ma's Dumpling Limited 有得餃水餃專門店		House-made Dumplings 五色餃子 
4	Mein by Maureen 魔廚麵		Maureen Lo Mein 魔廚撈麵 

	Food Truck 美食車	Outlook 外觀	Signature dish 招牌菜
5	SawadeeCar (Formerly named as Ho Yuen Express 豪園小食)		Super Grilled Squid 神級燒鮮魷 
6	Hung Fook Tong's Food Truck 鴻福堂美食車		Soup with Fish Maw and Dried Scallops 花膠瑤柱羹 
7	Princess Kitchen 公主廚房		Dragon Fruit Bowl 火龍果沙冰水果撈 
8	Table Seven X W. Burger 七桌子 X 樺得園		Sorrowful Burger 黯然銷魂漢堡 

	Food Truck 美食車	Outlook 外觀	Signature dish 招牌菜
9	Beef & Liberty		The Notorious P.I.G. 手撕豬肉漢堡 
10	Chee Kei 池記		Braised Pork Ribs Bento Box 蘿蔔豬軟骨飯紅油雲吞 便當 
11	Pat Chun Saucy Truck 八珍醬園美食車		Sakura Shrimp Umami Sauce Fried Rice 櫻花蝦豆豉醬炒飯 
12	Canton's Kitchen Dim Sum Expert 粵廚點心專門店 (Withdrew from the Scheme in February 2020)		Big Chicken Bun 懷舊雞球大包 

	Food Truck 美食車	Outlook 外觀	Signature dish 招牌菜
13	Crunch Munch		BBQ Pork Crunch 叉燒脆 
14	The Butchers Truck		The Butchers Club Classic Burger 經典乾式熟成牛肉漢堡 
15	Jajambao 擦餐飽 (Withdrew from the Scheme in December 2019)		JaJam Bun 擦餐包 

Refinement and Helping Measures

Refinement Measures

- (a) Introducing new operating venues, namely AWE, SP, HKUST, HKSM, HZMB HKP, TPWP, HKFTC and WKCD;
- (b) offering a more flexible operation schedule where food trucks can operate in EKEV 1 at day time and change to AS at night time; operators can bid for operation in available vacant pitch either by drawing lot or on a first-come-first-served basis; and operator can swap the trading period of the same venue with another operator;
- (c) allowing operators to opt whether to operate at the scheduled operating venues under the rotation schedule and pay the venue service fees for operation days only;
- (d) allowing operators to identify venues for TC's consideration. Amongst the eight new operating venues, HKFTC and WKCD were referred by the operators. They were eventually included into the scheme as additional operating venues; and
- (e) allowing food trucks to apply to participate in self-identified events as long as these events are open to the public with publicity plans and licences obtained such as Temporary Place of Public Entertainment Licence issued by FEHD. As at mid-July 2020, operators have applied for operation in 97 self-identified open-to-public events and all had been approved.

Helping Measures

- (a) Waiving the annual renewal fees for Food Factory Licence (\$3,740), registered commercial vehicle licence (\$2,404) and vehicle examination fee (\$695) for two years;
- (b) reducing the daily service fees of food trucks at Government venues by 50% from 1 October 2019 to 31 March 2020 and by 75% from 1 April 2020 to 31 March 2021; and that of OP and HKDL has been reduced by about 30% and 20% from November 2019 and December 2019 till February 2021 and December 2020 respectively; and
- (c) providing a one-off subsidy of \$80,000 to eligible holders of Food Factory Licence under the Food Licence Holders Subsidy Scheme of Anti-epidemic Fund.