

For Information

Legislative Council Panel on Economic Development

Extension of the Food Truck Pilot Scheme

Purpose

This paper briefs Members on the Government's decision to extend the Food Truck Pilot Scheme (the Scheme) for two more years up to 2 February 2021.

Background

2. Food Truck was a new initiative announced by the then Financial Secretary in the 2015-16 Budget¹. The Tourism Commission (TC) under the Commerce and Economic Development Bureau (CEDB) was tasked to devise a proposal for its implementation as a tourism initiative. Having studied overseas experience and consulted relevant departments and stakeholders and taking account of the fact that food trucks, being a new concept in Hong Kong and hence the consumers' acceptability and their commercial viability would need to be carefully tested out, we had decided to launch a two-year pilot scheme to evaluate the effectiveness of this new project as a tourism initiative.

3. TC briefed Members on the details of the Scheme on 15 December 2015 (CB(4)305/15-16(09)). The Scheme has the following key features:

(a) **Objectives and positioning**

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 the locals whilst at

¹ The then Financial Secretary mentioned in paragraph 86 of the 2015-16 Budget that "Hong Kong has many locations suitable for alfresco dining where visitors can enjoy delicacies and Hong Kong's spectacular scenery at the same time. I have asked relevant departments to implement as early as possible the proposal to facilitate alfresco dining operation, and to consider introducing Food Trucks, which is popular abroad, to the mix of Hong Kong's existing food scene".

the same time showcasing good hygiene and food safety. As a tourism initiative, the positioning of food trucks is to enhance and complement the existing food landscape in Hong Kong. It is not intended to drive consumers away from existing restaurants.

(b) Operating locations

Given that the urban area of Hong Kong is already saturated with traffic and restaurants, 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. Under the Scheme, food trucks were required to operate at the following venues designated by TC on a bi-weekly rotation basis

-

- (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)

To ensure fairness and to facilitate the Food and Environmental Hygiene Department in conducting inspection, the rotation schedule is drawn up by TC on a regular basis². All food trucks were required to sign a two-year agreement with the respective venue management. They have to pay service fees to the venue management for the latter to recover the cost of provision of the pitches and the necessary utilities and services.

Venues aside, as overseas experience suggests that food trucks are popular in providing food and beverage services at events, TC would arrange food trucks to operate at designated tourism mega events organized by the Hong Kong Tourism Board (HKTB), including the Hong Kong Dragon Boat Carnival, Hong Kong Cyclothon and New Year Countdown Celebrations.

² The rotation schedule is determined by drawing lots. Food trucks will move en bloc from one designated venue to another at a bi-weekly interval and complete a rotation cycle of eight designated venues in 16 weeks.

(c) Licensing Requirements

In collaboration with relevant government departments, TC has worked out a set of licensing requirements for the food truck operation under the Scheme. In particular, as there has been no food business regulation in Hong Kong designated specifically for food trucks, as a stand-in arrangement, the Food Factory Licences under the Food Business Regulation (Chapter 132X) were issued to food trucks under the Scheme. Details are at Annex A.

Annex A

Selection of Operators and Licences Application

4. The Scheme was open for application in end March 2016 and received 192 applications by end May 2016. The selection process of operators comprised two stages. The first stage was an assessment of proposals by a selection panel. A total of 51 applicants were shortlisted for entering into the second stage of selection, i.e. the Cook-off Challenge held in late July 2016 to demonstrate their signature dishes. As a result, 16 applicants were selected at the Cook-off Challenge for submitting formal licence applications and eight others were selected for inclusion in the waitlist.

5. During the formal licence application process that followed, two selected applicants withdrew from the Scheme in March and May 2017 respectively on commercial considerations. The vacancies left were subsequently filled by two waitlisted applicants.

6. Following the Cook-off Challenge, the selected applicants took around four to nine months to construct the food trucks and to obtain the required operating licences. To meet our licensing requirements and operational needs, all food truck operators chose to use light goods vehicles³ for operation and their set-up cost for purchasing the vehicle and construction of food preparation compartment ranged from \$0.6 million to \$1.2 million.

Commencement of the Scheme

³ The loading of light goods vehicles used by the food trucks could support the weight of a fully equipped food preparation compartment with an area from 7.49m² to 11.47m².

Annex B

7. The two-year Scheme commenced on 3 February 2017, the date when the first three food trucks started operation. Other food trucks started their business at different times of the year with the last two trucks, both were waitlisted applicants, in October and December 2017 respectively. One food truck withdrew from the Scheme in October 2017 after running business for about five months. The vacancy was left unfilled as the waiting list was already exhausted, leaving 15 food trucks now in operation. The particulars of the 15 food trucks are at **Annex B**.

8. TC has set up a dedicated office to coordinate the implementation of the Scheme and related licensing matters and to provide one-stop service to the food truck operators. TC has also developed a mobile application named as “HK Food Truck” to facilitate the users to track the operating locations of the food trucks. In order to enhance public awareness of and interest towards the Scheme, TC has made various publicity efforts, including promoting the Scheme to local and overseas visitors through HKTB’s website; distributing promotional flyers at hotels; establishing communication platform between travel industry and food truck operators to facilitate their collaboration; and arranging publicity of food trucks through postings by key opinion leaders on social media platforms, etc.

Refinement measures

9. In view of the business performance of the food trucks and in response to the opinions of stakeholders of the Scheme, TC has rolled out a number of refinement measures since end May 2017 to enhance the operation flexibility of the Scheme as far as possible in order to help improve the business environment of the operators. The measures include –

- (a) introducing four new operating venues:

TC has explored over thirty new locations with tourism elements for food truck operation all along but most of them fell through for various reasons such as there is no venue management to provide supporting facilities and services, there are too many restaurants in the proximity or the accommodation of food trucks will cause obstruction to people and traffic flow. This notwithstanding, we have managed to add four new venues so far, namely the AsiaWorld-Expo (AWE), Science Park (SP), Hong Kong University of Science and Technology (HKUST) and Hong Kong Science Museum (HKSM);

- (b) providing a more flexible shift arrangement for food trucks to operate in EKEV 1 and AS on the same day;
- (c) allowing food trucks to participate in self-identified events as long as the events are open to the public with publicity plans available and obtained appropriate licences (e.g. temporary places of public entertainment licence);
- (d) allowing the operators to opt whether to operate at the designated venues under the rotation schedule and pay service fees for the operation days only; and
- (e) allowing operators to identify new operating venues for our consideration and follow up.

Evaluation of the Scheme

10. The Government has committed to evaluating the Scheme before the end of the two-year trial period (i.e. 2 February 2019). To facilitate evaluation, food trucks operators are required to submit to venue management their financial statements of revenue⁴ on a regular basis. Details of the evaluation are set out in the ensuing paragraphs.

(a) Business Performance of Food Trucks

11. The total gross revenue of 15 food trucks up to mid-August 2018 was \$33.42 million. The business performance varied quite significantly among individual food trucks (below table refers) and was dependent upon various factors, including food and service quality, customers' preference, operating venues and the nature of the events, etc.

Gross revenue (up to mid-August 2018)	Number of food trucks
Between \$3.5 million and \$4 million	One
Between \$3 million and \$3.5 million	One
Between \$2.5 million and \$3 million	Three
Between \$2 million and \$2.5 million	Four

⁴ We do not require the operators to provide their operating costs since they are sensitive commercial data which TC can hardly verify.

Gross revenue (up to mid-August 2018)	Number of food trucks
Between \$1.5 million and \$2 million	Five
Below \$1 million	One ⁵

12. In order to assess whether the business performance of individual food trucks is satisfactory or not⁶, 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 (C&SD). We note that the business performance of five food trucks is so far comparable to that of the aforesaid eating and drinking places as at mid-August 2018.

13. Business performance aside, three operators⁷ have opened a brick and mortar shop in the course of the Scheme riding on the marketing effect of the Scheme.

14. In a nutshell, the business performance of the 15 food trucks varied. While some trucks' performance so far can be considered satisfactory if comparison is made with C&SD's statistics, some are still operating for better business.

(b) Performance of Food Trucks in Operating Venues and Events

15. The business performance of food trucks varied greatly in different operating venues (table below refers) and was largely attributable to a number of factors including whether the pitch location in the operating venue is prominent, whether there are sufficient number of visitors in that venue, whether there are food and beverages offerings nearby and their relative pricing, etc.

⁵ The food truck commenced business in December 2017.

⁶ We are not in a position to assess whether or not the performance of individual food trucks so far is satisfactory since food truck is a new business in Hong Kong and its mode of operation is different from the traditional food establishments. Therefore, we have made reference to C&SD's related statistics for 2015 and 2016 for comparison.

⁷ Pineapple Canteen, SaWaDeeCar (Formerly named as "Ho Yuen Express") and Table Seven X W. Burger.

Operating venues	Gross revenue of food trucks (\$) (up to mid-August 2018)
Designated venues	
HKDL	17,887,261
SG	2,900,480
AS	2,885,868
OP	1,797,163
GBS	1,426,770
WTSS	967,789
CHES	831,699
EKEV1	467,161
New venues	
HKUST ⁸	345,037
SP ⁹	220,130
HKSM ¹⁰	229,214
AWE ¹¹	55,488
Total¹²	30,014,060

16. Operating venues aside, we have arranged food trucks to participate in five tourism mega events organized by HKTb as at mid-August 2018, namely the Hong Kong Dragon Boat Carnival held in June 2017 and June 2018, the e-Sports and Music Festival Hong Kong in early August 2017, the Hong Kong Cyclothon in October 2017 and the New Year Countdown Celebrations in December 2017. The gross revenue yielded from these five tourism mega events was about \$0.98 million.

17. Apart from designated events, food truck operators applied for operating in 44 self-identified events and approval was granted to all applications as at mid-August 2018. The gross revenue of 15 trucks in these events amounted to \$2.43 million.

⁸ HKUST provides one pitch for food truck operation on weekdays since 7 November 2017. The pitch will be closed for a total of around four months during the periods of summer break, winter break, etc.

⁹ SP provides one pitch for food truck operation at suitable events held in the venue since 6 June 2017. As at mid-August 2018, there were 80 days of food truck operation for 90 events in this venue.

¹⁰ HKSM has been introduced to the Scheme since 18 December 2017. It provides one pitch for food trucks' daily operation except for the period of the first two days of the Chinese New Year and the HK Science Festival during which the pitch will be closed for a total of around one and a half months.

¹¹ AWE provides two pitches for food truck operation at suitable events held in the venue since 20 May 2017. So far there were eight days of food truck operation for four events in this venue.

¹² The total revenue may be slightly different from the actual figure due to rounding up.

Extension of the Scheme

18. As noted from the above, the business performance of the 15 food trucks also varied among different operating venues and events. Some performed quite well and even opened brick-and-mortar shops. Despite the business performance of some were just average, it reflected in general that there is some room for business for food trucks. Since the first operating food trucks have only operated for slightly more than 1.5 years under the Scheme and during which we have regularly made revisions to the arrangements of the Scheme, hence we decide to extend the Scheme for two more years up to 2 February 2021 with a view to allowing sufficient time for the Scheme to be tested out in the market.

19. Except for AWE which will not participate in the Scheme further in light of its development plan, we have sought the agreement in principle from the management of all the other existing operating venues to continue accommodating the 15 food trucks to operate in their venues. In addition, 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 security deposit and other terms and conditions of the new agreements, etc. Individual venue management will also adjust the location and number of food truck pitch, etc. based on the past operating experience, with a view to enhancing the management of on-site arrangement and people flow. Furthermore, we will also continue to arrange food trucks to operate at the designated mega events organized by HKTB.

Way Forward

20. We will brief the operators of the extension of the Scheme 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.

21. During the extension period, we will not accept any new application for food truck operation. While the existing 15 food trucks will continue to operate largely under the current modus operandi of the Scheme, we will continue to look for other new operating venues and explore further refinement measures to the Scheme where practicable.

We will prepare the final evaluation report in 2020.

**Tourism Commission
Commerce, Industry and Tourism Branch
Commerce and Economic Development Bureau
September 2018**

**KEY LICENSING REQUIREMENTS FOR THE FOOD TRUCK
UNDER
FOOD TRUCK PILOT SCHEME**

A. Hygiene Requirements for the Food Preparation Compartment of the Food Truck

1. The compartment should be constructed of substantial material to full height and enclosed. The service hatch should not be less than 120 cm in height from the ground level.
2. The internal walls, floor and ceiling of the compartment should be surfaced with smooth, light coloured and non-absorbent material to facilitate easy cleansing. The junctions between the walls and floors must be coved. The floor should be sloped toward a floor drain connected to a waste water storage tank.
3. The minimum aggregate floor area of the food preparation compartment shall not be less than 6m².
4. If no public mains water is available, a potable water tank of a capacity of at least 120 litres equipped with apparatus to provide a continuous flow of potable water at constant pressure must be provided and of such a design to facilitate easy cleansing and disinfection.
5. A waste water storage tank of a capacity of at least 1.5 times the volume of the potable water tank must be installed for collection and storage of waste water.
6. A wash-up sink of stainless steel or other acceptable material and of not less than 450 mm in length (measures between the top inner rims) should be provided. The sink must be connected to potable water tank and waste water storage tank installed at the food truck. Paddle or petal operated sink is preferred. A grease trap must be provided between the drain trap and the waste water storage tank. As an alternative, a waste water storage tank equipped with the function of separating grease from the waste water is also acceptable.

7. A wash-hand basin of stainless steel or other acceptable material and of not less than 350 mm in length (measures between the top inner rims) should be provided. The basin must be connected to potable water tank and the waste water storage tank installed at the food truck. Paddle or petal operated basin is preferred. The basin must be provided with supply of liquid soap in dispenser and clean paper towels or electric hand dryer.
8. A metal hood properly connected to an air-duct fitted with an extraction fan of sufficient capacity must be provided over the stoves, fryers and other cooking equipment which generate greasy fumes, smoke, etc. The exhaust must pass through a grease filter or an efficient air pollution control equipment to ensure emissions to air from the food truck is free from any visible fumes and objectionable odours and discharge into the open air in such a manner and at such a position (at a height of at least 2.5 m above ground level) as not to be a nuisance. Cooking process which may generate large amount of greasy and odorous cooking fumes such as roasting, grilling and frying are required to be controlled by high efficiency air pollution control equipment such as an electrostatic precipitator and carbon filter to remove the air pollutants. For other less polluted cooking process such as steaming and boiling, a grease filter is sufficient to avoid air pollution. The exhaust system should be in operation during business hours.
9. The fuel(s) for the stoves and other cooking equipment must be of the type approved by the Electrical and Mechanical Services Department (EMSD) and the Fire Services Department (FSD). Electricity and liquefied petroleum gas (LPG) may be used as fuel at the food preparation compartment of the food truck. No solid fuel or diesel oil is allowed for cooking.
10. Refrigerator(s) of sufficient capacity and fitted with a thermometer should be provided for the storage of perishable food.
11. The activities and condition of the food truck within the area of the pitch should be of such a nature and state as not to prejudice the hygienic operation of the food truck.
12. The food truck should only operate at designated site(s) approved

by the Government and the respective venue(s).

B. Registration and Licensing Requirements for a Vehicle as the Food Truck

13. Food trucks are required to be registered and licensed under the Road Traffic Ordinance (Chapter 374).
14. A food truck will be classified as a special purpose vehicle (SPV, 特別用途車輛), with body type "food processor". The construction of a SPV as a food truck needs to comply with the requirements of Road Traffic (Construction and Maintenance of Vehicles) Regulations (Chapter 374A).
15. The vehicle chassis will typically be type approved as a goods vehicle first. Approval of the drawings of the vehicle body, followed by an examination of the vehicle will be required.
16. Transport Department (TD) will only issue the Vehicle Registration Document and Vehicle Licence (SPV – Food Processor) after vehicle examination and inspections have been satisfactorily conducted by TD, Food and Environmental Hygiene Department and relevant departments, upon payment of tax and fees.
17. The driver of a food truck should possess a full driving licence of SPV (class 21).
18. Any modification of the vehicle may lead to a change of vehicle class or body type. Vehicle owners should inform TD immediately when the vehicle registration particulars have changed.

C. Fire and Gas Safety Requirements for the Food Truck

19. One no. of 4.5 kg CO₂ type fire extinguisher & one no. of 1.44m² fire blanket shall be provided.
20. Proper separation shall be maintained when in operation between driver's cabin and food preparation compartment by non-combustibles materials or materials which conform to British

Standard 476: Part 7 Class 1 or 2 Rate of Surface Spread of Flame or to another standard acceptable to the Director of Fire Services, or shall be brought up to any of those standards by treating with a fire retardant paint or solution acceptable to the Director of Fire Services. In the latter case, the works shall be carried out by a Class 2 Registered Fire Service Installation Contractor and a certificate (FS251) to this effect from the Contractor shall be forwarded to FSD as documentary proof of compliance. Such fire retardant treatment shall be administered periodically in accordance with the fire retardant solution manufacturer's instructions/recommendations.

21. Both electricity and LPG can be used as cooking fuel on Food Truck. If LPG is used for naked flame cooking on food truck, the LPG installations should comply with the Gas Safety Ordinance, Cap. 51.
22. If LPG is used as fuel for cooking or food warming, an automatic fire suppression/extinguishing system shall be installed to cover all cooking ranges/stoves and locations where open flame cooking / deep fat frying / flambéing is conducted. The system shall comply with the Underwriters Laboratories (UL) test standard entitled UL-300: Fire Testing of Fire Extinguishing Systems for Protection of Commercial Cooking Equipment or other equivalent standard acceptable to the Director of Fire Services. Automatic fire suppression/extinguishing systems shall be installed in accordance with the requirements of their listing.
23. Spare LPG cylinders should be stored in a separate compartment of the vehicle. The LPG weight of a commonly used domestic household LPG cylinder is about 16 kg.
24. Suitable ventilation shall be provided to ensure sufficient fresh air is available for proper combustion and removal of the products of combustion from the gas appliance.

D. Safety Requirements of Installation for Grid Electricity and Generator on the Food Truck

25. All electrical works for the low-voltage fixed electrical installation (i.e. fixed electrical wiring and fixed electrical

appliances at 380/220V, 50Hz) of the food truck shall be carried out by registered electrical contractor (REC). The list of REC is available at the website of the EMSD at www.emsd.gov.hk (location: Electricity Safety > Registers > Registered Electrical Contractors).

26. The applicant shall submit a Work Completion Certificate (EMSD Form WR1) issued by the REC for the above-mentioned electrical installation.
27. The food truck shall have a 32A, 3-phase plug complying with IEC60309 standard for connection to the power supply socket outlet of the Venues. The maximum electricity consumption of each food truck is 32A, 3-phase.
28. An earth leakage circuit breaker rated at 30mA shall be installed at the incoming mains of the food truck.
29. The on-board generator, if any, of the food truck shall be properly installed. All moving parts and exposed exhaust pipes, etc. shall be properly guarded to avoid causing injury to any person.

E. Requirements for Waste Water Discharge and Air Emissions on the Food Truck









30. Any waste water generated from the food truck operation is required to be discharged at a facility (such as in a back-up licensed food factory, market or restaurant) connected to government sewers and licensed under the Water Pollution Control Ordinance (WPCO) (Chapter 358). The waste water is expected to pass through a grease trap to remove excessive oil and grease before discharge to sewers. The food truck operator is required to submit the details of the waste water disposal arrangement including estimation of the waste water quantity, how the waste water to be transferred to the facility, the facility location, any grease trap installed at the facility and the consent given by the facility operator for the discharge and the licence number of the discharge licence under the WPCO, if any, for the approval of the Environmental Protection Department (EPD).
31. If the facility has not yet been licensed under the WPCO, arrangement should be made to submit an application for a licence









to EPD.

32. Exhaust from the cooking processes must pass through an effective air pollution control equipment (APCE) to remove any visible fumes and objectionable odours. The exhaust is required to be discharged into the open air in such a manner and at such a position at a height of at least 2.5 m above ground level so as not to cause nuisance.
33. Cooking processes which generate large amount of greasy cooking fumes such as roasting, grilling, frying and barbecuing are required to install high efficiency APCE such as an electrostatic precipitator to control and remove the air pollutants. Documentary proof shall be submitted to substantiate that the proposed APCE will have an overall cooking fume removal efficiency of 95% or above. Should there be consistent cooking process involving spicy ingredients which generates strong significant odour, proper and effective odour removal equipment (e.g. activated carbon filter) shall be provided. For other less polluted cooking process such as steaming and boiling, a grease filter is acceptable.
34. The type and location of the APCE and the position of the exhaust discharge should be shown in the drawings of the food truck.
35. Electricity generator on the food truck shall comply with the prevailing European Union Stage IIIA, the United States Environmental Protection Agency Tier 3 or other higher emission standards. The food truck operator shall submit written evidence (e.g. manufacturer's confirmation) confirming compliance with the standard.

**Tourism Commission
Commerce, Industry and Tourism Branch
Commerce and Economic Development Bureau
September 2018**

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 泰妹美食車 (Formerly named as Ho Yuen Express 前稱豪園小食)		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 美食車		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		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		JaJam Bun 擦餐包 

Tourism Commission
Commerce, Industry and Tourism Branch
Commerce and Economic Development Bureau
September 2018