

Government continues to refine Food Truck Pilot Scheme

With the Food Truck Pilot Scheme having been in operation for nearly one year since February 3, 2017, the Government has conducted a mid-term review on food trucks' operation to look into their business data, their performance at venues and events, and more. Observations revealed that the performance of food trucks varies and is determined by different factors. The Tourism Commission (TC) will launch a new round of refinement measures to further enhance the scheme's flexibility.

According to the business data reflected in the operators' statements of accounts, a TC spokesman said, as at December 24 last year, three food trucks recorded gross revenue between \$2 million and \$2.5 million, three between \$1.5 million and \$2 million, five between \$1 million and \$1.5 million, and a further three below \$1 million.

The spokesman said, "The operating performance of three food trucks is considered satisfactory if a comparison is to be drawn with reference to the Census and Statistics Department's statistical data on take-away shops or cafes which employ fewer than 10 staff members. Furthermore, riding on the reputation gained from the pilot scheme, three food trucks, namely Ho Yuen Express, Pineapple Canteen and Table Seven X W. Burger, managed to open their brick-and-mortar shops last year."

Regarding the operating venues, food trucks operating at Hong Kong Disneyland had the best performance, with gross revenue reaching \$10.31 million. It was followed by Tsim Sha Tsui Art Square and Salisbury Garden, with gross revenue amounting to nearly \$1.95 million and \$1.85 million respectively. The patronage split of tourists to locals at the above three venues was 6:4.

Apart from operating at the designated venues, food truck operators applied for participation in 25 self-identified tourism events last year. Approval was granted to all the applications. The events generated gross revenue amounting to \$1.18 million. The daily average revenue of each food truck participating in the events ranged from over \$2,000 to over \$30,000. The self-identified tourism event which yielded the highest gross revenue was Road to Ultra, reaching \$160,000. The lowest gross revenue was only several thousand dollars.

The TC had informed the operators that food trucks would be arranged to take

part in mega events organised by the Hong Kong Tourism Board when they joined the pilot scheme last year. As such, they participated in the Hong Kong Dragon Boat Carnival held in early June, the e-Sports and Music Festival Hong Kong in early August and the Hong Kong Cyclothon in October last year. The gross revenue yielded from the three mega events was about \$690,000.

The best-selling food items of food trucks are mostly local delicacies priced at around \$20. The best-selling food items of some trucks are their signature dishes. Food truck operators often adjust their menus to cater to customers' appetites and needs at different venues.

The spokesman said, "Generally speaking, different food trucks' business performance varies and is determined by various factors, including food and service quality, customers' preferences, operating venues and the nature of an event.

"In the past year, the TC launched a series of refinement measures in view of the operating conditions of food trucks and opinions of the operators. The refinement measures have included introducing four new operating venues, allowing food trucks to operate at different venues in the daytime and in the evening on the same day, allowing their participation at self-identified tourism events, and turning six of the eight designated operating venues into optional venues."

The spokesman added, "The TC has been looking for new operating venues all along. It has proactively liaised with relevant organisations and departments to explore new venues, including those suggested by the operators. However, due to different reasons such as limitations of the road environment, the diversity of restaurants in the vicinity or a lack of electricity and other ancillary facilities to be provided to food trucks by venue management, most of the suggested venues cannot be adopted."

In view of food trucks' business conditions, the Government will launch more refinement measures, which include:

- (1) Increasing optional operating venues, such as two pitches at the Boxes in San Tin that can be made available for food trucks' operation in February;
- (2) Consent from the management of Hong Kong Disneyland and Golden Bauhinia Square has been obtained to turn the two sites into optional venues starting February 5.

By then, all the designated venues will become optional venues. The operators will be able to enjoy greater freedom and higher flexibility;

(3) The TC is open to allowing more operating venues. If suitable venues are identified by the operators, and if the parking location will not cause obstruction to pedestrians and vehicles and the venue management allows the food trucks to operate at the venues with appropriate ancillary facilities, the TC will follow up and take the matter into consideration; and

(4) Food trucks can take part in self-identified events as long as the events are open to the public with publicity plans available and licences obtained. In general, for events with a temporary place of public entertainment licence granted by the Food and Environmental Hygiene Department, the TC will consider favourably.

The spokesman said, "We have been continuously providing appropriate relaxation for the scheme to reduce restrictions and enhance operation flexibility. Nonetheless, the original objective of the food truck policy is to promote tourism instead of provide another kind of itinerant hawker licence. Food trucks' operation cannot contradict the above policy objective. At the same time, the public do not want to see food trucks operating all over the streets, causing road obstruction or even resulting in unfair competition faced by licensed food stalls."

He added, "In the coming year, the TC will continue to closely monitor food trucks' business performance to determine the way forward after the pilot scheme."

The operating conditions of the 15 food trucks between February 3 and December 24 last year can be found in the Annex.

Ends/Friday, January 26, 2018

Issued at HKT 13:12