

FACT SHEET

Hawker policy in Singapore

1. Background

1.1 In Singapore, street hawkers were a common sight in the 1950s and 1960s, when high unemployment had prompted many people to take up hawking as a means of making a living. They provided the population with cheap and convenient access to a whole range of goods and services, ranging from cooked food, fruits and other fresh produce to household wares, newspapers and even shoe repair and key-making services. However, street hawking was then unhygienic and posed threat to public health. It also caused obstruction to pedestrian and vehicular traffic.

1.2 During 1968-1969, the Singaporean government carried out a registration exercise as a first step to legalize hawkers. Some 18 000 hawkers selling cooked food, fresh produce and household items on the streets were issued with temporary hawking licences. Itinerant hawkers selling ice-cream and newspapers, cobblers and key-makers were excluded in the exercise. The registered hawkers were temporarily relocated to the less busy side streets, back lanes, and some car parks to carry on their hawking activities during designated hours. Patrols and raids were carried out to get rid of illegal hawkers without registration.

1.3 Along with enforcement, the Singaporean government started to relocate licensed hawkers from the streets to facilities known as "market and hawker centres" (or "hawker centres" for short) in the early 1970s. From 1971 to 1986, it engaged in a programme to construct hawker centres with amenities and infrastructure to enable hawkers to conduct their business under a clean and hygienic condition. Unlike food courts located in upscale malls, these hawker centres are not air-conditioned.

1.4 Over the years, the Singaporean government has made significant efforts to enhance hawker centres. For example, it launched the Hawker Centres Upgrading Programme in 2001 which incurred a total of S\$420 million (HK\$2.6 billion) over 13 years on improving the structure of 106 hawker centres. Upgrading works included retiling and rewiring, replacement of water pipes and flue system, ventilation improvement, etc. For some hawker centres, there was a complete reconfiguration or rebuilding.

1.5 After many years of development, hawker centres have been part of the social landscape in Singapore. Today, there are 107 hawker centres in the country which house about 15 000 stalls altogether. They are mostly located near public housing estates or transportation hubs. This fact sheet provides an overview of the hawker policy in Singapore, including licensing of hawkers, management of hawker centres, hawker centres' rental policy and development plan, and the regulation of food hygiene in cooked food stalls in hawker centres.

2. Licensing of hawkers

2.1 Under the *Environmental Public Health Act*, hawkers operating from stalls in any street, premises or public place, and itinerant hawkers going from place to place to carry on hawking activity are required to hold a hawker licence. A hawker licence is issued by the National Environment Agency, a statutory board established under the Ministry of the Environment and Water Resources¹ for improving and sustaining a clean and green environment in Singapore.

2.2 Individuals who are Singapore citizens or permanent residents aged 21 or above are eligible to apply for a hawker licence.² Applications by sole-proprietors, partnerships or companies are not accepted and the business owners must apply as individuals. There were a total of 14 226 licensed hawkers as at end-2012, of which 13 471 or 95% operated in hawker centres. The remaining 5% were street hawkers selling a variety of goods such as newspapers, ice-cream and other less perishable food items in public spaces.

¹ The Ministry of the Environment and Water Resources is responsible for making policy to ensure long-term environmental sustainability in Singapore.

² Those whose licences have been previously revoked or who have been debarred from holding a hawker licence by the National Environment Agency are not eligible.

2.3 In Singapore, it is an offence for any person to operate as a hawker without obtaining a licence from the National Environment Agency. According to section 41A of the *Environmental Public Health Act*, any person found guilty of the offence will face a fine of up to S\$5,000 (HK\$30,900). Commission of a second or subsequent offence shall be subject to a fine not exceeding S\$10,000 (HK\$61,800) or imprisonment for a term not exceeding three months, or both.

3. Management and ownership of hawker centres

3.1 The National Environment Agency is tasked with regulating and managing hawker centres. Its Hawkers Department is responsible for the formulation, implementation and administration of hawker policies, including management of tenancies and upgrading of hawker centres. Each hawker centre has a hawker association comprising representatives of hawkers. The National Environment Agency maintains regular dialogue with the hawker associations to resolve problems pertaining to their centres.

3.2 While regulation and management of hawker centres is centralized at the National Environment Agency, these centres are owned by three different government units, namely the Ministry of the Environment and Water Resources³, the Housing and Development Board ("HDB")⁴, and the JTC Corporation.⁵ HDB was instrumental in the relocation of hawkers during 1971-1986, as it included hawker centres as part of the infrastructure of the new residential estates. Once the estates were ready, the street hawkers would be relocated there as the residents moved into the new flats. At present, over 75% of the hawker centres are under the ownership of HDB. HDB's industrial counterpart, the JTC Corporation, was also involved in the relocation of hawkers. When developing industrial estates, the JTC Corporation also made provisions for hawker centres.

³ In the past, the Ministry has obtained land directly from the government to build its own hawker centres.

⁴ HDB is Singapore's public housing authority and operates as a statutory board under the Ministry of National Development. The latter is a government ministry responsible for national land use and development planning in Singapore.

⁵ The JTC Corporation, formerly known as the Jurong Town Corporation, is a government unit responsible for the planning, promotion and development of Singapore's industrial infrastructure.

4. Rental policy in hawker centres

4.1 There are subsidized and non-subsidized stalls in the hawker centres. Subsidized stalls are rented to the hawkers who were previously relocated from the streets to hawker centres or those who were allocated stalls under the former hardship scheme.⁶ Non-subsidized stalls are operated by stallholders who pay a rent determined by professional valuations or tender exercise. The monthly rentals for subsidized and non-subsidized stalls are shown below:

Table 1 – Stall rentals in hawker centres

Type of stalls	Subsidized stalls		Non-subsidized stalls	
	Market stalls ⁽²⁾	Cooked food stalls	Market stalls ⁽²⁾	Cooked food stalls
Monthly fees ⁽¹⁾	S\$56-S\$184 (HK\$346-HK\$1,137)	S\$160-S\$320 (HK\$989-HK\$1,978)	S\$85-S\$3,600 (HK\$525-HK\$22,248)	S\$300-S\$4,900 (HK\$1,854-HK\$30,282)

Notes: (1) The stall rentals are in part subject to whether the hawker centres have undergone upgrade or not.

(2) Market stalls sell piece and sundry goods and/or market produce (such as meat and vegetables).

Source: National Environment Agency.

Subsidized stalls

4.2 Approximately 42% of the 15 000 stalls managed by the National Environment Agency are subsidized stalls. Stallholders of these stalls are entitled to the subsidized rent, provided that they attend to their stalls personally, are not in other occupation, and do not sublet their stalls to another person. Nevertheless, stallholders who are unable to operate due to old age or ill health can appoint an immediate family member to operate the stall on his or her behalf and continue paying the subsidized rent.

Non-subsidized stalls

4.3 Non-subsidized stalls account for about 58% of the stalls managed by the National Environment Agency. Under the current policy, non-subsidized stalls in hawker markets are made available to the public through the means as elaborated below.

⁶ The hardship scheme was offered to the poor who were unemployed and experiencing financial difficulty. The scheme has been discontinued since 1989.

Tender scheme

4.4 Vacant stalls are offered to the public through tendering on a monthly basis. Under the tender scheme, stall allocation is made to the highest bidder. Successful tenderers will be granted a tenancy term of three years for operation. Since April 2012, policy has been changed to disallow successful tenderers to sublet or assign their stalls to another person, as a response to the public concern that such practice would increase the stall rentals which might ultimately be passed on to consumers. In other words, successful tenderers are required to operate the stall personally.⁷

Assignment by subsidized stallholders

4.5 A stallholder on the subsidized scheme who wishes to leave the trade is allowed to assign his or her stall to another person for operation under the Enhanced Stall Assignment Scheme. Under the scheme, the assignee shall be charged on a progressive basis from the subsidized rent to the market rent over a standard three-year tenancy term. The market rent is assessed by professional valuers appointed by the National Environment Agency, taking into account factors such as size and location of the stall concerned as well as the prevailing market conditions. The assignee must hold a valid hawker licence and operate the stall personally. No further subletting or assignment is allowed. Renewal of leases after the tenancy term is subject to rental revision based on professional valuations. An assignee who wishes to exit the market will have to return the stall to the National Environment Agency for reallocation.

Stall Ownership Scheme

4.6 The Singaporean government launched the Stall Ownership Scheme in 1994 to enable stallholders to own their stalls. Under the scheme, they could buy the stalls on a 20-year lease at a discount. Those who declined to buy their stalls could surrender them and opt for cash grants or continue to rent their stalls at a revised rate instead. Stallholders who buy their stalls are allowed to sublet, transfer or sell them. The scheme was halted during the economic downturn in 1998.

⁷ For those who were awarded the tender before April 2012, the new conditions will apply when they renew their tenancy agreements.

4.7 During 1994-1997, about 2 000 stalls in 15 hawker centres were sold to the incumbent stallholders under the Stall Ownership Scheme. Four hawker centres under the Stall Ownership Scheme will see their leases expire on 31 May 2014, and stallholders have received letters from the National Environment Agency asking them if they will continue their businesses. If so, stallholders who were previously on the subsidized scheme would be entitled to reinstate at the current subsidized rent. However, those who were not subsidized stallholders or had bought their stalls in the secondary market would be required to pay the market rent.

5. Regulation of food hygiene in cooked food stalls

5.1 Cooked food stalls currently account for half of the total number of subsidized and non-subsidized stalls in the hawker centres. The National Environment Agency has adopted a multi-pronged approach to uphold public hygiene in cooked food stalls which features legislation, public education, grading of food outlets and a points demerit system.

Legislation

5.2 Food stallholders in the hawker centres are required to ensure that food prepared in their stalls are safe for public consumption. The rules they must comply with are set out in the *Environmental Public Health Act*, the *Environmental Public Health (Food Hygiene) Regulations*, and the *Sale of Food Act*. To ensure food hygiene, the National Environment Agency conducts surprise spot checks on a regular basis.

Education

5.3 The National Environment Agency has published the Food Handler's Handbook and a set of food hygiene guidelines and educational materials to educate licensees and food handlers on good hygiene practices. All licensees must register their assistants who are engaged in the handling or preparation of food with the National Environment Agency. In addition, similar to other caterers, all food handlers in hawker centres must attend and pass a basic food hygiene course held by the Singapore Workforce Development Agency.⁸ Every three years, they are required to attend and pass a refresher hygiene course held by an approved training organization to sustain the awareness on the good food hygiene practices.

Grading system

5.4 In 1997, the Singaporean government introduced a grading system – the Grading System for Eating Establishments and Food Stalls – to motivate licensees to improve their personal and food hygiene and upkeep their premises. All food establishments, including cooked food stalls in hawker centres, are awarded a grade by the National Environment Agency based on the overall hygiene, cleanliness and housekeeping standards of the premises. Grading assessment is conducted on a yearly basis.

5.5 In conducting the assessment, assessors from the National Environment Agency are aided by a checklist to determine the overall score. The highest grade is "A" for a food establishment with a score of 85% or more. The lowest grade is "D", when the score is between 40%-49%.⁹ Stallholders are required to display the certificate indicating their grade at their stalls to help the public make a more informed choice when purchasing from the food stalls.

⁸ The Singapore Workforce Development Agency is a government agency responsible for developing and strengthening skills-based training for adults through collaboration with employers, industry associations, and training organizations etc to help workers advance in their career.

⁹ Food establishments will be given a "B" grade for a score of 70%-84% and a "C" grade for a score of 50%-69%.

Points demerit system

5.6 A points demerit system was introduced in 1987 as a systematic and fair approach to penalizing food handlers for any lapses in maintaining good personal and food hygiene. Under the points demerit system, demerit points are issued for serious and major public health offences. Serious offences such as selling unclean food or failure to keep the licensed premise free from infestation will be given six demerit points and subject to a fine of S\$400 (HK\$2,470). Major offences, such as failure to protect food in covered receptacle or placing unclean materials in contact with food, will be given four demerit points and subject to a fine of S\$300 (HK\$1,850). While no demerit point will be issued for minor offence such as failure to display licence in the licensed premises, stallholders will face a fine of S\$200 (HK\$1,240). If a licensee accumulates 12 demerit points or more within 12 months, his or her licence will either be suspended for two weeks or four weeks, or be revoked, depending on past suspension records.

6. Recent development of the hawker policy

6.1 No new hawker centres have been built since 1986 when all street hawkers were completely relocated to the hawker centers. In 2011, the Singaporean government announced to resume the building of hawker centres to meet the needs of the community in new population centres. It plans to build 10 new hawker centres to add some 600 cooked food stalls in the next decade. Besides providing a source of affordable food, the overall increase in the supply of hawker stalls is expected to create a stabilizing effect on food prices by exerting a downward pressure on stall rentals over time.

6.2 As proposed by the Minister for the Environment and Water Resources, the Hawker Centres Public Consultation Panel has been formed to formulate new ideas on the cultural vibrancy, design and management of the new hawker centres. Comprising representatives from different sectors of the community, the Panel has recommended that, among others, the new hawker centres be operated on a not-for-profit basis by social enterprises or cooperatives under the direction and instruction of a board of directors appointed by the government.

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Research Office
Information Services Division
Legislative Council Secretariat
26 May 2014
Tel: 2871 2122

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