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LegCo Panel on Food Safety and Environmental Hygiene

Minutes of Special meeting
held on Monday, 21 May 2001 at 10:45 am
in Conference Room A of the Legislative Council Building

- Members Present** : Hon Fred LI Wah-ming, JP (Chairman)
Hon Tommy CHEUNG Yu-yan, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon James TO Kun-sun
Hon CHAN Yuen-han
Hon SIN Chung-kai
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, JP
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung
Hon LAU Kong-wah
Hon SZETO Wah
Hon LAW Chi-kwong, JP
Hon Abraham SHEK Lai-him, JP
Hon Michael MAK Kwok-fung
Hon WONG Sing-chi
Dr Hon LO Wing-lok
Hon IP Kwok-him, JP
- Members attending** : Hon Cyd HO Sau-lan
Hon LEE Cheuk-yan
Hon CHAN Kwok-keung
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP

Members : Hon David CHU Yu-lin
Absent Hon TAM Yiu-chung, GBS, JP

Public Officers : Mrs Lily YAM
Attending Secretary for the Environment and Food

Mrs Rita LAU
Director of Food and Environmental Hygiene

Mrs Stella HUNG
Deputy Secretary for the Environment and Food (A) 1

Mrs Ingrid YEUNG
Principal Assistant Secretary for the Environment and Food (A) 1

Dr Paul SAW
Deputy Director of Health

Dr P Y LEUNG
Deputy Director (Food and Public Health)
Food and Environmental Hygiene Department

Dr Leslie SIMS
Assistant Director (Agriculture, Quarantine & Inspection)
Agriculture, Fisheries and Conservation Department

Clerk in : Mrs Constance LI
Attendance Chief Assistant Secretary (2)5

Staff in : Miss Mary SO
Attendance Senior Assistant Secretary (2)8

I. Meeting with the Administration
(LC Paper No. CB(2)1629/00-01(01))

At the invitation of the Chairman, Secretary for the Environment and Food (SEF) took members through the Administration's paper, which was tabled at the meeting, on the precautionary measures taken by the Government to arrest the spread of avian flu virus among poultry and to protect public health. She also briefed members on the sequence of events leading to the decision to destroy the chickens and

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close all retail outlets for live chickens, as detailed in the Administration's paper. SEF said that in early May 2001, the University of Hong Kong detected H5N1 virus in the faecal samples of chickens collected from three public markets. A few days later, the Government found an extraordinary number of chicken deaths in seven other markets, and post-mortem examination of these dead chickens confirmed that avian flu was the cause of death.

2. SEF explained that although there was no evidence that the avian flu virus found in chickens would affect human health, the Government could not rule out the possibility that the virus would reassort with other viruses and develop a new virus that could affect public health. After careful consideration, the Government decided to take prompt precautionary measures to arrest the spread of the avian flu virus among chickens before any significant sign of mutation. She informed members that a total of 440,000 poultry had been destroyed by the end of 20 May 2001.

3. SEF also explained that although there was no sign of infection of avian flu in the wholesale and local farms, the chickens in the wholesale markets and mature chickens in the local farms could not be released for sale due to complete closure of all retail outlets. As the closure period would last about 3-4 weeks and the chickens could not be kept in cages for too long, the Government decided also to slaughter these chickens. The depopulation in local farms would commence on 21 May 2001 and would complete in about two weeks. As regards the suggestion of local farms selling their chickens directly to customers instead of surrendering them for slaughtering, SEF said that as the chickens in these local farms were not infected by the avian flu virus, the operators of local farms could adopt such an option if they so wished. However, she envisaged that with the closure of retail outlets, there would be difficulties for the local farms to sell the current stock of some 600,000 chickens directly to customers. She pointed out that if a large number of chickens in these farms could not be sold and kept in cages for an unduly long time, they would have a higher risk of contracting disease.

4. SEF said that she was grateful to the professional advice given by Agriculture, Fisheries and Conservation Department (AFCD), Department of Health (DH) and academics and experts outside the Government, without which it would not be possible for the Government to take decisive actions to prevent the spread of the avian flu virus in good time. SEF also expressed appreciation for the co-operation of the trades concerned throughout the depopulation exercise. SEF further said that the depopulation of poultry and the subsequent cleansing and disinfecting operations were only the first step in a series of follow-up actions to address the problem. Work would shortly commence to review the existing surveillance system and the precautionary measures to control the spread of avian flu, in order to identify areas for further improvement. She considered that Hong Kong's current surveillance system, which had been significantly improved after 1998, was one of the most comprehensive systems in the world. She said that it was also necessary to examine ways to improve

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the hygiene and cleanliness standards of public markets, which would require the co-operation of poultry retailers.

5. SEF pointed out that even with the most effective and comprehensive surveillance system and stringent conditions imposed on poultry retailers to raise the hygiene standards in public markets and fresh provisions shops, there remained a risk that an outbreak of avian flu among chickens would recur as long as live chickens were sold in retail outlets. The Government therefore considered that it was now an opportune time for the community to start discussion on long-term solutions such as changing the present mode of operation and the community's preference for live chickens. The introduction of a central slaughtering system for chickens was one of the possible solutions.

6. SEF further said that the Government would provide the affected trades with financial assistance. The proposed compensation/ex-gratia package would be modelled on the one given in the 1997 avian flu incident. The Government would seek funding from the Finance Committee of the Legislative Council on 25 May 2001.

7. Dr YEUNG Sum said that the Government should take a serious look at ways to prevent the recurrence of avian flu, given that there were already two outbreaks in four years resulting in large-scale chicken slaughtering in Hong Kong. On the long-term solutions, Dr YEUNG reminded the Government to fully consult the community before taking a decision on whether to introduce a central slaughtering system for chickens. He said that if central slaughtering for chickens was to be introduced, it would not only change people's eating habits but would also affect the livelihood of some 60 000 to 70 000 people employed in the poultry trade.

8. Dr YEUNG Sum, Miss CHAN Yuen-han and Mr Albert CHAN Wai-yip also raised the following questions -

- (a) where the chickens got infected with the avian flu virus;
- (b) what action(s) would be taken by the Government to change the design of public markets, so as to improve the hygiene condition therein;
- (c) whether consideration would be given to waiving the rentals of market stalls operated by the Food and Environmental Hygiene Department (FEHD) and the Housing Authority (HA) for three months, since poultry retailers were waived three-month rentals by the ex-Provisional Municipal Councils and HA during the 1997 avian flu incident;
- (d) whether consideration would be given to increasing the rates of ex-gratia payments to poultry wholesalers and retailers over that provided for the 1997 avian flu incident;

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- (e) whether consideration would be given to making separate ex-gratia payments to employees of poultry wholesalers and retailers; and
- (f) whether a low-interest loan would be provided to help poultry wholesalers and retailers to alleviate their cashflow problems during suspension of trading.

9. On the source of infection, SEF made an analogy with humans catching flu and said that it was difficult to pinpoint where the chickens got infected with the avian flu virus because the virus could be present in the air, on objects such as cages, and carried by other live birds. Analyses were being carried out by experts in AFCD, DH and the University of Hong Kong to find out more about the genetic characteristics of the avian flu virus found in the chickens this time, namely, a Goose 96-type virus.

10. Regarding the market design, SEF said that although a better design could definitely help maintain cleanliness in a public market, if poultry stall operators were willing to designate one or two days each month for thorough cleansing and disinfection, the overall hygiene conditions could be much improved despite the physical constraints.

11. As regards Dr YEUNG's suggestion of increasing the ex-gratia payments for poultry wholesalers and retailers, SEF said that the Government did not see the justification for an increase given that there had been deflation of about 8% since 1997. SEF also explained the proposed compensation and ex-gratia payments for the affected parties. She said that apart from a lump sum ex-gratia payment, poultry wholesalers and poultry retailers would also receive payment for each slaughtered bird. For example, the Government would pay poultry wholesalers and retailers \$30 and \$34 respectively for each slaughtered chicken. In the case of chicken farmers, they would be compensated with \$38 per slaughtered chicken. SEF pointed out that the compensation/ex-gratia package, which was to be presented to the Finance Committee, was largely in line with the 1998 package for the last avian flu outbreak in 1997. She said that the package was modelled on the 1998 package as there had been no fundamental change to the mode of operation of the poultry trade since January 1998, except that a number of improvement measures had been introduced, such as the provision of new cages for chickens. SEF further said that low-interest loan would not be provided to poultry wholesalers and retailers. She explained that the reasons for not providing a loan were twofold. Firstly, unlike the 1997 outbreak, wholesalers and retailers would not be required to replace or procure major items essential for their business such as bird cages. Secondly, in 1997, wholesalers and retailers had been hard hit by the decrease in business for a long period before the depopulation exercise took place. In the current incident, they had not suffered a similar reduction in sales before the closure of retail outlets.

12. On the suggestion of waiving the rentals of market stalls in FEHD and HA markets, SEF said that it was Government's intention to waive rentals of poultry stalls

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in FEHD markets and, subject to HA's consideration, of HA, for the whole of the period of closure of retail outlets. Similar arrangement would be applied to poultry wholesalers whereby they would not be required to pay rentals for market stalls and vehicle parking spaces in government wholesale poultry markets, for the whole of the period of closure of retail outlets.

13. As regards the suggestion of setting aside a separate ex-gratia payment for workers in the relevant trades, SEF said that the Government could not agree to the proposal as a matter of principle. The Government's position was that it was the responsibility of an employer to meet his obligations to his workers. The employer had a legal responsibility to pay workers in his employment and to pay any laid-off employees the wages and other benefits provided for under the Employment Ordinance and the employment contract. The Government expected employers in the poultry trade to discharge their responsibilities to their employees having regard to the compensation and financial assistance which would be made available to them.

14. Miss CHAN Yuen-han said that she was still of the view that the Government should make separate ex-gratia payments for employees of the poultry wholesalers and retailers, because there was no guarantee that all employers in the trade would discharge their responsibilities to their employees. Some stall operators considered that the compensation and ex-gratia payments were insufficient for them to meet all necessary expenses and to pay their employees.

15. SEF reiterated that the Government would not consider making separate ex-gratia payments to employees of poultry wholesalers and retailers, as it was the responsibility of employers to meet their obligations with their employees. SEF informed members that the proposed ex-gratia payments for each poultry wholesaler was \$40,000, and \$30,000 and \$60,000 respectively for each poultry stall in FEHD markets and each licensed fresh provision shop in private buildings. Poultry transport operators would also be given an ex-gratia payment of \$24,000 per lorry on record of AFCD for transportation of live poultry between the Mainland farms/local farms and the government poultry wholesale markets and from these markets to retail outlets.

16. Miss CHAN Yuen-han commented that the surveillance system for detection of avian flu might not be as effective as SEF had reported. Miss CHAN said that stall operators at Tai Shing Street Market in Wong Tai Sin had discovered an unusual number of chickens deaths before mid-May 2001 but FEHD had delayed making investigations into the causes. Miss CHAN also pointed out that a good ventilation system was pivotal to good hygienic conditions in public markets. She requested the Government to speed up the retro-fitting works of air-conditioning to the public markets. Mr CHAN Wai-yip said that Government should also review and improve the ventilation of the wholesale and retail markets.

17. SEF disagreed that the present surveillance system was not sensitive enough to detect abnormal mortality rate of chickens in public markets at an early stage. She

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said that it was not possible for FEHD staff not to have noticed an unusual number of chicken deaths in public markets. She added that it was also the responsibility of the stall operators, as well as in their interest, to immediately report to FEDH staff if the number of chickens died in their market stalls was higher than normal. SEF said that there had been a suggestion to enact law to require stall operators to report abnormal poultry mortality cases to FEHD. The Administration, however, had reservation about its enforceability, having regard to the fact that there were over 500 stalls in public markets over the territory.

18. On the issue of installing air-conditioning system to existing public markets, SEF said that the Administration would take this into account when reviewing ways to further improve the hygiene of public markets. She stressed, however, that no matter how clean the public markets were, there was no guarantee that the spread of avian flu virus among poultry would not recur, if the existing mode of operation and people's eating habit were not changed.

19. Mr LAU Kong-wah enquired whether the avian flu virus found in the chickens was due to virus mutation. In view of the fact that two outbreaks of avian flu among poultry had occurred within four years, Mr LAU was of the view that the Government should set aside funds to expeditiously carry out improvement works to the existing public markets, particularly in retro-fitting them with air-conditioning. Mr IP Kwok-him added that the District Councils were very concerned about the hygiene conditions and ventilation of public markets and had urged for early implementation of the retro-fitting projects

20. Assistant Director (Agriculture, Quarantine & Inspection) said that there were many possible ways for chickens to get infected with the avian flu virus as the virus could be present in nature and carried on objects used by poultry. The avian flu virus was also very capable of reassorting with other viruses carried by other types of poultry. In view of the characteristics of the avian flu virus, the objective of the surveillance system was to monitor whether the virus had entered into the markets, and if so, to make sure that the virus would not be allowed to stay in the markets where it could reassort with other viruses carried by other live birds to form a new virus. Deputy Director (Food and Public Health) (DD(FPH)) supplemented that it was uncertain whether the avian flu virus, which was of a Goose 96-type, found in the chickens this time had mutated, and investigation was being conducted to find out its source.

21. On the suggestion of giving priority to the retro-fitting of air-conditioning to existing markets, SEF said that this would be considered after the review of the surveillance system for avian flu and of the management and hygiene conditions of the existing markets had been completed. SEF however pointed out that not all stall lessees would support the retro-fitting of air-conditioning because of the high recurrent electricity costs involved.

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22. Mr LAU Kong-wah said that there was urgency in improving the ventilation of public markets as some of them had a temperature as high as 42°C. He urged the Government to expedite actions in this respect. SEF responded that the Government would explore ways to improve the conditions of public markets, having regard to the need for prudent use of public money.

23. Mr Albert HO expressed support for Government's proposal to review the management and hygiene conditions of public markets. However, he said that the public had the impression that the current surveillance system could not detect avian flu virus quickly. He further said that the Government should consider the feasibility of "medium" measures, other than the drastic action of slaughtering all chickens, to arrest the spread of avian flu virus. As there was no sign of infection of avian flu virus among chickens in the wholesale market and local farms, it seemed unnecessary to slaughter those chickens in places which had not been infected by the virus. Mr HO suggested that the Government might consider closing down only those markets where chickens were found to have infected with the avian flu virus and slaughtering all poultry at those places. While noting that the Government's decision to slaughter chickens in the local farms was because all poultry retail outlets would be closed for three to four weeks, Mr HO was of the view that local farmers should be given the option to retain their chickens if they so wished.

24. SEF reiterated that under the existing surveillance system, FEHD staff would know when an abnormal number of chickens died in the markets. Nevertheless, as stall operators were usually the first ones to detect an abnormal number of chicken deaths, they had the responsibility to alert FEHD staff immediately if such happened. She disagreed that the precautionary measures taken by the Government to arrest the spread of avian flu virus among poultry were too drastic. She stressed that the measures taken were appropriate, timely and necessary, having regard to the unfolding of events described in paragraphs 3 to 7 of the Administration's paper. SEF further said that any measure to be taken by the Government had to be based on scientific evidence such as laboratory findings on the cause of the chicken deaths. In fact, a phased approach had been adopted to arrest the spread of avian flu virus among poultry at the outset. The Yeung Uk Road Market, Fa Yuen Street Market and Smithfield Road Market were the first three markets ordered to be closed during the early outbreak of avian flu among chickens. The Government took decisive measures subsequently to close all other retail outlets on the basis of the unusual number of chicken deaths in other markets and expert advice, to prevent the spread of avian flu virus and any possible virus mutation. On the issue of slaughtering chickens in local farms, SEF clarified that farmers could choose not to surrender their chickens to FEHD staff for slaughtering. Moreover, only chickens which had matured to 75 days and above were selected for slaughtering. As mature chickens could not continue to be kept for too long, farmers generally had no objection to have these chickens destroyed.

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25. Mr IP Kwok-him said that the current surveillance system was effective but further improvement might be required in certain areas. For example, it was possible that chickens could get infected with the avian flu virus during transportation, if too many chickens were put together inside a cage. In this connection, Mr IP enquired whether Government had specified the maximum number of chickens which could be placed inside a cage during transportation and in the markets. Mr IP also suggested that thorough cleansing and disinfecting exercises should be carried out for all chicken stalls, say, on a weekly basis.

26. SEF responded that the ways chickens were carried from farms to wholesale market and ultimately to the retail outlets were in line with international standards to ensure the healthy condition of chickens. Moreover, arising from the 1997 outbreak of avian flu, the chicken cages had been replaced to conform to international standards. SEF said that there had already been guidelines specifying that the maximum number of chickens which could be placed in a cage was 13. However, many poultry retailers failed to adhere to the guideline. SEF further said that the Government would shortly discuss with the poultry retailers the possibility of designating one or two days in each month for carrying out through cleansing and disinfection work in public markets.

27. Responding to Mr IP Kwok-him's enquiry as to whether any workers who took part in the slaughtering of chickens had been succumbed to illness, Deputy Director of Health replied in the negative.

28. Mr Tommy CHEUNG said that Members belonging to the Liberal Party were of the view that Government's arrangements for chicken slaughtering and disinfection of market stalls were much better than that in December 1997. Concerning the proposed compensation/ex-gratia package for parties affected, Mr CHEUNG said that the 1998 package might not necessarily be set at the right levels. He pointed out that the proposed ex-gratia payment of \$60,000 might not be sufficient for a licensed fresh shop in private building, as the monthly rent of such a shop was usually close to \$60,000, not to mention rates and other fixed expenses such as employers' contribution to provident fund schemes. Mr CHEUNG was of the view that if the ex-gratia payment was insufficient to cover the overhead expenses, there would be no incentive for operators to pay their employees during the suspension of trading. In this connection, he supported other members' suggestion of providing separate ex-grate payments for employees of poultry trade. Mr CHEUNG then enquired whether poultry stall operators in the markets run by the Hong Kong Housing Society would also be granted waiver of rentals for the whole of the period of closure of retail outlets.

29. SEF reiterated the Government's stance that the proposed ex-gratia payments were adequate because there had been no fundamental change to the mode of operation of the poultry trade and there had been a deflation of 8.1% since the last avian flu incident. Moreover, unlike the last avian flu incident, the period of suspension of poultry trading this time would be much shorter. SEF also confirmed that subject to the views of the Hong Kong Housing Society, poultry stall operators in

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the markets should also be granted waiver of rentals for the whole of the period of closure of retail outlets.

30. Mr Tommy CHEUNG enquired whether the hygiene conditions of FEHD markets were worse than that of the markets of HA and of the private sector, since all of the 10 markets ordered to be closed were FEHD markets. Mr CHEUNG further said that a good ventilation system was important in maintaining the hygiene condition of markets. In this connection, he pointed out that it was the policy of the former Provisional Urban Council that all public markets should be air-conditioned, but the retro-fitting of air-conditioning to existing public markets had been held up after abolition of the two municipal councils. While agreeing that there should be regular cleansing and disinfection of chicken stalls in markets, Mr CHEUNG expressed concern that if this was conducted too frequently, it would affect the business of such stalls because all chickens had to be cleared and the stalls had to be closed to enable the cleansing to take place. In this connection, Mr CHEUNG said that consideration should be given to using ozonated water to clean the stalls and working equipment so that thorough cleansing and disinfecting work needed not be carried out that frequently. Mr CHEUNG also expressed strong reservation about the introduction of a centralised slaughtering system for chickens. He said that what the trade wanted was really resumption of business.

31. SEF responded that although chickens found to be infected with the avian flu virus were in the 10 FEHD markets concerned, there was no conclusive evidence that no chickens in markets run by HA and the private sector were not infected with the same virus, since all live chickens in all retail outlets (including HA markets) were destroyed within three days of the rapid spread of avian flu virus among chickens. As the carcasses were then sent to a landfill for disposal, no post-mortem examination could be conducted on the chickens placed in HA markets and in the licensed fresh provision shops. SEF, however, said that the Government would review the frequency and rate of taking faecal samples for surveillance purposes and consider whether samples should be taken from HA markets and fresh provision shops. On the suggestion of using ozonated water to clean the chicken stalls and working equipment, SEF thought that such a method, though workable, would not be as effective as carrying out thorough cleansing and disinfecting work to chicken stalls on a regular basis.

32. Mr YEUNG Yiu-chung enquired whether the Government had ascertained the source of the infection, as this was crucial to the prevention of recurrence of avian flu. DD(FPH) pointed out that the Goose-96 virus could pass onto chickens and other poultry and was capable of mutation with other types of virus. It was not certain when and where the avian flu virus was first developed. Investigation work would focus on the transportation process and the retail outlets, since there was no sign of infection of avian flu virus among chickens in the wholesale market and local farms. DD(FPH) further said that although it was envisaged that the gene sequence test of the virus found in the chickens would be completed within the next two to three weeks, it was

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difficult to say with certainty at this stage whether, and if so, when the source of the infection could be found.

33. Mrs Sophie LEUNG expressed strong reservation about the setting up of a centralised slaughtering system for chickens, as it would damage Hong Kong's reputation as a food paradise and this, in turn, would undermine Hong Kong's economy given that tourism was our biggest revenue-earning industry. Mrs LEUNG further said that the Government should draw reference from the use of ozonated water and gas in food preparation and ventilation system as practised in Japan and the United States of America (USA). To raise the hygiene standards of markets, Mrs LEUNG was of the view that a maximum number of cages and chickens should be specified and strictly adhered to by the industry.

34. SEF responded that using ozonated water and gas in food preparation might not be entirely suitable to Hong Kong. She said that, unlike Hong Kong, Japan and USA did not have a large number of live chickens in wholesale and retail markets. On the suggestion of using ozonated gas in ventilation system and specifying the limit for the maximum number of cages which could be stacked in the markets, SEF said that the Government would look into these matters in its review.

35. Mr Jasper TSANG said that he disagreed that a centralised slaughtering system for chickens would be the solution to the problem. He queried Government's determination on improving the hygiene conditions of the public markets if Government had already set its mind on setting up a centralised slaughtering system for chickens. Mr TSANG also asked whether the period for closing the poultry retail outlets could be shortened.

36. SEF stated that Government had not yet come to a decision on the setting up of a centralised slaughtering system for chickens. She said that Government was considering various options to prevent the recurrence of avian flu. It was an appropriate time for the public to start thinking about the long-term solutions because despite the best efforts put in since the 1997 outbreak, there was still no guarantee that another outbreak of avian flu among poultry would not recur. As regards the need for closing the poultry retail outlets for three to four weeks, SEF explained that poultry stalls in the markets would have to undergo several rounds of cleansing and disinfecting, and a small number of chickens would then be placed in the cages of each retail poultry stall for observation. If the chickens did not show any sign of infection during the two-week trial period, the poultry stalls could be re-opened for business. On Mr TSANG's suggestion that those retail outlets which showed no sign of their chickens being infected with the avian flu virus prior to the depopulation exercise should be allowed to resume their business earlier than the scheduled closure period, SEF said that this was not possible. She explained that there was no conclusive evidence that the other retail outlets were not infected since faecal samples had never been taken from chickens in these stalls for testing. She said that it was necessary to ensure that there was no sign of chickens being infected with the avian flu

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virus during the two-week observation period. If all went well, all retail outlets would resume their business at the same time, and the same would apply to the poultry wholesale market and the local chicken farms. SEF further said that Government was well aware that the poultry trade was very anxious to resume their business as soon as possible. She assured members that Government would make every effort to shorten the closure period as far as possible.

37. Mr WONG Yung-kan said that unlike the 1997 outbreak which also affected the local farms, the recent outbreak of avian flu was confined to markets, and local farms were not infected. In this connection, he considered that the sampling test of chickens in local farms, which was introduced after the 1997 outbreak, was very effective in detecting and preventing avian flu virus in local farms. On the recent outbreak of avian flu, Mr WONG made the following points -

- (a) Although chickens were certified healthy when they left the Mainland for Hong Kong, it took more than 30 hours for them to be transported to Hong Kong. Given the long journey and the cramped conditions during transportation, the chickens were more prone to be infected with avian flu.
- (b) Presently, no quota was set on the number of live chickens to be imported to Hong Kong. In case there was an over-supply, which usually happened before festivals, the unsold chickens would have to be kept for several days in the retail outlets and the cramped conditions. This would also lead to high risks of outbreak of avian flu. He pointed out that currently about 100 000 live chickens were imported daily from the Mainland but the number could shoot up to about 140 000 to 150 000 on the eve of the festive holidays.
- (c) FEHD should increase the monitoring of the performance of the contractors who were responsible for the cleansing of public markets.
- (d) Consideration should be given to increasing the regular cleansing and disinfecting exercise at the poultry wholesale markets and public market stalls to four times a month in order to improve their hygiene conditions.
- (e) During the suspension of trading, education and training could be provided to the poultry retailers and their employees on the good practice in maintaining their chicken stalls in a hygienic condition.
- (f) A centralised slaughtering system for chickens would not be the ideal solution as it would lead to the closing down of the whole chain of related businesses and unemployment of workers presently engaged in these businesses.

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38. SEF noted Mr WONG's suggestions. She said that it would require the cooperation of the trades concerned in implementing improvement measures and in monitoring the hygiene standard in public markets. She said that Government maintained close liaison on a regular basis with the Mainland authorities to ensure that live chickens from the Mainland were in healthy condition when they departed for Hong Kong. She said that the transportation process was up to international standard to safeguard the health of the chickens imported. She further said that Government would shortly provide training and guidance to poultry retailers and their employees on maintaining chicken stalls in a hygienic condition. As regards the suggestion of introducing central slaughtering for chickens, SEF stressed that Government would listen to the views of the community and the affected parties before taking a decision.

39. Dr LO Wing-lok said that an outbreak of avian flu in Hong Kong would not only affect Hong Kong's reputation as a food paradise and its status as an international city. The incident also caused substantial economic loss both to the affected trades and to the community as a whole, as taxpayers had to bear the expenses of making compensation and ex-gratia payments to the affected parties. Dr LO said that while a number of improvements had been introduced since the 1997 outbreak to strengthen the surveillance system and to encourage self-regulation of the trade, there had not been a change in the practice of selling live chickens at retail outlets. In this connection, Dr LO said that Government should give a clear message to the public that, should all efforts fail to prevent another avian flu outbreak from recurring, the existing practice of selling live chickens at retail outlets should discontinue and be replaced by a centralised slaughtering system for chickens. He said that recurrence of the avian flu would cause the community greater economic loss than for the affected trades.

40. Referring to the sequence of events of the recent outbreak of avian flu, Dr LO raised the following questions -

- (a) what actions had been taken by the Government when some chickens in Shek Tong Tsui Market were found to be infected with the avian flu virus, for example, whether FEHD had immediately increased inspection and sampling of chicken in all public markets;
- (b) whether Government's decision of banning the import of geese and ducks from the Mainland was related to the discovery of avian flu virus in some of the live birds imported in March and in early May 2001;
- (c) the distribution of chickens in local farms, wholesale markets and retail outlets in Hong Kong; and
- (d) why a lesser amount would be required for compensation and ex-gratia payments to affected parties, as compared to the amount for the 1998 package.

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41. SEF and DD(FPH) made the following response -

- (a) The amount of compensation for the current avian flu incident would exceed the original estimated amount of \$80 million. In the original estimate, Government had under-estimated the impact on the sale of chickens when the discovery of avian flu virus in FEHD markets was first made known to the public. As a result, a greater number of chickens remained unsold at retail outlets and wholesale markets and had to be slaughtered, hence a higher amount for compensation.
- (b) About 65 000 live poultry, mainly chickens, were handled daily by the poultry wholesale market, and an average of about 90 000 to 100 000 live birds were sold at retail outlets on a normal day.
- (c) The type of avian flu virus found among chickens in the Shek Tong Tsui Market was naturally carried by ducks and geese, and was different from the type of avian flu virus detected among chickens in the 10 FEHD markets recently. When chickens were found infected with the avian flu virus, FEHD had immediately carried out thorough cleansing and disinfection in the chicken stalls in Shek Tong Tsui Market. Thereafter, no sign of infection of avian flu virus among chickens in the Shek Tong Tsui Market was found. The Government therefore concluded that this was an isolated incident.
- (d) Government had not banned the importation of ducks and geese from the Mainland to Hong Kong. As ducks and geese were natural carriers of the H5 avian flu virus, they were segregated from chickens and other birds at all levels from importation to slaughtering following the 1997 avian flu incident. Although the H5 avian flu virus carried by ducks and geese would not affect human health, if it was found in the ducks and geese, FEHD staff would, as a precautionary measure, destroy the offal before releasing the carcasses for sale at retail outlets.

42. Mr Albert CHAN and Mr LEE Cheuk-yan strongly urged the Government to provide separate ex-gratia payments for employees of the affected trades. They said that employees of the affected trades were also victims in this incident and their livelihood had been affected due to closure of the retail outlets. Mr LEE also pointed out that some employers had not paid their employees after receiving the compensation/ex-gratia payments in 1998. It was therefore impractical to rely on the employers to pay part of the ex-gratia payments they received to their employees, and the Government's arrangement would only create labour disputes or conflicts. Ms Cyd HO also enquired about the rationale for making the compensation/ex-gratia payments to stall operators but not to the employees concerned. She further asked

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about the calculation or proportion of compensation for employees in the ex-gratia payments for wholesalers and retailers.

43. SEF said that she fully understood members' concerns. However, it was Government's established policy to pay ex-gratia payments to only the principal parties affected. In the case of the avian flu incident, ex-gratia payments would therefore only be paid to poultry farmers, transporters, wholesalers and retailers. It should be noted that as ex-gratia payments were essentially a compassionate payment, it was not possible to list all the factors or considerations involved in arriving at the amount. She said that the same arrangement applied to all types of ex-gratia payments and there would be practical difficulty in recommending a package which deviated from established policy. The proposed ex-gratia payments for the current avian flu incident, which was modelled on the 1998 package for the 1997 avian flu incident, had taken into account the mode of operations of the poultry trade, including payments of wages to their employees. SEF further said that the proposed amount of ex-gratia payments to poultry wholesalers and retailers was quite generous, so poultry wholesalers and retailers should meet their obligations to their employees.

44. In concluding the discussion, the Chairman said that members generally agreed that the Government should -

- (a) take active steps to improve the ventilation system of the existing markets;
- (b) allow the poultry trade to resume business as soon as possible; and
- (c) increase the ex-gratia payments for parties affected and provide a separate ex-gratia package for employees of relevant trades.

The Chairman further said that members generally expressed strong reservation about the setting up of a centralised slaughtering system for chickens.

45. As regards the concern about providing separate ex-gratia payments to the affected employees, Miss CHAN Yuen-han proposed the following motion which was seconded by Mr Tommy CHEUNG and Mr SZETO Wah :

"本委員會強烈要求政府提供合理賠償給所有受殺雞影響的行業的僱員"

[The English translation of the motion read as follows:

“That this Panel strongly urges the Government to provide reasonable compensation to all employees in those industries affected by the slaughtering of chickens.”]

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46. The Chairman put the motion to vote. The motion was passed by members unanimously. SEF said that members' views were noted.

II. Any other business

47. There being no other business, the meeting ended at 1:04 p.m.

Legislative Council Secretariat

25 September 2001