

**For discussion
on 25 February 2004**

**Legislative Council
Panel on Food Safety and Environmental Hygiene
Relief Measures for the Live Poultry Trade**

Purpose

The Administration is fully aware that there may be a need to provide a package of relief measures and financial assistance to help those in the poultry business affected by the recent outbreak of avian influenza in the region. This paper briefs Members on the proposed relief measures to assist wholesalers, retailers and transport operators of live poultry.

Background

2. Since mid-December 2003, a total of eight countries or places in Asia have reported outbreaks of highly pathogenic H5N1 avian influenza. These countries and places include South Korea, Japan, Vietnam, Thailand, Cambodia, the Mainland, Laos and Indonesia. Taiwan, Pakistan, United States and Canada have also reported outbreaks in other strains of avian influenza (H5N2 and H7). We have taken immediate steps to suspend temporarily the processing of applications for the importation of live birds and poultry meat from the affected places. As of 23 February 2004, a total of 32 cases of H5N1 human infections have been confirmed in Thailand and Vietnam, of whom 22 have died.

Temporary Suspension of the Import of Live Poultry from the Mainland

3. Following the announcement that further suspected avian influenza outbreaks had occurred in Guangdong, Anhui and Shanghai, the importation of live birds and all poultry meat from the Mainland was suspended on 30 January 2004. The supply of imported live poultry from the Mainland has accounted for over 70% of the total live poultry consumption in Hong Kong. Given the suspension on the importation of live poultry from the Mainland, many live poultry wholesalers and retailers were forced to suspend their operations.

4. In the light of the seriousness and the severity of the recent avian influenza outbreaks in the region, it would appear that it would be sometime before the outbreak situation begins to stabilize and that the H5N1 avian influenza may become endemic in the region. That being the case, we do not envisage that the importation of live poultry from the Mainland could resume in the immediate future, particularly having regard to the significant risk to human health posed by the close contact between humans and live poultry during transportation and in our wholesale and retail markets. We therefore consider it appropriate to provide relief measures to the affected live poultry wholesalers, retailers and transporters to alleviate their financial difficulties during the interim period when there would be no supply of live poultry from the Mainland.

Relief Measures

5. To alleviate the financial difficulties faced by the live poultry traders and transporters during the interim period, we will waive 50% of the rental charges of all live poultry stalls carrying on business in the wholesale poultry markets under the management of the Agriculture, Fisheries and Conservation Department (AFCD) and the wet markets under the management of the Food and Environmental Hygiene Department (FEHD) respectively for a period of three months starting from date to be announced by the Government (concessionary period). In general terms, for those live poultry wholesalers and retailers who have ceased to operate their business for 30 consecutive days or more during the concessionary period, they will, upon approval of application by AFCD/FEHD, be granted the relevant amount of the remaining 50% waiver in rental charges. In the implementation of this requirement, AFCD/FEHD will take into consideration the actual circumstances of the case, e.g. market rest days imposed by the Government, etc. Random checks will be made to ensure compliance. Parking fees for lorries parked at designated spaces on a monthly basis for the transportation of live poultry in AFCD's wholesale poultry markets will also be waived during the concessionary period.

6. We will also provide a \$5,000 ex-gratia payment to licensees of fresh provision shops (FPS) selling live poultry in private premises during the concessionary period. For those FPS licensees selling live poultry in private premises who have ceased to operate their business during the concessionary period, they will be granted an additional ex-gratia payment of \$5,000 upon application and approval/verification by FEHD. The proposed amount of ex-gratia payment is pegged against roughly three months' average rental of live poultry stalls in FEHD markets, thus this is tantamount to treating the FPS licencees on par with live poultry stalls in FEHD markets.

7. The indicative cost of the relief measures is \$8.443 million, with rough breakdown as follows:-

Revenue Loss to Government

(a) Rental waiver for live poultry retail stalls in FEHD's wet markets (if all stall tenants are eligible for 100% rental waiver)	\$4.917 million
(b) Rental waiver for live poultry stalls in AFCD's wholesale poultry markets (if all stall tenants are eligible for 100% rental waiver)	\$1.790 million
(c) Parking fee waiver for designated spaces in AFCD's wholesale poultry markets	\$0.266 million

Ex-gratia Payment

(d) Ex-gratia payment to FPS selling live poultry in private premises (if all FPS selling live poultry in private premises are eligible for ex-gratia payment of \$10,000)	\$1.470 million
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Total cost of the relief measures : \$8.443 million

Implementation Date

8. The rental and parking fee waivers, and the \$5,000 ex-gratia payment will take effect in March 2004 for a 3-month period. We aim to invite applications for the additional rental waivers and ex-gratia payment to FPS licensees selling live poultry in private premises in March and will complete their processing as soon as practicable.

**Health, Welfare and Food Bureau
February 2004**