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**Meeting of Panel on Food Safety and Environmental Hygiene
on 14 June 2005**

Background Brief prepared by Legislative Council Secretariat

Measures to control avian influenza

Purpose

This paper provides an update on the discussions since April 2004 by Members on measures to control avian influenza.

Background

2. The first case of human infection of the H5N1 virus in Hong Kong was confirmed in August 1997. As the virus spread among chicken farms and Cheung Sha Wan Temporary Wholesale Poultry Market, some 1.5 million chickens were subsequently destroyed. In the outbreak in 1997, 18 persons were infected, of whom six died. Following the outbreak, the Administration introduced a series of control and preventive measures to minimise the risk of recurrence of the virus.
3. Two further outbreaks occurred in 2001 and 2002 and mass culling of live poultry was again carried out. Additional surveillance and control measures for chicken farms, wholesale and retail markets were implemented after these outbreaks.
4. In December 2003 and early 2004, a total of 10 countries or places in Asia reported outbreaks of avian influenza. These countries and places included South Korea, Japan, Vietnam, Thailand, Taiwan, Cambodia, Mainland China, Laos, Indonesia and Pakistan. As at 24 March 2004, a total of 34 cases of H5N1 human infections were confirmed in Thailand and Vietnam, and 23 of these infected persons died.

5. In view of the extensive outbreak of avian influenza in the region, the Administration suspended importation of live poultry and poultry meat from places with avian influenza cases from 30 January to 14 April 2004. As Hong Kong did not have any avian influenza infection cases at that time, local chicken farms could still supply live chicken to the markets.

6. The Panel on Food Safety and Environmental Hygiene held a series of meetings in 2004 and 2005 to discuss with the Administration the preventive and contingency measures to guard against avian influenza outbreaks in Hong Kong.

Measures to control avian influenza

Immediate and short-term measures

7. On 2 April 2004, the Administration briefed the Panel on the public consultation paper on “Prevention of Avian Influenza : Consultation on Long Term Direction to Minimise the Risk of Human Infection”. Apart from the enhanced surveillance and monitoring measures put in place to prevent avian influenza outbreaks in local farms and wholesale/retail markets, the Administration informed the Panel that for the protection of public health, the present mode of operation of the live poultry trade would have to be modified.

8. The Administration advised that its long-term vision was to sustain the goal of zero infection and transmission of the virus in Hong Kong. To achieve this, it was the policy to separate humans from live poultry and to minimise the contact between the public and live poultry. According to the consultation paper, there was an urgent need for the existing modus operandi of the live poultry trade, especially at the retail end, to change as and when the supply of live poultry from the Mainland was resumed after the outbreak situation in the region had stabilised.

9. Immediate improvement measures to minimise the contact between consumers and live poultry at the retail markets and fresh provision shops had been put in place. All cages holding live poultry at retail outlets should either be kept at a minimum distance of one metre or segregated from consumers by means of acrylic panels. At the wholesale level, the Administration planned to separate the wholesale markets for local and Mainland chickens. At the farm level, the biosecurity of local poultry farms would be further enhanced. The Administration would also review the transportation system for the conveyance of live poultry.

10. In the medium term, the Administration proposed to reduce the number and density of market stalls through a voluntary buy-out package (see paragraphs 11 to 14 below). This will provide space in retail markets to

facilitate improvements to the market design, in order to further separate the storage and culling areas of live poultry from consumers.

Voluntary surrender of live poultry retail licences or tenancies

11. On 25 May 2004, the Administration consulted the Panel on the proposed voluntary scheme to encourage live poultry retailers to surrender their fresh provision shop licences (with endorsement to sell live poultry), or live poultry stall tenancies in markets under Food and Environmental Hygiene Department (FEHD), in return for an ex-gratia payment.

12. According to the Administration, the scheme was targeted at those small poultry stalls, which had physical constraints to upgrade their hygiene conditions to meet the new requirements, to surrender their licences or tenancies.

13. Under the original proposal presented to the Panel, an ex-gratia payment equivalent to 39 months' average rental of live poultry stalls at FEHD markets would be payable to those who surrendered their licences/tenancies. Financial assistance of up to \$10,000 and retraining courses would be provided to live poultry workers who would become unemployed after their employers surrendered their licences/tenancies. On the other hand, a loan would be granted to those retailers who wanted to continue operation and make investment in upgrading the hygiene conditions to meet the new public health requirements. The scheme would be valid for one year.

14. At the Panel meeting on 25 May 2004, Panel members expressed reservations about the proposed scheme, particularly the basis for calculating the ex-gratia payments and the assistance to live poultry workers. The Panel urged the Administration to further discuss with the trade and submit an improved package to increase the attractiveness of the scheme. After further discussion with the trade, the Administration submitted a revised proposal which was approved by the Finance Committee (FC) on 2 July 2004.

15. When discussing the progress of the voluntary surrender scheme on 26 October 2004, the Panel expressed concern that only a small number of ex-live poultry retail workers could attend the tailor-made retraining courses under the scheme. Some members pointed out that many poultry workers did not have formal employment relationship with the retailers and therefore could not provide documentary evidence in support of their applications for retraining. The Panel passed a motion at the meeting urging the Health, Welfare and Food Bureau to submit a revised paper to FC to provide training courses and one-off special grants to those unemployed live poultry retail workers whose employers had not surrendered their licences/tenancies.

16. The Panel reiterated the concern at the meetings on 11 January, 14 March and 7 April 2005. The Administration explained that to ensure proper use of public funds, the requirement for documentary evidence could not be waived. However, the Administration would welcome suggestions from the industry on ways to help poultry workers who were unemployed. The Administration also advised that poultry workers could apply for ordinary retraining courses provided by the Employees Retraining Board if they were currently unemployed. The Administration did not consider it necessary or appropriate to amend the details of the voluntary surrender scheme as approved by FC on 2 July 2004.

17. As regards the response to the voluntary surrender scheme, the Administration advised the Panel in May 2005 that of the 814 live poultry retail outlets, a total of 244 applications had been received as at 19 May 2005. To address members' concern that some tenancies could not be terminated prematurely because of contractual obligations, the Administration has decided to extend the three-month period for applications of ex-gratia payment to six months. The new arrangement will also apply to live poultry retailers who have submitted the applications but have not yet entered into agreement with the Administration on the ex-gratia payment as at 26 May 2005. The extension does not apply to applicants who have already signed the agreement before 26 May 2005.

Long-term strategy

18. At its meeting on 2 April 2004, the Panel was informed that two options were proposed in the Consultation Paper, i.e. the "cold chain" (or central slaughtering) approach, and the "freshly slaughtered chickens" (or regional slaughtering) approach. The Panel held a special meeting on 4 June 2004 to gauge the views of experts and the trade on these two options.

19. The medical experts preferred the "cold chain" option which was considered to be the most effective approach to prevent avian influenza. However, most members and representatives from the live poultry trade strongly opposed this option. The latter was concerned that the proposed central slaughterhouse would not be able to compete with those poultry processing plants over the border, and the live poultry trade in Hong Kong would be wiped out eventually, as in the case of live geese and ducks trade after 1997.

20. While the live poultry trade also opposed the "freshly slaughtered poultry" option, some Panel members considered that this approach could be further explored. Some medical experts also agreed that this option could help reduce human contact with live poultry, and could effectively prevent avian influenza. Under this option, slaughtering of live poultry would be

conducted in a few regional slaughtering hubs. In the hubs, there would be retail outlets separate from the poultry storage and culling areas. Consumers would have a choice of purchasing either chilled chickens or freshly slaughtered chickens. According to the Administration, although this option would be more expensive than the “cold chain” option, it would provide greater flexibility for the live poultry trade to change to a new mode of operation.

21. On 11 January 2005, the Administration informed the Panel that during public consultation, diverse views had been received from the professional groups, the live poultry trade and the general public. As the live poultry trade raised strong objection to central slaughtering, the Administration had not taken a policy decision on whether central or regional slaughtering should be adopted. Nevertheless, it was actively exploring the feasibility of converting the Western Wholesale Food Market into a small to medium sized slaughterhouse on a pilot basis.

22. At the meeting in January 2005, Panel members urged the Administration to fully consult the relevant trades and address their concerns in taking a decision on the long-term strategy. They also urged the Administration to provide details of the pilot scheme to convert the Western Wholesale Food Market into a small to medium sized slaughterhouse.

Comprehensive plan of action to deal with the global problem of avian influenza

23. On 14 March 2005, the Panel on Food Safety and Environmental Hygiene held a joint meeting with the Panel on Health Services to discuss the comprehensive plan of action proposed by the Administration to deal with the global problem of avian influenza. The Administration informed Members that there was an urgent need to put in place a comprehensive plan of action, given the regional development and the recent studies and warning issued by the World Health Organization (WHO).

24. As at 2 February 2005, WHO reported 55 cases of human infection of H5N1, of which 42 cases were fatal since 28 January 2004. WHO also conducted laboratory studies of H5N1 viruses in domestic ducks in October 2004 which confirmed that the H5N1 viruses found in ducks in Vietnam in 2004 had not only become resistant to some anti-viral drugs, but could also survive at 37°C in the environment for six days, compared with two days for the viruses found in 1997. Expressing grave concern about the likely occurrence of another influenza pandemic, WHO has advocated that disease control will require profound changes in poultry production systems.

25. To reduce the risk of an epidemic outbreak in Hong Kong through close contact between humans and large numbers of live poultry, the Administration considers that the total live chicken population in Hong Kong should be

reduced. To achieve this purpose, the Administration has proposed the following measures –

- (a) for existing farm licences, a ceiling will be imposed on the maximum number of live poultry that may be kept in a farm, in order that depopulation can be completed within one week if there is an outbreak in Hong Kong;
- (b) the daily supply of live chickens (including Mainland and local chickens) will be maintained at a level of not more than 60 000. The Administration will also stop issuing new poultry farm licences and fresh provision shop licences with endorsement to sell live poultry;
- (c) regional slaughtering of live poultry will be implemented, and the sale of live chickens in retail markets and fresh provision shops will be phased out over a period of time (in addition to the voluntary surrender of licence scheme for retailers, a similar scheme for the live poultry farmers and wholesalers will be introduced); and
- (d) a compulsory termination scheme will be introduced for all existing live poultry farmers, wholesalers and retailers, if there is a local avian influenza outbreak which entails the culling of all live poultry in the territory.

26. While members of the two Panels generally supported that the Administration should adopt better risk management measures to prevent an avian influenza epidemic in Hong Kong, they urged the Administration to fully assess the adverse impact on the trade and provide assistance to those affected by the proposals.

27. The Panel on Food Safety and Environmental Hygiene held a special meeting on 7 April 2005 to gauge the views of the live poultry industry on the Administration's proposals. While supporting that the voluntary surrender of licence scheme should be extended to poultry wholesalers and farmers, some members considered that there should be greater flexibility for the financial assistance and re-training programmes so that casual workers affected by this policy could also benefit from the scheme.

28. Panel members also urged the Administration to be very cautious about implementing the compulsory termination policy in the event of an avian influenza outbreak in Hong Kong, and it should fully consult the trades on the implications. Some members considered that the Administration should explore other options to prevent an avian influenza epidemic, instead of introducing such a drastic change to the live poultry trade.

29. Most representatives of the live poultry industry who gave views to the Panel on Food Safety and Environmental Hygiene objected to the Administration's proposals, especially the compulsory termination policy. They were gravely concerned about their livelihood if they were to be compelled to cease operation. They considered that the existing control measures had proven to be effective in preventing avian influenza, and it was not necessary to introduce the proposed measures which would wipe out the live poultry industry. These representatives also considered that the ex-gratia payment under the voluntary surrender of licence scheme was insufficient and unattractive, and the proposed assistance scheme would not be able to help those piece-rated casual workers currently employed by the trade. Most operators indicated that they would like to continue operation and they would not want to surrender their licences or tenancies.

30. The Administration explained that compulsory termination of live poultry trade would be the last resort if warranted by circumstances to safeguard public health. The Administration also undertook to consult the poultry farmers and live poultry wholesalers on the details of the voluntary surrender scheme before seeking funding approval from FC.

31. In an information paper provided to the Panel in May 2005, the Administration said that WHO has expressed support for Hong Kong's action plan which features a fundamental change to the existing modus operandi of the live poultry trade.

32. The Panel will further discuss with the Administration the voluntary surrender of licence scheme at the meeting on 14 June 2005.

Relevant papers

33. A list of relevant papers and documents is in **Appendix** for members' easy reference. The papers and documents are available on the Council's website at <http://www.legco.gov.hk/english/index.htm>.

Relevant Papers/Documents

<u>Meeting</u>	<u>Meeting Date</u>	<u>Papers/Motion Passed/Council Question</u>
Legislative Council	3 March 2004	Motion on "Restoring the public's confidence in consuming live poultry" moved by Hon Tommy CHEUNG Yu-yan
	9 June 2004	Oral question on "Import of chickens from the Mainland" moved by Hon WONG Yung-kan
Finance Committee	26 March 2004	FCR(2003-04)67 Subhead 700 General other non-recurrent New Item "Ex-gratia payment to live poultry operators affected by outbreak of avian influenza in the region" (Approved)
	2 July 2004	FCR(2004-05)25 Subhead 700 General non-recurrent New Item "Ex-gratia payment to live poultry retailers surrendering their licences with endorsement to sell live poultry or public market tenancies" New Item "Re-training and one-off grants to assist affected live poultry retail workers" Loan Fund – Head 262 Primary products New Subhead "Loans to live poultry retailers" (Approved)
Panel on Food Safety and Environmental Hygiene	27 May 2002	Background paper prepared by the LegCo Secretariat – Paper No. CB(2) 1973/01-02(06) Minutes of meeting – LC Paper No. CB(2) 2355/01-02

	19 December 2002	Background paper prepared by the LegCo Secretariat – Paper No. CB(2) 699/02-03(05) Minutes of meeting – LC Paper No. CB(2) 994/02-03
	12 February 2004	Administration’s paper - Paper Nos. CB(2) 1306/03-04(01) & CB(2) 1332/03-04(01) Minutes of meeting LC Paper No. CB(2) 2283/03-04
	16 February 2004	Minutes of meeting LC Paper No. CB(2) 2947/03-04
	25 February 2004	Administration’s papers - Paper No. CB(2) 1382/03-04(05) & CB(2) 1493/03-04(01) Minutes of meeting LC Paper No. CB(2) 2090/03-04
	10 March 2004	Minutes of meeting LC Paper No. CB(2) 2225/03-04
	19 March 2004	Minutes of meeting LC Paper No. CB(2) 2114/03-04
	2 April 2004	Consultation paper provided by the Administration on “Prevention of avian influenza : Consultation on long term direction to minimize the risk of human infection” Administration’s paper - Paper No. CB(2) 1930/03-04(01) Minutes of meeting LC Paper No. CB(2) 2777/03-04
	15 April 2004	Minutes of meeting LC Paper No. CB(2) 3040/03-04

	27 April 2004	Minutes of meeting LC Paper No. CB(2) 2812/03-04
	25 May 2004	Administration's paper - Paper No. CB(2) 2492/03-04(05) Minutes of meeting LC Paper No. CB(2) 2949/03-04
	4 June 2004	Minutes of meeting LC Paper No. CB(2) 3243/03-04
	26 October 2004	Administration's paper - Paper No. CB(2) 75/04-05(03) Background paper prepared by the LegCo Secretariat – Paper No. CB(2) 75/04-05(04) Minutes of meeting LC Paper No. CB(2) 289/04-05 Follow-up papers provided by the Administration on the voluntary surrender scheme for live poultry retailers – Paper Nos. CB(2) 1189/04-05(01)-(03) & CB(2) 1448/04-05(01)
	11 January 2005	Administration's paper - Paper No. CB(2) 566/04-05(03) Minutes of meeting LC Paper No. CB(2) 758/04-05
	14 March 2005 (Joint meeting with Panel on Health Services)	Administration's paper - Paper No. CB(2) 1042/04-05(01) Minutes of meeting LC Paper No. CB(2) 1463/04-05
	7 April 2005	Administration's paper - Paper No. CB(2) 1042/04-05(01)