

**Progress Report from Health, Welfare and Food Bureau on  
Motion Debate on “Relief Measures and Compensation Policies  
for Live Poultry Trades”**

**Purpose**

During the motion debate at the meeting on 29 November 2006, the Legislative Council urged the Government to expeditiously discuss with the live poultry trade, before the commencement of the poultry slaughtering and processing plant (the Plant), to formulate a scheme that offered reasonable compensation for the traders to exit the trade with due regard to the circumstances of live poultry farmers, wholesalers, retailers, transporters and workers. It also urged the Administration to introduce, prior to the implementation of central slaughtering of live poultry, temporary relief measures for the trade when import of Mainland live poultry and birds was suspended due to avian influenza outbreaks in the Mainland in order to mitigate the severe adverse impact on the trade. The Administration sets out below the follow-up actions it has taken after passage of the said motion.

**Establishment of a poultry slaughtering and processing plant**

2. A poultry slaughtering and processing plant will be established to centralize poultry slaughtering activities. When the plant comes into operation, all wholesale and retail activities of live poultry will be banned in order to completely segregate humans from poultry, thereby reducing the risk of avian influenza transmission through human contacts with poultry. We are making preparations for the establishment of the Plant and will discuss the arrangements for exiting the live poultry trade with operators who are likely to be affected by the establishment of the Plant in due course.

**Provision of Emergency Relief/Rent Waiver and Low-interest Loans to the Trades**

3. Over the years, the Government had offered financial assistance to the trade affected by avian influenza outbreaks and put in considerable resources in implementing preventive measures against avian influenza to enable the trade to operate in an environment with manageable and limited risks. To forestall the adverse impact to the trade caused by intermittent avian influenza outbreaks in the Mainland that lead to suspension of Mainland poultry supply, and to further reduce the risk of an avian

influenza breaking out in Hong Kong, the authorities concerned have launched a voluntary surrender scheme between July 2004 and August 2006 to encourage live poultry operators to surrender their licences or tenancies and to terminate their operations permanently in exchange for *ex gratia* payment or other financial assistance. Since 1997, the Administration had spent nearly \$670 million in total to assist the trade to address the risks posed by avian influenza.

4. In launching the voluntary surrender scheme, the Government has made it clear to the trade that the scheme was intended to help poultry operators who are reluctant to operate in an increasingly stringent regulatory environment, which is necessary in order to protect public health, to exit the live poultry trade permanently or to switch to other businesses. For operators who chose to continue their poultry operations, they should be prepared to take the risk. The Government, therefore, would not offer further temporary financial assistance, such as rent waiver or *ex gratia* payment, to the trade when they suffer any short-term impacts caused by avian influenza outbreaks. As to loans to the trade, we are discussing with the relevant departments to set up a fund to provide transitional loans to live poultry operators who suffer a relatively long-term impact because of avian influenza outbreaks. We are studying the feasibility and details of the fund and will consult the trade in due course.

#### **Live Poultry Trade Workers Not Employed on Long-term Basis**

5. On the request to provide emergency financial assistance to live poultry workers who are not employed on a long-term basis, the Government would like to reiterate that it is difficult to further consider the proposal in view of the lack of relevant supporting documents and evidence to ascertain the following facts: that these workers, who were not employed on a long term basis, were solely engaged in live poultry trade; the proportion of the working hours they engaged in live poultry trade against their total working hours; or that they could not or did not engage in other paid work during suspension of live poultry import.

Health, Welfare and Food Bureau  
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