

(Translation)

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20 March 2014

Clerk to the Finance Committee
(Attn.: Mr Derek LO)
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Legislative Council Complex,
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Hong Kong.
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Dear Mr LO,

Finance Committee
Follow-up to Meetings on 21 February 2014

**FCR(2013-14)61 – “Compensation and ex-gratia payments
to poultry operators affected by avian influenza”**

I refer to your letter of 25 February 2014 to the Secretary for Financial Services and the Treasury regarding a request made by the Finance Committee. When discussing the item FCR(2013-14)61 (which deals with “Compensation and ex-gratia payments to poultry operators affected by avian influenza”), Members of the Finance Committee noted that there had been media reports suggesting that retailers had colluded to lift the price of live chickens following the re-opening of the Cheung Sha Wan Temporary Wholesale Poultry Market, and requested the Administration to investigate into the allegation. The subject has been referred to the Food and Health Bureau for follow-up. I am authorised to reply as follows.

Over the past decade or so, the Government and the local live poultry industry, as well as the Mainland inspection and quarantine authorities and the farms supplying Hong Kong, have collaboratively built up a resilient and stringent system for the surveillance and control of avian influenza (AI), for the purpose of reducing AI risks in Hong Kong. The detection of H7 AI samples in imported live poultry on 27 January 2014 demonstrates that the surveillance system has achieved what it is designed to do. The current mechanism is effective in performing its gate-keeping role for protecting public health.

The AI incident on 27 January 2014 led to the closure of the wholesale market for 21 days for cleansing and disinfection. Many people in Hong Kong, Legislative Council Members as well as stakeholders in the poultry trade have suggested to the Government that we should consider segregating the imported and local live poultry and hold the imported poultry at a suitable location until the AI testing results are available before releasing them to the wholesale market. That way, it would help minimize the impact that the contingency measures (taken to prevent the spread of the AI virus) may have on the continued supply of live poultry in the unfortunate event of an AI incident.

Since the deliberation process and the setting up of the proposed holding facilities would take time, when the wholesale poultry market resumed live poultry trading after the 21-day suspension on 19 February 2014, the Government decided to suspend the import of live poultry intended to be slaughtered for consumption for around four months.¹

We had closely monitored the supply of live poultry after the wholesale market resumed operation. Between 19 February and 14 March 2014, on average around 18 700 live chickens were supplied by local chicken farms each day. In 2013, the live poultry market in Hong Kong recorded a daily intake of around 17 300 live chickens per day.

The Food and Environmental Hygiene Department has surveyed 33 selected live poultry retail outlets (covering wet markets and fresh provision shops) across the territory and collected data on the retail price of live chicken at each of these retail outlets on four different days between 1 and 14 March 2014. According to the information collected, the retail prices of live chickens on those four surveyed days ranged from \$37.5 per catty to \$65 per catty. The average

¹ During this period, import of day-old chicks as well as chilled or frozen poultry products will not be affected.

retail price of all surveyed retail outlets across those four days was \$49.5 per catty. We have not come across prima facie evidence which suggests that the live poultry retailers have colluded to fix the price of live chickens.

The Government will continue to keep a close watch on the market situation of live chicken in Hong Kong in the coming few months.

Yours sincerely,

(Alison LO)
for Secretary for Food and Health

c.c.:

Hon NG Leung-sing, SBS, JP
Chairman of the Finance Committee

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