

(Translation)

23 July 2014

Clerk to LegCo Panel on
Food Safety and Environmental Hygiene
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn.: Ms Alice LEUNG)
[Fax: 2509 9055]

Dear Ms Leung,

**Panel on Food Safety and Environmental Hygiene
Follow-up to Meeting on 10 June 2014**

At the Panel meeting on 10 June 2014, Members noted the Information Paper on “Ex-gratia Payments to Live Poultry Operators affected by the Suspension of Live Poultry Imports from the Mainland” (LC Paper No. CB(2)1664/13-14(01)) submitted by the Administration. At the meeting, Hon Vincent FANG suggested that the Government should provide ex-gratia payment (EGP) to retailers who were not solely engaged in the trading of pigeons imported from the Mainland, since they were also affected by the suspension of live poultry imports from the Mainland for around four months. The Panel requested a written response from this Bureau on the proposal. Our reply on the matter is set out below.

In the aftermath of the AI incident on 27 January 2014, many members of the public in Hong Kong, Legislative Council Members as well as stakeholders in the local poultry trade suggested that the Government should consider holding the imported poultry at a suitable location until the AI testing results are available before releasing them to the wholesale poultry market. In response, and without prejudice to the protection of public health, the Government agreed to look into

practical arrangements that would help avoid causing disruption to the operation of the live poultry trade and the continued supply of live poultry in Hong Kong in case of detection of H7 AI virus in imported live poultry in future. Since it would take time to work out and put in place the suitable arrangement¹, the Government decided on 19 February 2014 (when the wholesale poultry market resumed operation) to continue suspension of the import of live poultry from the Mainland for around four months (“four-month suspension”).

In the Information Paper submitted to the Panel as mentioned above, the Administration pointed out that EGPs would be provided as applicable to (a) wholesalers who have been engaged solely in the trading of imported live poultry; (b) wholesalers who have been engaged in the trading of both imported and local poultry, with the former accounting for more than 50% of their business volume; (c) transport operators who rely solely on business generated by the import of live poultry from the Mainland; and (d) a retailer who trades only imported pigeons. This is to help meet their operational expenses, including paying wages to their workers and various other fixed commitments and costs, with a view to alleviating the financial hardship caused by the four-month suspension of business.

Of the 132 licensed fresh provision shops (FPSs) and market stalls selling live poultry, one sells only live pigeons and has not been able to switch its business to selling local live chickens. As regards the other 131 live poultry retailers, our observations show that they have largely managed to stay in business since the resumption of live poultry trade in the wholesale poultry market on 19 February, including selling live chickens from local farms. Some of the stalls also sell frozen poultry. At the early stage of the four-month suspension (i.e. end of February and March 2014), the number of local live chickens available for sale was higher than the norm, due mainly to the considerable number of live poultry stocked up in local farms during the closure of the wholesale poultry market. While the supply of local

¹ Having studied various options and taking into account the lead-time required for following through such options, we have decided to focus our efforts on pursuing a contingency measure that would enable the continued supply of live poultry from local farms in the event that the wholesale market is closed due to the detection of AI virus in imported poultry. Under the proposed measure, we would continue, after the import of live poultry from the Mainland has resumed, the existing practice of allowing the delivery of imported live poultry to the wholesale poultry market while testing results are pending. In the event of an AI incident which leads to the closure of the wholesale poultry market, local chickens intended for sale could be delivered to the retail outlets via a check point in Ta Kwu Ling during the closure period. The basic facilities at Ta Kwu Ling Check Point were largely completed around mid-June 2014.

live chickens has gradually declined to the normal level since April, we note that in general these retailers have maintained their business operations.

Having assessed the situation across the board, we consider that the case for granting EGP to the retailers (with the exception of the pigeon stall operator referred to above) is not as strong as that applicable to the wholesalers and transporters whose businesses are solely reliant on the trading of live poultry imports from the Mainland.

The relevant departments are following up on the arrangements for the provision of EGPs to eligible live poultry operators.

Yours sincerely,

(Alison Lo)
for Secretary for Food and Health

c.c.

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