

For discussion
on 10 May 2016

Legislative Council Panel on Food Safety and Environmental Hygiene

**Progress Update on
the Promotion of Sustainable Fisheries Development
(Including the Implementation of the Trawl Ban)**

Purpose

The Government has been implementing a series of measures to promote the sustainable development of fisheries in Hong Kong over the past few years. This paper updates Members on the progress of these measures, including the enforcement against illegal fishing activities, measures to conserve our local fisheries resources, and the supportive measures to assist the fisheries industry to switch to sustainable operations.

Background

2. In December 2006, the Government established the Committee on Sustainable Fisheries (the Committee) to study the long-term goals, the direction and feasible options for the sustainable development of the local fisheries industry. The Committee submitted its report in April 2010, recommending a suite of fisheries management measures including banning trawling in Hong Kong waters in order to restore our seabed and depleted marine resources. It also recommended that the Government should assist the fisheries industry in developing or switching to modernised and sustainable modes of operation through the provision of technical and financial support.

3. The Government has taken on board the recommendations of the Committee. A list of the major recommendations is provided in **Annex I**. They form our policy blueprint for promoting the sustainable development of fisheries in Hong Kong.

Implementation of Fisheries Management Measures

4. Following amendments to the Fisheries Protection Ordinance (Cap. 171) (the Ordinance), the trawl ban in Hong Kong waters came into effect on 31 December 2012. To complement the trawl ban and help bring the further development of the fisheries industry back to a sustainable path, the amendments to the Ordinance also serve as the legal basis for introducing a series of fisheries management measures. These measures include, among others, the establishment of a registration system for local fishing vessels with a view to controlling fishing effort and prohibiting non-local fishing vessels from engaging in fishing activities in Hong Kong waters. The application period for registration of existing local fishing vessels started in June 2012 and ended in June 2013. As at 31 March 2016, about 4 300 local fishing vessels are registered.

5. The Agriculture, Fisheries and Conservation Department (AFCD) takes a leading role in combating illegal fishing activities¹ including trawling. Between January 2013 and March 2016, AFCD conducted over 20 000 patrols and 24 000 inspections in Hong Kong waters. Detailed figures are tabulated in **Annex II**. The territory-wide patrols and inspections are conducted during both day-time and night-time, while special operations based on intelligence obtained are also carried out from time to time.

6. In combating illegal fishing activities, AFCD works closely with the Marine Police, sharing intelligence in and devising strategy for investigations and operations. About 110 joint-operations have been conducted since the amendment of the Ordinance in June 2012. To combat cross-boundary illegal fishing activities, AFCD also works closely with the Guangdong Fisheries Administration General Brigade and its sub-offices through exchanging information and conducting collaborative operations on a regular basis.

7. With the concerted efforts of AFCD and the relevant authorities, we have successfully initiated prosecution against 27 cases of illegal trawling and 50 cases of other illegal fishing activities. Details of the prosecutions made in 2013 to 2015 and the penalties handed down are set out in **Annex III**.

¹ Illegal fishing activities include (a) fishing with the aid of unregistered vessels (both local and non-local ones) as stipulated under the Ordinance, and (b) fishing by methods prohibited under the Fisheries Protection Regulations (Cap. 171A).

Conserving Our Local Fisheries Resources

Recovery of Local Fisheries Resources

8. To monitor the recovery/rehabilitation of local fisheries resources, AFCD has been conducting fisheries surveys to collect scientific data about the changing state of the fisheries resources in Hong Kong waters. Since 2010, surveys for capturing species dwelling on the sea bottom as well as at mid-level waters have been conducted at regular intervals in different sectors of Hong Kong waters for collecting the data. AFCD has commissioned the South China Sea Fisheries Research Institute (SCSFRI)² of the Chinese Academy of Fisheries Sciences to perform the scientific analysis of the data obtained from the samples collected.

9. SCSFRI is currently analysing the data obtained from 2010 to 2014. Preliminary findings indicate that the weight of the total catch of bottom dwelling species has increased by over 50% on average after the implementation of the trawl ban in Hong Kong. Commercial species, such as flatheads, sardines and crabs have seen a general increase in Hong Kong waters. The catch has doubled in the south-eastern and western waters where trawling activities were relatively more intense before the implementation of the trawl ban. For example, more breams, grunters and threadfins have been recorded in the south-eastern waters of Hong Kong after the trawl ban, while increases in soles, croakers and pomfrets have been recorded in the western waters.

10. A longer monitoring period is required before we can draw a more definitive conclusion. AFCD will continue to conduct surveys in order to assess more accurately the effectiveness of the trawl ban in rehabilitating our marine environment.

Restocking of Local Fisheries Resources

11. AFCD is conducting preparatory work for fish restocking programme (including identifying suitable local species, conducting fish health management and monitoring surveys) at appropriate locations with a view to enhancing local fisheries resources. In 2014, AFCD conducted a small scale fish restocking trial by releasing about 2 000 red grouper fingerlings at the sites with artificial reefs deployment in eastern waters of Hong Kong. AFCD is reviewing the results of the trial which will serve as reference when formulating larger scale restocking programme in future.

² SCSFRI conducted a similar scientific analysis on the fisheries resources in Hong Kong waters in 2006.

Planning for the Designation of Fisheries Protection Area

12. The Government is preparing for the designation of Fisheries Protection Areas (FPAs) to protect important fish nursery and spawning grounds in Hong Kong waters. We will also formulate fisheries management measures to control the fishing activities in FPAs, which may include (a) fishing methods or gear restrictions; (b) catch size restrictions; (c) designation of “no-take” zones; and (d) implementation of “closed season”. To prepare for the above work, AFCD is conducting surveys to collect updated information on fisheries resources and fishing operations in the potential FPAs, and will consult relevant stakeholders in due course. Views collected in the consultation will be taken into account in the designation of FPAs and formulation of the fisheries management measures in FPAs.

Assisting Fishermen to Adapt to the Changing Operating Environment and Switch to Sustainable Operations

Administration of the One-off Assistance Package to Fishermen Affected by the Trawl Ban

13. An assistance package was rolled out to help fishermen affected by the trawl ban. It includes disbursing ex-gratia allowance (EGA) to affected trawler owners; voluntary buying out of inshore trawlers; and providing one-off assistance to affected local deckhands and inshore fish collector owners. An Inter-departmental Working Group (IWG) has been established in 2011 to handle matters relating to the processing of applications received under the package.

14. The IWG has completed the processing of all applications from, and arranged the disbursement of EGA to, trawler owners affected by the trawl ban. As for other assistance schemes under the package³, the IWG has largely processed the applications received and disbursed payment to the eligible applicants. Meanwhile, the Government is actively processing the 858 appeals received from the trawler owners against the decisions of the IWG on their applications for EGA.

³ Including voluntary buying out of inshore trawlers, and one-off assistance to affected local deckhands and owners of inshore fish collectors.

15. As at 31 March 2016, the total amount of payment disbursed under the package stands at about \$952 million. Details of the breakdown are set out in Annex IV. About \$355 million has been retained to provide room for covering possible successful appeals. We will continue to expedite the processing of the appeal cases.

Assistance to Fishermen Affected by Marine Works Projects

16. In planning development and undertaking public works projects, the Government will duly consult the stakeholders, and seek to minimise the impact on different stakeholders and the fisheries resources in the waters concerned. A mechanism is in place to provide, on compassionate grounds, an EGA to eligible fishermen affected as a result of marine works for the purpose of relieving their burden. To help fishermen better manage and adapt to the changing operating environment due to the loss of habitual fishing grounds, the Government reviewed the mechanism and obtained support from the Finance Committee of the Legislative Council in April 2012 for a significant upward adjustment of the basis for calculating the EGA⁴. Over the past 5 years, EGA payments amounting to about \$59 million were disbursed to eligible fishermen affected by marine works.

Sustainable Fisheries Development Fund

17. The Government set up the \$500 million Sustainable Fisheries Development Fund (SFDF) to help fishermen adopt a sustainable and high-value operation mode, and provide financial support for research and programmes that will help enhance the overall competitiveness of the industry.

18. The SFDF has been open to applications since July 2014. Up to 31 March 2016, AFCD has received a total of 23 applications, of which six have been approved on the recommendation of the SFDF Advisory Committee (with four on aquaculture and two on fisheries-related eco-tourism projects), involving a total commitment of about \$28.3 million. Details of the approved projects are set out in Annex V. Three of the approved projects have already commenced, while the others are expected to commence shortly. Working together with the SFDF Advisory Committee, AFCD is now processing the remaining applications.

⁴ According to the new calculation basis, the EGA payable in respect of marine works resulting in a permanent loss of fishing grounds is equivalent to the notional value of fish catch in the affected area for 11 years (raised from seven years) whereas the EGA payable in respect of marine works resulting in a temporary loss of fishing grounds is equivalent to the notional value of fish catch in the affected area for five years (raised from three years).

19. AFCD will continue to encourage the fisheries industry and other interested parties to make good use of the SFDF with a view to enhancing the competitiveness of the industry and promoting the sustainable development of fisheries.

Fisheries Development Loan Fund

20. To meet the increasing demand for credit facilities from the fisheries industry, the approved commitment for the Fisheries Development Loan Fund (FDLF) was increased in February 2015 from \$290 million to \$1,100 million. A good number of applications came from owners of trawler vessels affected by the trawl ban who had decided to build new fishing vessels to continue their fishing operations in distant waters outside Hong Kong. As at 31 March 2016, out of a total of 162 applications received, 94 have been approved, involving a total loan amount of about \$740 million.

Providing Support to the Fisheries Industry

New Fish Culture Licence

21. Following a review conducted in 2013 as recommended by the Committee, the Government lifted the moratorium on designating new Fish Culture Zones and granting new marine fish culture licences. As one of the measures rolled out to assist migration to more sustainable mode of fishery operations, we have issued ten new licences in three Fish Culture Zones with surplus carrying capacity under a pilot scheme. We will monitor the operations of these new licensed farms and the environmental conditions in the three zones. We will assess the effect of the new licensed farms on the environment after the completion of the pilot scheme and consider whether to issue more new licences in Fish Culture Zones with surplus carrying capacity.

22. We are in the process of expanding one existing Fish Culture Zone with a view to improving the culture environment by thinning out the overall fish rafts density in the zone. AFCD has also commissioned a consultancy study on identifying potential sites for new Fish Culture Zones for the long term development of the mariculture sector. The study is expected to be completed within 2016.

Training

23. AFCD has been providing tailor-made, free training courses to assist fishermen in developing sustainable fisheries and related operations. These training programmes include lectures and practical sessions to help fishermen acquire the latest fisheries knowledge and switch to sustainable practices such as aquaculture and recreational fisheries. Since 2010, more than 90 such training courses have been organised for over 1 700 fishermen. To encourage local fishermen to make good use of the time available during the fishing moratorium in the South China Sea, AFCD has also been providing them with free training courses during the period to assist them to upgrade their skills and knowledge on development of sustainable fisheries.

24. To help fishermen gain practical experience and skills needed to run fisheries-related eco-tourism business in a sustainable manner, two SFDF proposals on development of fisheries-related eco-tourism in north-eastern and Cheung Chau waters have been approved. Fishermen who participate in these projects will receive training on tour guiding, business operation and provision of fishery-related ecotourism services.

Monitoring and Management of Red Tides

25. To alleviate the impact of red tides on the marine fish culture industry, AFCD has implemented a phytoplankton monitoring programme aimed at early detection of the formation of red tides and issuing timely warnings. Under the programme, AFCD has been collecting samples in different areas of Hong Kong waters on a weekly basis to analyse the planktonic algae in water. More than 3 000 marine water samples are tested each year.

26. Red tides in Tolo Harbour caused massive death of cultured fish in end-December 2015 to mid-February 2016. AFCD assisted the mariculturists in the Fish Culture Zones concerned by issuing early alerts as well as co-ordinating contingency measures with the departments concerned, including helping mariculturists to temporarily move their rafts away from the fish culture zones affected by red tides, clearing the dead fish, providing financial assistance to affected mariculturists⁵ etc.

⁵ Financial assistance of up to \$14,040 per household was disbursed to eligible mariculturists under the Emergency Relief Fund. To assist the mariculturists who are in need of capital to re-establish their business, AFCD has obtained the support of the Kadoorie Agricultural Aid Loan Fund (KAALF) Committee to ease access to the loans under the KAALF.

27. The Government will review whether similar incidents could be better handled in future, including improving the early alert mechanism and exploring the feasibility of various support measures.

Promotion of Sustainable Aquaculture Practices

28. To strengthen the sustainability of aquaculture industry, AFCD conducts adaptive studies on fish husbandry practices and new culture species, and transfers the technology and skills to fish farmers. Technical services such as fish health management and good aquaculture practices programme have been implemented to help fish farmers enhance their farm management and tackle fish diseases commonly found in Hong Kong.

29. Apart from the above, AFCD has been actively promoting the Accredited Fish Farm Scheme (AFFS), as a measure to help local fish farmers raise production standards of their fish farms and the quality of their cultured fish. Participating fish farms under the AFFS are required to adopt a set of aquaculture best practices. Quality assurance tests, including analyses of drug residues and heavy metals in fish, are conducted to ensure that their cultured fish meet food safety standards before they are sold at market. A total of 119 farms have joined the AFFS, and over 14 000 kilograms of accredited fish of various species were sold in 2015.

Promotion of Local Fisheries Products

30. To improve the business environment of local fisheries products, AFCD and the Fish Marketing Organization (FMO)⁶ work closely with the industry to develop and promote the brand of local quality fisheries products, including expanding the marketing networks, through participating in and organising various promotional activities such as the annual Farmfest. In addition, the FMO has in cooperation with local fisheries associations organised a pilot trial of a fishermen weekend bazaar at its Sai Kung Wholesale Fish Market to promote sale of local fisheries products since June 2015. Three local fisheries associations, a non-profit making social organisation and FMO have stalls set up in the bazaar to sell local fisheries products and promote fishermen culture. The bazaar is well received and attracts hundreds of tourists every weekend.

⁶ The FMO is a statutory organisation established under the Marine Fish (Marketing) Ordinance (Cap. 291) for orderly marketing of marine fish in Hong Kong.

Concluding Remarks

31. The annual value of local fisheries production has remained stable at about \$2,500 million over the past few years. Although not being a major contributor to Hong Kong's economy, the local fisheries industry makes an important contribution to Hong Kong by maintaining a steady supply of fresh fish to local consumers. We will continue with the above efforts in assisting the local fisheries industry to move towards sustainable development.

Advice Sought

32. Members are invited to note the content of this paper.

Food and Health Bureau
Agriculture, Fisheries and Conservation Department
May 2016

Major Recommendations of the Committee on Sustainable Fisheries

Recommendations	
(i)	Ban trawling in Hong Kong waters and strengthen fisheries enforcement
(ii)	Control fishing effort in Hong Kong waters (including registration of local fishing vessels and prohibition of fishing activities by non-local fishing vessels)
(iii)	Restrict new entrants to the fishing industry
(iv)	Assist trawler fishermen to switch to other operations (including providing one-off assistance and loans under the Fisheries Development Loan Fund)
(v)	Enhance marine resources (including monitoring of fisheries resources)
(vi)	Designate Fisheries Protection Areas
(vii)	Establish the Sustainable Fisheries Development Fund
(viii)	Promote modernised and sustainable practices in capture fisheries and aquaculture (including training and technical support)
(ix)	Review aquaculture management and regulation system (including exploring new and expanding fish culture zones)
(x)	Promote local fisheries products (including promote the branding of products from accredited fish farms)

Number of Patrols and Inspections Conducted
Against Illegal Fishing Activities

(January 2013 to March 2016)

	2013	2014	2015	2016 (up to 31 March 2016)	Total
Number of patrols conducted	5 839	7 361	6 542	313	20 055
Number of vessels inspected	7 933	7 777	6 908	1 439	24 057

Number of Successful Prosecution and Highest Penalties Against Illegal Fishing Activities
(2013 to 2015)

	2013		2014		2015	
	Trawling	Other illegal fishing activities	Trawling	Other illegal fishing activities	Trawling	Other illegal fishing activities
Number of successful prosecution	13(0)	7(3)	11(6)	7(0)	3(0)	36(12)
Highest penalty of convicted cases*	Fine: \$85,000	Fine: \$ 2,000 Imprisonment: 1 month suspended for 12 months	Fine: \$85,000 Imprisonment: 4 weeks	Fine: 1,000	Fine: \$100,000 Imprisonment: 2 months suspended for 24 months	Fine: \$10,000 Imprisonment: 1 month suspended for 24 months

() The number in brackets denotes cases involving Mainland fishermen

* The maximum penalty prescribed under the Fisheries Protection Ordinance (Cap. 171) is a fine of \$200,000 and imprisonment for 6 months

Annex IV

Number of Applications and Amount of Ex-gratia Allowance (EGA) Disbursed under the One-off Assistance Package
(as at 31 March 2016)

<i>One-off assistance package</i>	<i>Number of applications received</i>	<i>Number of applications endorsed by the IWG</i>	<i>Number of applications withdrawn / determined to be ineligible</i>	<i>Number of applications being processed</i>	<i>Amount of EGA disbursed (\$ million)</i>
(a) EGA for trawler owners affected by the trawl ban	1 117	978	139	0	941.1
(b) Voluntary buy-out scheme	25	9	15	1	1.1
(c) One-off grant to local deckhands	314	268	35	11	9.1
(d) One-off assistance to fish collector owners	161	18	120	23	0.6
				Total:	951.9

**Details of the Approved Projects under
Sustainable Fisheries Development Fund**
(as at 31 March 2016)

Projects	Amount of Grant (Million)
<p>(i) "Mariculture Using Enclosure Net Cages"</p> <p>The project involves using large enclosure net cages extending from the water surface down to the seabed for culturing white flower croaker (mainly for its swim bladder to produce fish maw) together with two other species, namely giant grouper and pompano. Both the culture system and white flower croaker are new to Hong Kong.</p>	\$6.4
<p>(ii) "Fisheries-related Eco-tour Guide Training Programme for Fishermen (North-eastern Waters)"</p> <p>The project seeks to help fishermen develop or switch to fisheries-related ecotourism business by equipping them with the necessary knowledge and skills as well as practical experience in operating eco-tours.</p>	\$2.3
<p>(iii) "Fishery & Eco, Conservation Programme (Cheung Chau Waters)"</p> <p>The project helps fishermen switch to recreational fisheries by equipping them with the necessary knowledge and skills as well as practical experience in operating eco-tours. It will also involve planning and design of new eco-tour routes and related facilities which would be conducive to the development of recreational fisheries in the waters of Cheung Chau.</p>	\$2.3
<p>(iv) "Depurated Oyster Project Proposal"</p> <p>The project makes use of a depuration process and a monitoring programme to enhance the safety and quality of local oysters. It seeks to build its own brand, extend the sales network and, in the long run, maintain a stable supply of a variety of oyster products that are safe and fresh for the local market.</p>	\$3.0

Projects	Amount of Grant (Million)
<p>(v) "Promotion and Support Scheme on Organic Certification for the Organic Aquaculture in Hong Kong"</p> <p>The project will provide assistance to fish farmers in obtaining organic accreditation and will organise activities to enhance public understanding of organic aquaculture and to promote the development of a high end market for organic aquaculture products.</p>	\$10.5
<p>(vi) "Establishment and Demonstration of Recirculation Aquaculture System for Fry Culture on Rafts "</p> <p>The project aims to develop grouper fry culture technique with the use of seawater recirculating system on fish rafts and to promote such culture technique to local fish farmers.</p>	\$3.8