

**立法會**  
**Legislative Council**

LC Paper No. CB(2)2107/10-11  
(These minutes have been seen  
by the Administration)

Ref : CB2/PL/FE

**Panel on Food Safety and Environmental Hygiene**

**Minutes of meeting**  
**held on Tuesday, 17 May 2011, at 10:45 am**  
**in Conference Room A of the Legislative Council Building**

- Members present** : Hon Tommy CHEUNG Yu-yan, SBS, JP (Chairman)  
Hon WONG Yung-kan, SBS, JP (Deputy Chairman)  
Hon Fred LI Wah-ming, SBS, JP  
Hon Andrew CHENG Kar-foo  
Hon TAM Yiu-chung, GBS, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon WONG Kwok-hing, MH  
Dr Hon Joseph LEE Kok-long, SBS, JP  
Hon KAM Nai-wai, MH  
Dr Hon LEUNG Ka-lau  
Hon WONG Sing-chi  
Hon Alan LEONG Kah-kit, SC  
Hon WONG Yuk-man
- Public Officers attending** : Item IV  
Prof Gabriel M LEUNG, JP  
Secretary for Food and Health (Acting)
- Mr Kevin YEUNG Yun-hung  
Principal Assistant Secretary for Food and Health (Food) 1
- Dr LEE Siu-yuen  
Assistant Director (Food Surveillance and Control), Centre  
for Food Safety  
Food and Environmental Hygiene Department

Dr SO Ping-man  
Assistant Director of Agriculture, Fisheries and  
Conservation (Fisheries)

Item V

Prof Gabriel M LEUNG, JP  
Secretary for Food and Health (Acting)

Mr Kevin YEUNG Yun-hung  
Principal Assistant Secretary for Food and Health (Food) 1

Dr LEE Siu-yuen  
Assistant Director (Food Surveillance and Control), Centre  
for Food Safety  
Food and Environmental Hygiene Department

Item VI

Prof Gabriel M LEUNG, JP  
Secretary for Food and Health (Acting)

Miss Diane WONG Shuk-han  
Principal Assistant Secretary for Food and Health (Food) 2

Dr LEUNG Siu-fai  
Deputy Director of Agriculture, Fisheries and Conservation

Dr SO Ping-man  
Assistant Director of Agriculture, Fisheries and  
Conservation (Fisheries)

**Clerk in  
attendance** : Mrs Sharon TONG  
Principal Council Secretary (2)

**Staff in  
attendance** : Mr Jove CHAN  
Senior Council Secretary (2) 8

Ms Mina CHAN  
Council Secretary (2) 7

Ms Michelle LEE  
Legislative Assistant (2) 7

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**I. Confirmation of minutes**

(LC Paper No. CB(2)1731/10-11)

The minutes of the meeting held on 8 March 2011 were confirmed.

**II. Information paper(s) issued since the last meeting**

(LC Paper Nos. CB(2)1546/10-11(01) and CB(2)1574/10-11(01))

2. Members noted that the following papers had been issued since the last meeting -

- (a) a letter from a group of students of the University of Hong Kong on regulating the use of trans fats in food catering dated 11 April 2011; and
- (b) an information note provided by the Administration on its decision to further extend the rental freeze of public market stalls for 18 months until 31 December 2012.

**III. Items for discussion at the next meeting**

(LC Paper Nos. CB(2)1730/10-11(01) and (02))

3. Members agreed to discuss the following items proposed by the Administration at the next meeting to be held on 14 June 2011 at 2:30 pm -

- (a) Proposed measures to further enhance animal welfare;
- (b) Proposals to restrict the presence of prohibited substances in dried milk, condensed milk and reconstituted milk; and
- (c) Mosquito prevention and control measures.

4. Mr KAM Nai-wai enquired about the schedule for further discussion of liquor licensing review. Secretary for Food and Health (Acting) ("SFH(Atg)") responded that, subsequent to the last meeting, the Administration had consulted the Wanchai District Council ("DC"), and would meet with the

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Central and Western DC and Yau Tsim Mong DC to further invite their views on the subject matter. The Chairman suggested that the subject matter would be followed up by the Panel in July or November 2011 after the Administration had consulted the DCs concerned.

5. Dr Joseph LEE Kok-long said that there were concerns about the slumping business of newspaper hawkers caused by tobacco duty increase. He suggested that the policy of newspaper hawker be reviewed at a future meeting. The Chairman advised that Hon LEE Cheuk-yan, Chairman of the Panel on Manpower, had suggested that a joint meeting of the Panels on Food Safety and Environmental Hygiene ("the Panel") and Manpower be held to discuss the hawker policy for creation of employment opportunities. The Chairman suggested and members agreed to include the newspaper hawker issue for discussion at the proposed joint meeting.

**IV. Update on monitoring of radiation contamination of food products imported from Japan and Mainland China**  
(LC Paper Nos. CB(2)1730/10-11(03) and (04))

6. SFH(Atg) briefed members on the updated position of radiation monitoring of food products imported from Japan and Mainland China as detailed in the Administration's paper. He added that as at noon of 16 May 2011, a total of 8 929 samples of food products from Japan and 608 samples of locally cultured and captured fishery products had been tested. All results were satisfactory except the three samples of vegetables imported from Chiba tested on 23 March 2011.

7. Mr WONG Kwok-hing commented that it was not convenient for retailers to present the letter for certification of food products which had passed the radiation examination to their consumers. He asked whether the Administration would issue a Quality-mark ("Q-mark") label affixing on to food products which had successfully passed the radiation examination to enhance public confidence in consuming the products.

8. SFH(Atg) clarified that the certification letter was issued to the importers of Japanese food products instead of the retailers or the restaurant operators. He said that the Administration had been updating the statistics of the food surveillance of radiation contamination and informed the public via daily press briefings since 16 March 2011. He believed that this arrangement had enhanced public confidence in consumption of Japanese food. SFH(Atg) said that as the radiation examination was not intended for quality assessment of the food products, issuance of the suggested Q-mark label would seem

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inappropriate as the label might lead to higher customers' expectation on the quality of the concerned food.

9. Mr Fred LI said that the order made under section 78B of the Public Health and Municipal Service Ordinance (Cap. 132) ("Order") did not require importers to provide official health certificates for aquatic products from areas outside the five affected prefectures in Japan when they were imported into Hong Kong. However, these aquatic products might have been contaminated by the radioactive water discharged from the Daiichi Nuclear Plant. He enquired about the reasons for the Administration not requiring official health certificates for these aquatic products and in the absence of such certificates, how the Administration could ensure that they were free from radiation contamination.

10. SFH(Atg) responded that all food consignments imported from Japan, including the products from the five concerned prefectures with official health certificates and those from other areas of Japan without the certificates, were tested under the Contamination Monitoring System. The Centre for Food Safety ("CFS") had been keeping in view the testing results in Hong Kong and nearby regions. When the radiation level of any food samples exceeded the standards laid down by the Codex Alimentarius Commission in the Guideline Levels for Radionuclides in Foods Contaminated following a Nuclear or Radiological Emergency, the Administration would amend the Order or issue a new Order to expand its scope, including the food types and prefectures from which the food was exported.

11. Mr Fred LI said that about 9 000 samples of food products from Japan were tested of their radiation levels in the last two months, which had already amounted to about 14% of the workload of handling 60 000 samples annually for regular surveillance. He expressed concern about how the Administration could cope with the considerable extra workload without additional manpower.

12. The Chairman echoed the view of Mr LI. The Chairman anticipated that the annual workload of CFS on food surveillance and testing might almost double as there would be about 45 000 additional samples of food products from Japan a year.

13. The Chairman said that the catering trade had highly commended the CFS's performance in the food safety control in the nuclear power plant incident. He opined that CFS would continue to play a vital role in long-term radiation monitoring, and the monitoring scope would likely be expanded to food products imported from other regions and countries when radionuclide

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diffusion was observed. The Chairman urged the Administration to review its manpower needs in the long run. He expressed support for allocating additional resources for the Administration to enhance CFS's operation of regular food surveillance and to cope with the additional workload.

14. SFH(Atg) expressed gratitude to the Chairman's opinion. He explained that CFS had been contracting out part of its regular food surveillance tasks to recognized private laboratories in recent years. This had allowed CFS to flexibly deploy its resources to handle the additional testing for all food consignments from Japan. He stressed that the work of food surveillance would not be compromised for the reason of inadequate manpower. The Administration would seek additional manpower resources when the need arose.

15. Mr Fred LI enquired whether the Administration had scheduled an ending time for the radiation examination of all food consignments from Japan. SFH(Atg) responded that the Administration would closely monitor the situation and consider relaxing the radiation examination only when the risk of radiation contamination had lowered. However, he expected that such arrangement was unlikely to be altered shortly.

16. Mr WONG Yuk-man said that the business of Japanese restaurant and food product importers in Hong Kong had been adversely affected by the Order. Pointing out that except the three vegetable samples tested on 23 March 2011, all testing results were satisfactory since then, he commented that the Administration had over-reacted. He said that the food products that the Order prohibited were indeed consumed locally in Japan. He expressed doubt whether the risk on radiation contamination was genuinely acute. Mr WONG requested the Administration to provide concrete information on comparison of measures and criteria of radiation monitoring between Hong Kong and the nearby regions and countries, as well as the criteria and timetable for revocation of the Order.

17. SFH(Atg) responded that revocation of the Order would be considered only if the risk of radiation contamination had lowered. Environmental factors, e.g., the contamination of soil, types of radionuclide, etc., would also be considered. He said that the criteria had been set out in section 78B of Cap. 132. The Administration would provide the details of information requested after the meeting.

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18. Mr TAM Yiu-chung enquired about the details on the liaison between the Administration and the Consulate-General of Japan in Hong Kong. SFH(Atg) responded that the Administration had met the Japanese authorities

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and the Consulate-General of Japan in Hong Kong in several occasions for the exchange of information on food safety measures for the incident, including the details of the Order and wording of health certificate requested.

19. Mr TAM Yiu-chung requested information on the changes on types and quantities of food products imported from Japan after the nuclear power plant incident and their impacts on relevant trades. He also enquired whether the Administration had received any requests from the traders for assistance in tapping new sources of food products from other countries.

20. SFH(Atg) said that the relevant statistical figures had not yet been available. He further said that certain restaurants could not import the desired food products from Japan as prohibited by the Order. In order to enhance customers' confidence in the safety of their food, restaurants had purchased food products from other countries without requesting assistance from the Government. The Chairman added that the trade indeed did not need such assistance as most of their business had already been recovered.

21. The Deputy Chairman said that there had been Japanese buyers purchasing vegetable and fishery products from southern ports including Shantou, Shanwei in the Mainland. He asked whether the Administration had communicated with the Mainland authorities to secure steady and adequate supply of food products to Hong Kong. SFH(Atg) advised that livestock and vegetable were supplied by the Mainland designated registered farms to Hong Kong. Meanwhile, the sources of food products had also been diversified in recent years to avoid price fluctuation. According to the Administration's observation, the supply of food products was stable and adequate.

**V. Imported Game, Meat, Poultry and Poultry Egg Regulation under the Food Safety Ordinance**  
(LC Paper Nos. CB(2)1730/10-11(05) and (06))

22. SFH(Atg) briefed members on the proposal to regulate the import of poultry eggs as detailed in the Administration's paper.

23. Mr WONG Kwok-hing queried why the definition of poultry eggs in the proposed regulation did not cover powdered eggs, cooked eggs, and pasteurized frozen or liquid eggs (including liquid egg white and egg yolks). He was concerned about the protection of the public from food contaminated with Sudan Red and dioxin. Mr WONG Yuk-man echoed the view of Mr WONG Kwok-hing.

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24. SFH(Atg) responded that the Administration had zero tolerance towards the use of Sudan Red and dioxin in food products. Currently, there were food safety regulations regulating the use of Sudan Red and the level of dioxin in all food products. The proposed regulation was intended to focus on highly pathogenic virus, i.e., avian influenza virus. With reference to scientific documents, avian influenza virus could hardly remain in powdered eggs, cooked eggs, and pasteurized eggs which had been processed under high temperature, and therefore the health risks posed were relatively low. The Administration had also referred to overseas practice where powdered eggs, cooked eggs, and pasteurized eggs were not regulated.

25. Mr WONG Kwok-hing opined that the current food safety regulations had not duly covered all possible threats and this would be an opportune time to regulate poultry eggs. In his view, powdered eggs, cooked eggs, and pasteurized frozen or liquid eggs (including liquid egg white and egg yolks) should be covered in the definition of poultry egg of the proposed regulation. He requested the Administration to re-consider his view.

26. Mr WONG Yuk-man noted the expanded definition of "competent authority" in the proposed regulation to enable the Director of Food and Environmental Hygiene to recognize competent authorities of certain economies which were not by themselves countries. Mr WONG questioned whether the Department of Health under Executive Yuan in Taiwan had previously been recognized, and whether it would be recognized as competent authority of an economy when the proposed regulation took effect.

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27. SFH(Atg) responded that the information on individual recognized competent authorities was not on hand. The Administration would provide written information to the Panel after the meeting.

28. Mr TAM Yiu-chung enquired about the possible impact of the proposed regulation on trading costs and the number of the places of origin of poultry eggs imported. SFH(Atg) advised that under the existing administrative arrangement, an official health certificate had already been required for poultry eggs imported from the Mainland and therefore there would not be much impact on these importers. For most of the other places of origin, they had already issued export health certificates for their other markets. There should not be an impact of the proposed regulation on additional trading costs for the poultry eggs importers.

29. The Deputy Chairman enquired whether salmonella and other viruses would be covered under the proposed regulation. SFH(Atg) affirmed that salmonella and other viruses would be covered by the official health



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certificate. The Deputy Chairman commented that the spread of avian influenza had been eliminated in recent years and he could not see an urgent need to propose the regulation at present. He expressed worries that the business of poultry farming and relevant trades would be wrecked by the proposed regulation.

30. Echoing the Deputy Chairman's view, Mr Vincent FANG opined that the current risk of health threatened by avian influenza was low and questioned the need for the proposed regulation at this stage. Mr FANG further enquired how the Administration would benchmark the risk levels. Mr FANG expressed concern that the Administration might claim that the risk was low and might not enforce the regulation after it was implemented.

31. SFH(Atg) responded that the Administration had made reference to the recommendations of the World Organization for Animal Health for the management of risk threatened by poultry eggs, e.g., setting parameters for different risk levels. Regarding the timing of the regulation proposal, as the Panel had discussed and concluded that a traceability mechanism would be necessary to ensure the safety of poultry eggs in case of food incident, the Administration had accorded priority to preparation of the Food Safety Bill to provide for the record-keeping requirements. The regulation proposal was therefore submitted to the Panel at this meeting after the Food Safety Ordinance was enacted by the Legislative Council ("LegCo") on 30 March 2011.

32. Mr Vincent FANG enquired whether the Administration would expand the sample size of food test for poultry eggs after the implementation of the proposed regulation, and whether additional resources for the expanded workload were available. SFH(Atg) responded that the sampling size could be reduced after implementing the proposed regulation as food suppliers would be required to prove the fitness for consumption of the poultry eggs with the health certificates issued by recognized competent authorities.

33. Referring to the Administration's paper about the consultation conducted between December 2010 and April 2011, Mr Vincent FANG asked about -

- (a) the number of persons supported the proposed regulation;
- (b) information on the persons who did not support the proposed regulation; and

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- (c) whether the Administration had consulted the importers of poultry eggs.

34. SFH(Atg) responded that during the consultation period, the Administration had received certain enquiries on the implementation of the proposed regulation and no opposing views had been received. The Consulate Generals in Hong Kong and the Mainland authorities had expressed support for the proposed regulation. Mr Vincent FANG opined that the Administration should closely attend to the views of poultry egg importers.

35. The Chairman suggested and members agreed to receive views from representatives of the poultry egg importers on the impact of the proposed regulation at the regular meeting in July 2011.

36. The Chairman asked whether the Administration would assess the impact of the proposed regulation, including the changes in quantities and prices of poultry eggs, after its implementation. SFH(Atg) responded that the impact on the business environment for the trade was believed to be minimal. The Administration would assess the impact in due course. The Chairman suggested that the Administration should engage a consultant to assess the impact of the proposed regulation on the affected trades.

37. In response to the Chairman, SFH(Atg) confirmed that the Administration planned to table the proposed regulation in LegCo before the end of 2011.

**VI. Ex-gratia allowance for trawler owners, voluntary buying out of trawler vessels and one-off grants to local deckhands affected by the trawl ban**

(LC Paper Nos. CB(2)1730/10-11(07) and (08))

38. The Chairman advised that in accordance with Rule 83A of the Rules of Procedure, member in any committee shall not move a motion or amendment relating to a matter in which he had a pecuniary interest, whether direct or indirect, or speak on any such matter, except where he disclosed the nature of that interest. The Chairman therefore reminded members to disclose the nature of any direct or indirect pecuniary interest in this agenda item before speaking.

39. SFH(Atg) briefed members on the details of the proposed scheme ("the Scheme") in respect of the granting of ex-gratia allowance ("EGA") to

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trawler owners, one-off grants to local deckhands affected by the trawl ban and the voluntary buying out of trawler vessels, as well as the financial implications of the Scheme as detailed in the Administration's paper.

40. Mr KAM Nai-wai expressed regret that the Administration had dragged its feet in providing the details of the Scheme until the meeting of the Subcommittee on Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011 held on 3 May 2011. As there were protest and dissatisfaction among the trades when the details of the Scheme were announced, Mr KAM suggested holding a meeting for the stakeholders and deputations to express their views on the Scheme. Mr KAM requested the Administration to provide the following information -

- (a) the estimated buyout prices for different types of vessels;
- (b) whether the Administration had taken into account the income of fishermen derived from the daily operation of their fishing vessels when determining the notional fish catch value adopted for calculating EGA; and
- (c) the arrangement for EGA to other fisheries-related trades, such as fish collectors and ice suppliers.

*(Post meeting note: The information requested in paragraph 40(a) above was copied to members of the Panel on 24 May 2011 vide LC Paper No. CB(2)1869/10-11.)*

41. The Chairman drew members' attention to the fact that irrespective of whether the funding proposal for the Scheme would be supported by the Panel, the scrutiny period for the Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011 would expire on 18 May 2011 and the trawl ban would come into operation on 31 December 2012. The Chairman said that the Panel had listened to public views on the issue previously. He would express support if other members also wished to hold a meeting again to receive public views on the Scheme.

42. SFH(Atg) responded as follows -

- (a) the data on fish catch were collected regularly by the Agriculture, Fisheries and Conservation Department ("AFCD") through surveys with fishermen, and the methodology adopted to obtain the data was scientific and objective; and

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- (b) after considering the data collected and modes of operation of related trades such as fish collectors, and assessing the effect of the trawl ban on these trades, the Administration was of the view that there were insufficient justifications in support of their requests for EGA. The Administration expected that some of the inshore trawlers might switch to operate outside Hong Kong waters and would thus require more services from the fish collector, ice supply, fuel supply and vessel repair sectors. As a result, these sectors should not be significantly affected by the trawl ban.

SFH(Atg) stressed that the Administration had exchanged views with the stakeholders and gathered relevant information before arriving at the decision in respect of related trades.

43. Deputy Director of Agriculture, Fisheries and Conservation ("DD/AFC") supplemented that inshore trawlers might switch to operate outside Hong Kong waters after the trawl ban. As these vessels as well as the larger trawlers would have continuous need for the services of fish collector, ice manufacturing and vessel repair sectors, it was expected that these ancillary sectors would benefit from the sustainable development of fisheries industry in the long run.

44. Mr TAM Yiu-chung pointed out that the trade had strong views on the Scheme and considered it unfair. He raised the following issues -

- (a) why the Administration did not make reference to the data collected through the Port Survey conducted in the recent period, say 1999-2000, in calculating the notional fish catch value;
- (b) the amount of EGA payable to the owners of pair trawlers and stern trawlers was relatively low as compared with that payable to the owners of hang trawlers; and
- (c) a lump sum EGA of \$150,000 to be offered to each larger trawler was considered unreasonable given that the proposed one-off grant to each affected local deckhand amounted to \$34,000.

45. SFH(Atg) responded that the Administration had made considerable efforts to understand and address the concerns of the trade over the issue, and hence the estimated funding for the Scheme was increased from about \$1,000 million to more than \$1,700 million. The Administration hoped to deal with

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the issue in a conscientious and lenient manner. Having considered the significant impact of the trawl ban on inshore trawler owners who operated wholly or partly in Hong Kong waters, the Administration proposed to raise the multiplier of the EGA formula from seven years to 11 years' notional fish catch value in calculating EGA for them. With regard to Mr TAM Yiu-chung's questions, SFH(Atg) and DD/AFC explained as follows -

- (a) the data from the 1989-1991 Port Survey had been adopted as the basis for calculating EGA for fishermen affected by marine works projects because it was considered more favourable to the affected fishermen as the fisheries resources and the marine ecosystem at that time had not been adversely affected by various factors. Since then, the local fish catch had declined in both quality and quantity with the deterioration of the marine environment in the past two decades. The total value of fish catch from Hong Kong waters derived from the data collected from the Port Survey conducted in 2006 was \$570 million while that derived from the 1989-1991 Port Survey data was \$720 million;
- (b) the granting of EGA aimed to assist the trawler owners who would be directly affected by the trawl ban. However, the Administration noted that the owners of larger trawlers who generally did not operate in Hong Kong waters might move back when they were approaching retirement or their vessels were aging, and they would lose the opportunity to operate in Hong Kong waters after the trawl ban. Under the principle of prudent use of public money, the Administration considered it justifiable to offer each larger trawler a lump sum EGA of \$150,000 if the relevant application was successful, and the total amount of EGA involved was about one year's notional fish catch value; and
- (c) AFCD conducted the Port Survey in 1989-1991 by interviewing the owners of local fishing vessels to collect data on the distributions of their fishing operations, time spent and fish catches within and outside Hong Kong waters. Such data had been adopted in the past for calculating the amount of EGA for fishermen affected by marine works projects. The EGA would, on the basis of the above data, be apportioned amongst the eligible applicants in accordance with other criteria such as the type, length and size of vessel as well as the proportion of operation in Hong Kong waters. The apportionment of EGA in

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the trawl ban exercise would also be determined in accordance with the same data and criteria. An inter-departmental working group ("IWG") would be set up to handle all matters relating to the processing of EGA applications from trawler owners affected by the trawl ban. The IWG would consult the trade on the apportionment method and criteria before processing the applications.

46. In response to the Chairman's question on whether the fish catch value derived from the 1989-1991 Port Survey had taken into account inflation-related adjustments in the past decades, SFH(Atg) advised that a factor of 1.63 for fish price movement since 1989-1991 had been included in the calculation formula for EGA.

47. Regarding the application for the Fisheries Development Loan Fund ("the Loan Fund"), Mr WONG Kwok-hing asked the Administration to reconsider providing interest-free loans to the affected fishermen. Mr WONG further said that before the meeting, he had received a letter from six pair trawler owners outside the LegCo Building. According to their letter, the fishing pattern of a 20-metre long pair trawler which operated in local waters was more or less the same as that of a hang trawler, but there was a great difference between these two types of trawlers in the estimate of EGA payable to their owners. They considered the calculation of EGA unreasonable and asked whether the amount of EGA payable to them could be comparable to that payable to hang trawler owners. Mr WONG questioned the great difference between EGA payable to the owners of pair trawlers and that payable to the owners of hang trawlers.

48. SFH(Atg) responded as follows -

- (a) the Administration was reviewing the interest rate of the Loan Fund and would, where possible, take into account the views of Mr WONG Kwok-hing. It was however difficult for the Administration to justify the provision of interest-free loans to fishermen. When determining the interest rate, the Administration had to consider the credit risk and whether the assistance was practicable for those fishermen who genuinely wished to switch to other fishing operations;
- (b) the data collected in the past showed that fishing vessels of various types had different modes of operation and time spent in local waters. The amount of EGA payable to individual trawler owners was to reflect the above differences; and

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- (c) to facilitate IWG's consideration of EGA applications, the applicants should explain their own circumstances in detail with relevant evidences provided. If an applicant was aggrieved by IWG's decision relating to EGA, he could appeal to a Fishermen Claims Appeal Board ("FCAB") which comprised non-official members.

49. The Deputy Chairman pointed out the trade's dissatisfaction with the lump sum EGA of \$150,000 to be offered to each larger trawler owner and the differences in the estimates of EGA for different types of inshore trawlers. The representatives of related trades had expressed to him that they might have to wind up their business as the need for their services, such as repair of freezing equipment in vessels, would be adversely affected after the implementation of the ban on trawling activities in local waters. The Deputy Chairman took the view that the Administration should consider providing some form of EGA to these trades and how to facilitate their switching to other sustainable operations. In view of the strong resistance to the Scheme, he urged the Administration to listen to the views of fishermen again.

50. SFH(Atg) explained that the Administration set out in its paper the estimate of EGA in a broad sense only. The apportionment criteria and ballpark estimate of EGA payable to eligible trawler fishermen had been provided in Annex V of the Administration's paper. However, it was not possible for the Administration to provide the information about the actual EGA or buyout prices to be offered to individual trawler owners before assessing their cases. The IWG would consider the individual circumstances of fishermen provided that they supplied adequate information and evidence. SFH(Atg) stressed that IWG and FCAB would consist of representatives of various departments and non-official members respectively to ensure fairness in handling EGA applications.

51. Mr Vincent FANG said that the Administration envisaged that the related trades would flourish when there was a sustainable development of fisheries industry. In his view, the business of these related trades such as ice supply would be impacted by the trawl ban to some extent, say 10% to 20%, as a result of the cessation of inshore trawling operations. It was therefore unreasonable not to offer some EGA to the related trades. As regards the lump sum EGA of \$150,000 to be given to each larger trawler, Mr FANG was concerned whether the proposed lump sum was sufficient to cover their loss of opportunity to move back to Hong Kong waters for trawling in future under the circumstances as mentioned by the Administration. He enquired about the principles adopted by the Administration in deciding on the lump

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sum amount.

52. SFH(Atg) explained that for the fishermen who operated wholly or partly in Hong Kong waters, their demand had been addressed by EGA for inshore trawler owners and the buyout scheme for trawler vessels. As for those who generally did not operate in Hong Kong waters, the Administration considered in its preliminary proposal that they should not be granted EGA having regard to the fact that they would not be affected by the trawl ban. However, given that these offshore trawler owners might wish to move back to Hong Kong waters for operation under the circumstances such as aging of vessels and retirement, the Administration subsequently considered that their concerns should also be addressed. The Administration expected that there would be a positive impact on the related trades after the trawl ban, and thus considered it inappropriate to offer them EGA.

53. DD/AFC supplemented that some inshore trawler owners had indicated during consultation that they would continue their operations after the trawl ban by switching to fishing entirely outside Hong Kong waters. It was expected that there would be an increase in the need for the services of fish collectors, ice supply and vessel repair, and hence the impact of the trawl ban on these related trades would not be significant as a whole.

54. Mr Alan LEONG enquired whether the Administration would engage in further communication with fishermen to fine-tune the Scheme given the protest conducted on the previous Sunday by fishermen at sea, and address the concerns raised by members at this meeting before seeking funding approval from the Finance Committee ("FC") of LegCo. Assuming that funding approval was obtained in July 2011, Mr LEONG asked about the Administration's work schedule between July and late 2011. He also enquired about the lead time for FCAB to process appeal cases.

55. SFH(Atg) responded that the Administration had drawn up the Scheme after thorough consideration, and it was difficult to make further adjustment. SFH(Atg) stressed that the Administration had conducted adequate consultation with various parties before putting forward the proposal. After the announcement of the Scheme, he had also met with the representatives of the fisheries trade with the assistance of the Deputy Chairman. If it was considered that the local marine ecosystem needed conservation, the Scheme should be given support.

56. Concerning the work schedule between July and the end of 2011, DD/AFC advised that the Administration would commence setting up IWG, determine apportionment criteria and proceed with registration as soon as the



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funding for the Scheme had been approved by FC. If the preparatory work went smooth, the Administration planned to invite the affected trawler owners and local deckhands to apply for EGA and one-off grants respectively by the end of this year. Owners of trawlers would also be invited to indicate in their EGA applications whether they would surrender their vessels to the Government. Given that it took time to assess the additional information provided by the applicants about their individual circumstances and where necessary handle appeal cases, the processing of all applications was expected to be completed within six to nine months. DD/AFC added that the Administration hoped to complete all the applications before the trawl ban came into operation.

57. Whilst expressing support for the trawl ban, Mr Fred LI was concerned about the impact of the trawl ban on related trades. He said that he had met with the representatives of the fisheries trade, and noted that the fish catches of inshore trawlers operating in Hong Kong waters were mostly sold to local fish collectors. The local fish collectors were also facing competition from those in the Mainland, who could transport the fish catches collected from Hong Kong trawlers operating in the South China Sea. Furthermore, the only supplier of ice for the fisheries trade and the 27 vessel repair workshops in Tuen Mun solely relied on inshore trawlers. They could not survive when there were no inshore trawlers operating in Hong Kong waters. Mr LI pointed out that the modes of operation of offshore trawlers brought insignificant impact on the business of related trades as they seldom returned to Hong Kong waters due to high fuel price. He therefore could not understand why the Administration claimed that the business of related trades would become better after the trawl ban. Mr LI also expressed grave concern about the transparency of IWG as the actual amount of EGA and the buyout prices for surrendered vessels to be offered to the affected fishermen would be determined by IWG. He asked whether people other than government officials could be members of IWG.

58. SFH(Atg) explained that IWG would consist of representatives of government departments only. However, if an applicant felt aggrieved by the decision of IWG, he could appeal to FCAB which comprised non-official members. As such, there was no cause for worry about the transparency of IWG.

59. Concerning the fish collectors, DD/AFC advised that there were about 400 fish collectors in Hong Kong. Many of them were large in size, and mainly engaged in collecting fish catches from large trawlers operating in the South China Sea. According to the record of the Fish Marketing Organization, there were about 100 fish collectors unloading their fish

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catches at wholesale fish markets. The majority of these vessels collected considerable amount of fish catches from larger trawlers operating outside Hong Kong waters. There were only some small fish collectors engaged in collecting fish catches from inshore vessels, including trawlers and non-trawler vessels. Given that small fish collectors could diversify their operations by collecting fish catches from vessels other than inshore trawlers and might apply for loans under the fisheries loan funds administered by AFCD if they wished to equip or upgrade their vessels to operate outside Hong Kong waters, the Administration considered that there were insufficient justifications for the provision of EGA to this trade.

60. Sharing the view of Mr Fred LI, the Chairman said that he could not see why the Administration considered that there would be no impact brought by the trawl ban on related trades. As members were not convinced that the business of related trades would be better after the trawl ban, the Chairman requested the Administration to propose using the contingency, which amounted to \$100 million, to assist the related trades when seeking funding approval from FC.

61. The Chairman invited views of members on whether the funding proposal should be supported. Mr KAM Nai-wai did not wish to express his view at this stage. Given that some issues had not yet been addressed, Mr Alan LEONG said that he was not able to give his view. The Deputy Chairman indicated that he and Mr TAM Yiu-chung were supportive. The Chairman expressed the view that the Liberal Party had reservations about the Scheme.

62. Concluding the discussion, the Chairman said that apart from the members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong, no members present had expressed support for the funding proposal.

**VII. Any other business**

63. There being no other business, the meeting ended at 1:01 pm.