

LETTERHEAD OF HONG KONG RETAIL MANAGEMENT ASSOCIATION

**Presentation to Bills Committee on Dangerous Goods (Amendment) Bill
Thursday, 8 March 2001**

(by Mr Logan Taylor)

I am Logan Taylor representing the Hong Kong Retail Management Association. The HKRMA was founded in 1983 and is the major association representing Hong Kong's retail industry. The Association's current membership represents over 500 major retail chains covering more than 5,000 retail outlets and employs about two-thirds of the total retail workforce in Hong Kong. Member organizations are engaged in various types of retail business ranging from department stores to supermarkets, convenience stores, drug stores, food, fashion and accessories, and specialty stores as well as suppliers, wholesalers and industry related service organizations.

On behalf of the Association, we thank you for the opportunity to present our views towards the Dangerous Goods (Amendment) Bill. We believe it is very important that the effect on the retail industry of this Bill is appreciated. In fact, we believe this Bill has far reaching implications towards a number of retail sectors across the industry and may also potentially impact a number of other industries in Hong Kong including many of the SMEs. To illustrate my point here, paint for example, may be a product that falls within the scope of dangerous goods and such goods, apart from being affected at a retail point of sale, its use in the construction industry or simply for household decorations may also fall within the Bill's provisions.

May I invite members of the Bills Committee to refer to our earlier letter dated 19 January 2001 as a basis of our discussion here today.

Aims of Dangerous Goods Legislation

Before talking about the impact of this legislation on retailers, we think it is appropriate to look at the Government's objectives in amending the Dangerous Goods legislation.

In short, and as stated in December 1999 in its introduction to the Dangerous Goods (Amendment) Bill to Legco, the Government wants to improve the control of dangerous goods to enhance public safety. As responsible retailers we are very concerned with public safety, this is an objective that is supported by members of the HKRMA.

The HKRMA, however, has a number of comments on the proposed introduction of the Dangerous Goods (Amendment) Bill:

Bulk Chemicals / Consumer Products

Quite clearly, the legislation is designed for the handling of dangerous goods in bulk (i.e on an industrial scale) and not for the handling of consumer products that are deemed safe for sale to consumers.

Indeed, the Fire Services Department (FSD), which enforces this Ordinance, did not until recently believe that the retail industry was significantly affected. For example, when the consultations with the industry took place in 1999, the FSD did not think it necessary to discuss the amendments to this Bill with retailers.

However, in the existing legislation there is no distinction between the handling of pure chemicals and the handling of consumer products that may contain small quantities of chemicals. Hence the storage, transport and labelling requirements of household bleach for instance containing 5% chlorine would be subject to the same regulatory requirements as an industrial quantity of chlorine. This would make a consumer pack of household bleach subject to a legislative framework designed for bulk chemicals. This would also make it prohibitively expensive to supply such products to the retail trade.

On closer scrutiny of the existing legislation there seems to be a number of other common consumer products that are affected by similarly low exemption levels. (*show samples of affected household consumer goods and labels.*) These examples highlight the impractical nature of the existing Ordinance.

The HKRMA believes that it is not appropriate to apply the same controlling measures for bulk chemicals and consumer products alike.

Risk of Wide-Scale Retail Prosecutions

Members of the retail trade have recently been prosecuted under the existing Dangerous Goods Ordinance for storing Naphthalene Balls without a licence. This is the product in question and it is on sale commonly throughout Hong Kong. The limit for storing or transporting products such as these is [50kg], equivalent in some cases to 2 cases. At this exemption level every department store, grocery store, and household store in Hong Kong would need to obtain a licence at significant cost (which would ultimately be borne by the consumer), yet with no benefit to the consumer.

Recommendations

Distinguish between bulk chemicals and consumer products

The HKRMA recommends to the Bills Committee that in the subsidiary legislation to the Dangerous Goods Bill clear distinction must be made between, and separate regulations issued for, the handling of pure chemicals and the handling of consumer products that contain chemicals.

Consult with the retail trade before the introduction of subsidiary legislation

The HKRMA further recommends to the Bills Committee that the FSD consults with the retail trade before any subsidiary legislation is introduced that deals with the handling of consumer products.

This consultation process should include discussion on the types of consumer products that should be regulated, the proposed exempt quantities, storage and transport requirements, the ways that other countries regulate consumer products, and proposed labelling and packaging requirements although we note that a consultancy study on bilingual safety labelling of household chemicals is already underway.

The HKRMA proposes that while the subsidiary legislation is being amended and while mutually acceptable levels on quantities for storage and transportation of such goods are being worked out between the government and the trade, we urge the FSD not to bring any prosecutions against our members except in cases where there are legitimate public safety concerns.

The HKRMA believes that the implementation of these recommendations would not in any way conflict with the Government's policy on improving the control of dangerous goods and enhancing public safety.

Conclusion

To conclude, we believe that the existing legislation affects the retail trade in unintended ways and that the opportunity should now be taken to rectify this.

The HKRMA supports the amendment to this Bill but believes that subsidiary legislation should clearly distinguish between the storage and transport of bulk chemicals and consumer products.

The HKRMA believes that this recommendation would not in any way conflict with the Government's policy on improving the control of dangerous goods and enhancing public safety.

Lastly, the HKRMA is and will continue to cooperate fully with the FSD regarding proposed amendments to the subsidiary legislation.

Logan Taylor
Chairman - Government Regulations Sub-Committee,
Executive Committee Member of
Hong Kong Retail Management Association

(key spokesman representing HKRMA on the subject of Dangerous Goods (Amendment) Bill)