

HONG KONG RETAIL MANAGEMENT ASSOCIATION

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Presentation to Legco Panel on Food Safety and Environmental Hygiene Friday, 1 February 2002

(by Mr Logan Taylor)

I am Logan Taylor representing the Hong Kong Retail Management Association (HKRMA). 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 issue of "Lifting of Export Quota on Chilled Meat for Supply to Hong Kong by the Mainland".

The Hong Kong Retail Management Association strongly endorses the importation of fresh meat from the PRC. We welcome the mainland's decision to finally allow chilled chicken, pork and other meats to be exported to Hong Kong. We urge the Hong Kong government to facilitate such supplies into Hong Kong. We believe that this will benefit Hong Kong consumers in terms of choice, health, food safety and consumer prices.

We broadly support the position outlined by the FEHD in its submission, and think that the measures outlined are a fair and balanced response. We would urge Legco to support the FEHD position.

Points of Clarification

The FEHD's assessment programme requires a series of tests on the first 3 shipments from any new source. We would like clarification on whether a new source is defined as a "country" or a "meat plant" or a "farm". It is assumed that the assessment process relates to a meat producing plant, in which case we broadly support the measure. Should the testing be carried out at country level, we would be concerned if all imports from the PRC were to be prohibited on the basis of a failed sample from one particular producer.

Secondly, on the assumption that the testing will be at the level of the major meat producing plants or supplier, we would urge the FEHD to start the approval process as soon as possible, concentrating on the major producers, and taking advice from the PRC authorities and from our members on the priority sources for the approval process. We would also urge that the FEHD allows sufficient resources to this programme to enable imports from the PRC to take place at the earliest opportunity.

Support for the FEHD position

The HKRMA position is in line with that of the FEHD on the following areas –

1) *Free Trade*

As a free trade area, we should not erect any non-trade barriers against chilled meat from the PRC. It is legal in Hong Kong to import chilled meat from any other country with the appropriate certification. Frozen meat is already imported into Hong Kong from the mainland. It should be as quick and easy to import chilled meat as it is frozen meat from the same sources within China. Chilled meat is already imported into Hong Kong from Australia, Thailand etc, and the HKRMA believes that imports from the PRC should not be discriminated against.

2) *Health and Hygiene*

The supply chain in Hong Kong is inadequate in many areas – particularly chicken, where there is no central slaughtering facility. The lifting of the export quota will improve these circumstances. It will also allow chicken slaughtering to take place further from the consumer and alleviate the intermingling of human and bird populations which has

lead to two outbreaks of chicken flu in Hong Kong. There may be concerns about the husbandry practices and quarantine conditions of meat from the PRC, but these have already been fully covered by existing arrangements applying to frozen meat imports. The proposals by the FEHD are fully adequate, and should be no different in principle to those covering meat imports from any other country or in any other temperature condition.

3) *Consumer Choice*

Consumer choice will be considerably increased by these proposals. Hong Kong is virtually unique in modern economies in having no supply of fresh/chilled chicken within the cold chain, and many consumers will benefit from these proposals. We also point out that the quota system has restricted the supply and artificially increased the price that the Hong Kong consumer has had to pay for meat in Hong Kong. The lifting of the quota system should allow for chilled meat to cross the border legally and at lower costs. Legco should take into the account the consumer interests for more choice and lower prices.

Conclusion

The HKRMA endorses the position of the FEHD and encourages Legco to support its position. We believe that consumer choice, prices, health and safety will be considerably enhanced by the lifting of the export quotas. We urge the FEHD to treat chilled meat imports from the PRC in the same way as frozen meat imports are handled, and to facilitate imports without delay.

Logan Taylor

**Chairman - Government Regulations Sub-Committee &
Executive Committee Member of
Hong Kong Retail Management Association**

(key spokesman representing HKRMA on the subject of 'Lifting of Export Quota on Chilled Meat for Supply to Hong Kong by the Mainland')