



香港化粧品同業協會
The Cosmetic & Perfumery Association of Hong Kong Ltd.

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Environment, Transport and Works Bureau,
The Government of the Hong Kong Special Administrative Region

November 29, 2004

A Position Paper to the Government's Forthcoming
“A Proposed Scheme to Require Mandatory Registration and Labelling of
the Contents of Volatile Organic Compounds in Specified Products”

In recent years, there has been rapid economic growth in the Pearl River Delta Region. The air quality has been adversely affected as a result of growth of industrial manufacturing activities, economic activities, the number of vehicles and population. On September 22, 2004, The Environment, Transport and Works Bureau put forward “*A proposed Scheme to Require Mandatory Registration and Labelling of the Contents of Volatile Organic Compounds (VOC) in Specified Products*”.

The Cosmetic & Perfumery Association of Hong Kong Ltd. supports the government to take effective measures to improve the air quality.

However, the current proposed “labeling first, followed by regulatory restriction” scheme by the Government lacks thorough considerations and is indiscriminate. If this scheme is implemented abruptly, it will not help to improve the air quality of Hong Kong, but will cause tremendous negative impact to the live of people, economy and international status of Hong Kong. Hence, the Cosmetic & Perfumery Association of Hong Kong Ltd. (hereinafter referred to as The Association) suggests the government should **completely delete “Personal Care Products”, i.e. items 24-29, under the list of Consumer Products to be regulated (i.e. Annex A) in the “Consultation Document”,** and then discuss in details with the industry to seek for a feasible policy suitable for the situation in HK.

To put it simply, the Association **supports** the government's intention to take measures to improve the air quality, **opposes** the government's execution of the non-discretionary "labeling first, followed by regulatory restriction" scheme. The Association **suggests** the Government should go for a "setting feasible criteria, followed by regulation" policy and proceeds with phase-by-phase implementation on "selective products" after discussion with the major cosmetics exporter countries with the involvement of our fellows in local cosmetic industry. Harmonization with the international trade partners is the key. Keeping in pace with the international environment is the only "win-win policy" for stakeholders in Hong Kong and the international community, amongst industry, people and government. The Association urges the Bureau to take these suggestions into serious considerations.

Huge Negative Impact on People's Lives

The government required all consumer products (including cosmetic) to be registered with the relevant department on the VOC contents of their products before entering the market. Registrants are also required to submit testing reports on the VOC contents of their products issued by proper local or overseas laboratories, and put labels of VOC% onto the products. At present, the estimated testing fees for VOC% of each batch of imported product is a few thousands to tens of thousands HK dollars (same currency used as follows). It is expected that the product cost will thus increase at least over 30%. Owing to all sorts of constraints that are likely to be brought forward by the legislation, the varieties of cosmetic in HK market will definitely greatly be reduced. This will extremely disadvantage our local consumers and overseas tourists.

Cosmetics are not a major source of VOC. VOC% labelling is a harsh policy, suppressing those who are self-sustaining in the trade.

Cosmetics are not a major source of VOC. Their emission only contributes to 1% of the total VOC emissions in Hong Kong. The Government proposed to impose a penalty of six-month imprisonment to press the cosmetic trade to yield to such a harsh policy. This is simply putting the cart before the horse.

50% of Small and Medium Enterprises (SMEs) will be collapsed.

The cosmetic industry in Hong Kong covers a wide variety of practitioners, including importers, wholesalers, retailers, beauty and hair practitioners and direct-selling distributors, involving over 100,000 personnel, most of which are in SMEs. According to the Association, in the year 2003, cosmetics account for a total annual sale of approximately HKD 2.85 billion in HK, while in the first half year in 2004, they account for HKD 1.95 billion. It reflects that

ever since the mainland Chinese travelers were allowed to travel to Hong Kong under the "Individual Travel Scheme" since July 2003, the cosmetic industry in Hong Kong has been greatly benefited, and more job opportunities have been created (*refer to Annex 1 for details*). Moreover, a SME generally sell about 500 SKUs of cosmetics. The cost of testing all products once as demanded by Government will reach a total of HKD 10 million. While the average annual turnover of a SME is only HKD 5 million, it is expected that over 50% of the SMEs in the cosmetic industry will be collapsed, resulting in a loss of over 50,000 job opportunities.

"Tourism", the Closely related and mutually dependent industry, is doomed to be affected.

Cosmetic is one of the favorite shopping items of visitors to Hong Kong. After the outbreak of SARS, the Cosmetic & Perfumery Association of Hong Kong Ltd. and the Hong Kong Tourism Board have been working together closely to help enhance the development of tourism. It is hoped that the Mainland China "Individual Travel Scheme" will restore the growth of tourism, retail and cosmetics industries, thus increasing job opportunities. If the price of cosmetics is vastly increased and product varieties shrink due to the implementation of VOC% labeling legislation, Hong Kong will lose its credibility as a shoppers' paradise. Being a closely related and mutually dependent industry with cosmetic industry, tourism is doomed to be affected.

No precedence of VOC% mandatory labeling in the world

There is no country/territory in the world that requires VOC% labeling for consumer products.

Representatives of the cosmetic industry from the United States of America (USA) and European Union (EU) have pointed out repeatedly to officials of the Hong Kong Environment, Transport and Works Bureau during their **face-to-face** discussions that **there is no precedence of VOC% mandatory labeling requirement in the world**. They have also directly reflected to the officials that they do not understand and have shown much concerned about the Government's proposal of VOC% mandatory labeling on cosmetics and the mandatory warning statement "VOCs Cause Air Pollution". The Japan Cosmetic Industry Association (JCIA), which represents the cosmetic industry in Japan, has also expressed similar concerns.

Moreover, the Cosmetic, Toiletry & Fragrance Association (CTFA) of the USA told the HK government that the goal set in the proposal on VOC is not attainable. CTFA stated that, "in our view, while the purpose of the proposal is laudatory, the proposal is overbroad and in many cases offer solutions which will not advance the goal of limiting VOCs" (*refer to Annex 2 for*

details). Furthermore, The European Cosmetic, Toiletry & Perfumery Association (COLIPA) representing 23 EURO countries describes such proposal as “disproportionate”. COLIPA pointed out that, “considers that the proposed requirements are disproportionate to the objectives that want to be attained and they (i.e. HKSAR Government) also put in jeopardy the economic environment in Hong Kong” (*refer to Annex 3 for details*).

In fact, by repeatedly restating the concerns of the cosmetic industries worldwide, we are simply pointing out an established fact. The HK government’s proposal on VOC is incoherent to the reality, and it loses track with the international trends. Why, then, should the HK cosmetic industry be involved in such an “experiment” that lacks due consideration? Besides, cosmetics only contribute to 1% of the total VOC emission in HK. The Association is also attentively watching the trend of global cosmetic regulation. Last year, our representatives attended the International Conference on Cosmetic Regulation Harmonization in Tokyo, a conference co-organized by the CTFA, COLIPA and JCIA. Government officials and cosmetic industry representatives from over 70 countries and territories attended the conference. This subject is gaining worldwide interest. In the past decade, the USA has been working to reduce the amount of VOCs in their products progressively in a seven-phases process, while the EURO is now drafting a set of phase-based guidelines. The HK Government should take the initiative to coordinate with international cosmetic exporting territories regarding the regulation in question, rather than sitting there and narrowing down their scope, generating its own set of regulations without considering the situation around the world. The current proposal will lead to the cutting off the local cosmetic industry from the international market.

The “Labelling first, followed by regulation restriction” policy is setting a technical trade barrier for international trade.

95% of cosmetics in HK are imported from other countries. VOC% labeling and all sorts of related constraints are setting a technical trade barrier for international trade. It will definitely result in conflicts between HK and its international trade partners, who may launch complaints to the World Trade Organization. It will definitely damage the status of Hong Kong as a free port and international financial centre.

HK and California face different problems. Don’t follow suit blindly.

The officials of HK Environment, Transport and Works Bureau repeatedly emphasize that they adopt the mode of regulating air quality used in California of the USA. However, one must not forget that in California, starting from the 60s, they have spent 40 years on a progressive phase-based process for legislation regulating air quality. At the end of each phase, in-depth

research on causes/effect was conducted. The research results would then be analyzed by the industry and academics, which will also evaluate the feasible measures of the following phase.

In South California, onshore winds blow from the Pacific Ocean. The ocean wind is very clean. As in HK, wind blows from the inland of the Pearl River Delta Region to HK and South China Sea in the south. Pollutants from China Mainland will be brought over by southern wind. The distribution and dispersion pattern of air pollutants in HK and the USA are completely different. The sky of HK is filled with highly concentrated air pollutants from the Pearl River Delta Region. Tung Chung of the Lantau Island has beautiful scenic view and is sparsely populated. Nevertheless, its air is one of the most heavily polluted in HK. The air there usually contains an odor of coal. The air pollution index of the area is disproportionate to the population. This illustrates that the local emission of air pollutants only contributes to a small part, and is not the root cause of the air pollution problem in HK.

The major air pollutants of HK come from the Pearl River Delta Region. Such situation is basically different from the case in California of USA, where local emission is the main source of pollutants.

The Environment, Transport and Works Bureau claimed that the proposed mode of implementation referred to the legislation currently in use in California. Firstly, as mentioned above, there is no mandatory VOC labeling in California. Secondly, the HK government ignores the principle difference between the root cause of air pollution as in HK and California. It also ignores the approach adopted by California, i.e. to invite the industry and academics to evaluate and analyze the feasibilities, and their practice of a phase-based, progressive legislation process. Very often, the HK government only copycats the approaches of the West without a thorough understanding of the essence of these approaches ; The Government neglects our unique environment and needs of HK, and is merely heading its bureaucratic target at whatever the consequences it costs. The Government does not lay hands on the major source of pollutants. Rather, it takes the cosmetic industry that contributes only 1% of local emission as a scapegoat. It is believed that such act will not help to improve the air quality in HK, but will only bring essentially structural damage to the livelihood, economy and international status of HK.

Is the government improving the business environment and helping people be employed, or is it making people to lose their jobs?

Chief Executive Tung Chee-hwa strongly pledged to improve the business environment, so as to stimulate economic growth and improve employment situation. However, the legislation of VOC% labeling runs in an opposite direction. This violates Chief Tung's promise and disappoints fellow citizens.

Conclusion

The Cosmetic & Perfumery Association of Hong Kong Ltd. suggests the government should **completely delete “Personal Care Products”, i.e. items 24-29, under the list of Consumer Products to be regulated (i.e. Annex A) in the “Consultation Document”**, and then establish a system for detailed discussion with the industry. The government should seek for a feasible policy suitable for the unique environment, constraints and needs of Hong Kong based on an objective, scientific and progressive principle.

Yours sincerely,

The Cosmetic & Perfumery Association of Hong Kong Ltd.

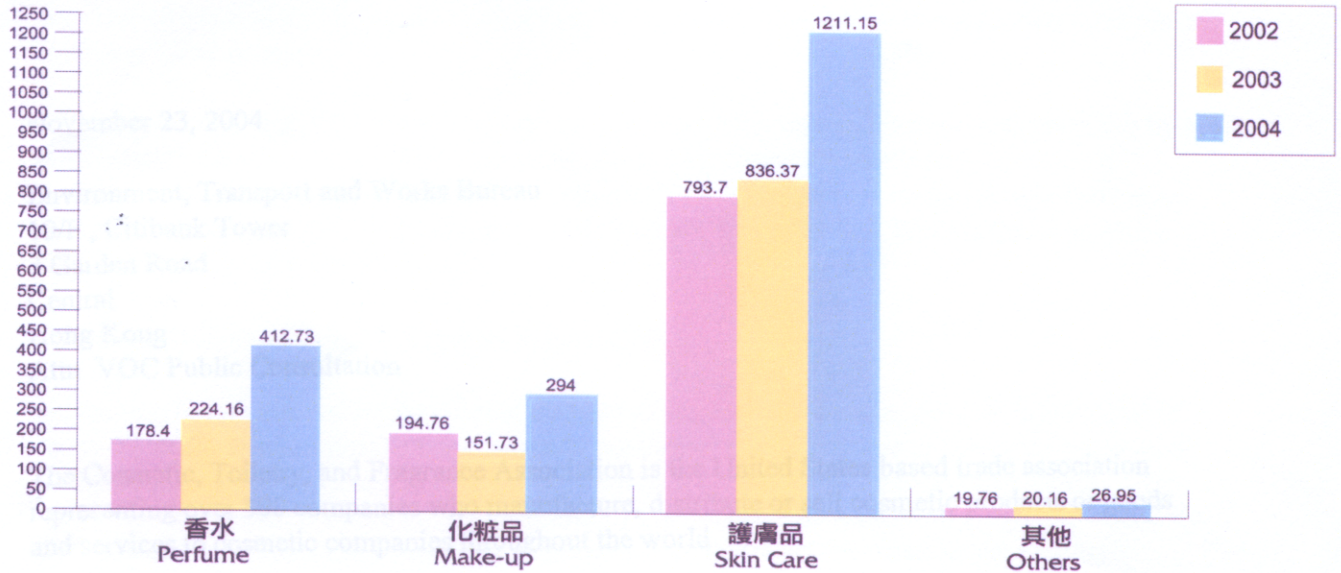
02-04年之首半年香港本地銷售

Hong Kong Domestic Trade Jan-June 02 / Jan-June 03 / Jan-June 04

香港本地市場進口淨值
(入口減去轉口數值)
Hong Kong Domestic Trade
(Import Minus Re-export)

百萬港元(million Hong Kong Dollars)			
	2002	2003	2004
香水 Perfume	178.4	224.16	412.73
化粧品 Make-up	194.76	151.73	294
護膚品 Skin Care	793.7	836.37	1211.15
其他 Others	19.76	20.16	26.95

(in million dollars)



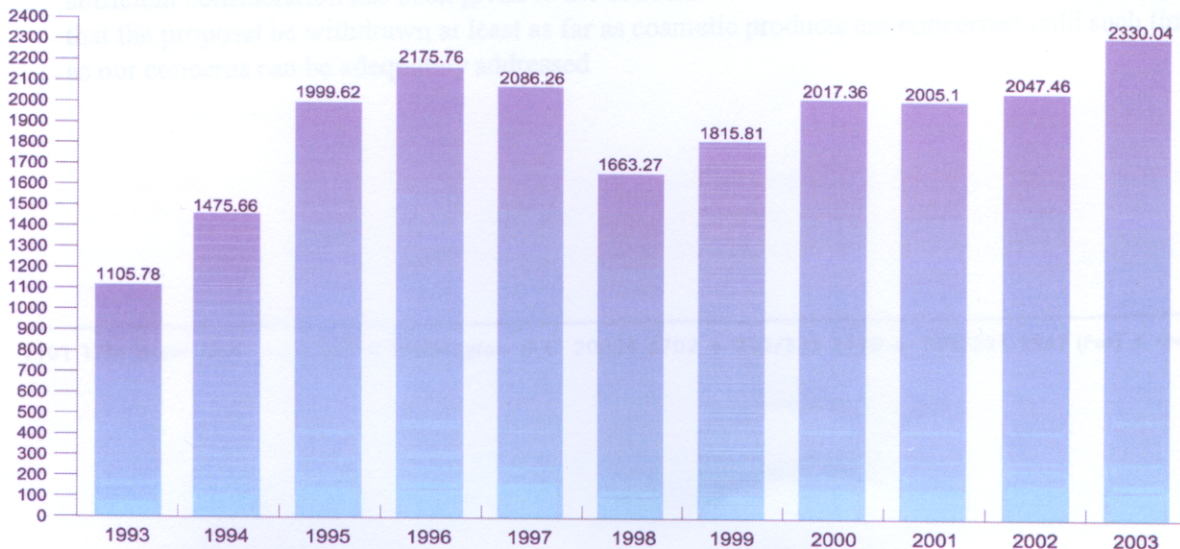
化粧品及護膚品 - 香港本地市場銷售 (1993-2003)

COSMETIC & SKIN CARE PRODUCTS - Hong Kong Domestic Trade (1993-2003)

化粧品及護膚品-香港本地市場進口淨值 (入口減去轉口數值)

Cosmetic & Skin Care products - Hong Kong Domestic Trade Import (Minus Re-export)

		百萬港元(million Hong Kong Dollars)										
		1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
化粧品及護膚品 Cosmetic & Skin Care Products	入口 Import	1517.72	2005.20	2618.71	2852.74	2743.47	2280.40	2335.91	2710.85	2749.41	2900.82	3473.26
	轉口 Re-export	411.94	529.54	619.09	676.98	675.21	617.13	520.10	693.49	744.31	853.36	1143.22
	淨值 Net	1105.78	1475.66	1999.62	2175.76	2086.26	1663.27	1815.81	2017.36	2005.10	2047.46	2330.04



Securing the Industry's Future Since 1894



E Edward Kavanaugh
President

November 23, 2004

Environment, Transport and Works Bureau
10/F, Citibank Tower
3 Garden Road
Central
Hong Kong
Attn: VOC Public Consultation

The Cosmetic, Toiletry, and Fragrance Association is the United States based trade association representing over 500 companies who manufacture, distribute or sell cosmetic products or goods and services to cosmetic companies throughout the world

The CTFA has worked closely with government agencies at both the Federal and State level in the U S in order to address the issue of volatile organic compounds (VOCs). Numerous references are made to the California experience with regard to VOCs and it should be noted that CTFA has been closely involved in the development of the California rules with regard to VOCs. The California rules are the product of many years of experience of what is doable and what are worthwhile mechanisms for accomplishing the goals of limiting VOCs without unnecessary or costly regulatory burdens that have no real impact on the set goals.

It is in this spirit that we offer our comments with regard to the "Proposed Scheme to Require Mandatory Registration and Labeling of the Contents of Volatile Organic Compounds in Specified Products"

In our view, while the purpose of the proposal is laudatory, the proposal is overbroad and in many cases offers solutions which will not advance the goal of limiting VOCs. We do not believe sufficient consideration has been given to the concerns raised in the comments below and request that the proposal be withdrawn at least as far as cosmetic products are concerned until such time as our concerns can be adequately addressed.

STAGE 1 – Mandatory Registration and Labeling Scheme

8. Mandatory Labeling of VOC Contents

No other country or jurisdiction, including the state of California, has required mandatory VOC content labeling for personal care products because of concern that such information may confuse or mislead consumers. It is unlikely that mandating a VOC content number will steer consumers to lower VOC products.

The requirement that VOC content appear on a product label was required several years ago by a U.S. state for a consumer product. However, the state dropped the requirement because it became clear that consumers did not know what a “VOC” was and generally thought that “more is better,” so that a product with a higher VOC number was a “better” product than one with a lower VOC content number.

13. Registration of Specific Product Information

Requiring the pre-market registration of detailed and complex consumer product information is contrary to the trend in jurisdictions currently regulating VOCs which is to lessen the paperwork burden on manufacturers and to give government staff time to concentrate on significant environmental concerns. If a government agency has concerns about compliance, their VOC rule gives them the authority to contact the manufacturer of a product for detailed information.

14. Testing of VOC Contents – VOC Reports

None of the U.S. states with VOC rules and the U.S. Environmental Protection Agency (EPA) national VOC rule do not require the pre-market submission of testing reports for any products. The agencies recognize the huge cost to companies, so have adopted provisions that allow the government to ask manufacturers to substantiate the VOC content in their products if they have concerns about compliance.

15. Labeling

“VOCs Cause Air Pollution” Statement on Label

Requiring such an “air pollution” label on consumer products with VOCs unfairly singles them out while products such as cars emitting VOCs are not required to bear such a label. Also, as manufacturers reformulate consumer products to meet lower VOC standards, why should they be penalized for such progress by having to label their products as polluting?

Registration Number

The mandatory issuance of a registration number and placing it on a consumer product sold in Hong Kong is completely unnecessary and does not give the agency additional, useful information. In fact, the purpose of having a registration number system is not explained in the proposal.

If the EPD has a concern about how to track a product sold in Hong Kong back to a manufacturer, there are less burdensome, existing ways to do that without issuing registration numbers to thousands of consumer products

Finally, nowhere in the US, including California and at the national level with the U S EPA, is there a requirement to obtain pre-market registration numbers for personal care products with VOCs because the government recognizes that it likely could interfere with the timely marketing of a product and is unnecessary to implement an enforceable regulation

16. Reporting of Sales Records

The annual submission of sales information is unnecessary and burdensome for several reasons. First, it is questionable why tracking year-to-year variations of sales is useful if the EPD is going to pursue two Stages of VOC regulation effective 2007 and 2010.

Instead, the EPD should choose one recent year's sales data before the rulemaking begins to have the latest sales trends. Submitting sales data for 2007, 2008 and 2009 requires great effort on industry's part and is not necessary to adopt the EPD's rules.

In addition, any collection of information on a company's sales for a product should be based on a product category (e.g., hairsprays) and not be required for each product with a registration number as is proposed. Aggregating sales information for a product category will provide the agency accurate data without the huge reporting burden in the current proposal. Finally, the proposed rule should include a citation in the EPD rules or statutes that grant protection to Confidential Business Information such as sales data.

17. Offences and Penalties

The proposed imposition of "imprisonment of up to six months for non-compliance" far exceeds a reasonable penalty for what could be a good faith mistake or unfamiliarity with the rule. In the U S, the imposition of significant monetary fines if such environmental laws are not followed and the real threat of not allowing the sale of a company's product has been a very effective tool in enforcing the state and federal consumer product VOC rules.

The EPD proposal justifies imposing criminal penalties such as imprisonment for violation of VOC labeling and registration requirements because there are similar penalties for submitting false information when registering personnel for asbestos work. The comparison is inappropriate because the health and societal harm of violating asbestos laws far exceeds the impact of a VOC labeling or registration lapse.

18. Transitional Period

The proposal states that the registration and labeling requirements should go into effect six months after enactment, but this is not adequate time for manufacturers and importers to comply.

19. Cost Implication

In its current form, the proposal states that the cost impact would be minimal, but in fact, it would impose huge and very significant costs on companies facing the enormous task of re-labeling, registration number waiting periods, submitting testing records for each product and other near impossible requirements

Annex A – List of VOC Containing Consumer Products to be Regulated under the Proposed Registration and Labeling Scheme

One of the product categories listed in the annex is nail polish and polish remover. This category has been exempted from the California VOC rules because it was recognized by California that technical and performance barriers made it impossible to reformulate these products. Some of these barriers included the fact that wearability would be compromised because the wear time would be shortened if substitutes were used. This would increase the frequency of applications, thus thwarting the air quality gains. Longer drying times would result, a consequence that is unacceptable to consumers. There was also concern that alternate technologies could increase consumer and occupational health risks. There were no feasible alternatives and the quality of the proposed alternatives was insufficient in that key performance attributes were lost (i.e. gloss, adhesion, stability, application and durability). For all of these reasons, California exempted nail products from the VOC regulations and we request the same be done with regard to Hong Kong.

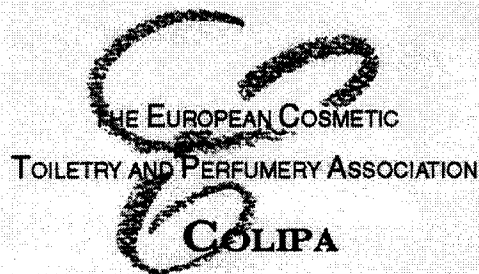
We would be pleased to discuss any of the issues raised in these comments.

Sincerely,



Louis G. Santucci

Vice-president, International



**PROPOSAL FOR A VOLATILE ORGANIC COMPOUNDS (VOCs) SCHEME
IN HONG KONG**

COLIPA COMMENTS

25 November 2004

Colipa, the European Cosmetics, Toiletry and Perfumery Association, was set up in 1962 to act as a voice for the European cosmetic, toiletry and perfumery industry. Colipa membership consists of the national cosmetics industry associations of 23 European Union Member States, 26 major international companies and 9 associated/observer international cosmetics industry associations.

Colipa welcomes the opportunity to comment on the proposed scheme on Volatile Organic Compounds (VOCs) in Hong Kong. Overall, Colipa supports the objective pursued by the proposed scheme, namely the protection of the environment in Hong Kong and the awareness of Hong Kong consumers in relation to VOCs. Nevertheless, Colipa believes that the requirements foreseen in the proposed scheme would impose a very high administrative and economic burden on companies operating on the Hong Kong market. Colipa considers that the proposed requirements are disproportionate to the objectives that want to be attained and they also put in jeopardy the economic environment in Hong Kong. Colipa suggests that a socio-economic impact analysis is made before introducing the proposed VOC scheme in Hong Kong. Also, Colipa believes that any measure taken by the Hong Kong Assembly takes into account the contribution of the sector to the overall air pollution problem.

In addition, in order to achieve the above-mentioned legitimate policy objectives while, at the same time, not imposing a too-high economic burden on companies operating in the Hong Kong market, Colipa calls on the Hong Kong Authorities to consider the following changes to the proposed scheme.

Definition and scope of the proposed scheme

Colipa believes it is of paramount importance to include a technical definition of VOC in the final piece of legislation. Colipa is ready to provide technical assistance in the coming months on this aspect, taking into account the current discussions in the European Union in relation to a possible European Union definition on VOCs for cosmetic products, which are not concluded yet.

Secondly, the proposed VOC scheme would impose certain restrictions on some consumer products (including certain cosmetic products) simply because they fall within the definition of a certain product category without consideration of the amount of VOC actually employed. Colipa strongly believes that it is not proportionate to treat in the same way products that have no or low percentage of VOCs as those that do contain a considerable percentage of VOCs.

In relation to specific product categories, as referred to in Annex A of the proposed scheme, it is worth mentioning that the Californian Air Resources Board (CARB) decided not to include the category of nail polishes in the latest revision of the Californian VOC law. Colipa believes the same approach should be therefore also followed in the proposed Hong Kong VOC scheme.

Labelling requirements

The labeling requirements, as foreseen in the proposed scheme, go much beyond the requirements in other countries. Colipa believes they are disproportionate to the policy objectives that are pursued and that a international benchmark should be made comparing the labeling requirements in other countries.

In particular, Colipa believes there is no need to include on labels neither the warning "*VOCs cause pollution*", nor the exact percentage of VOCs in the product formula, nor the registration number of the product. Public awareness on VOCs and their environmental considerations is a complex technical matter and the information on a product's label cannot convey such information. As an alternative, there are various possibilities much more effective to communicate with consumers on VOCs, such as public awareness campaigns, which do not have such a high risk to mislead consumers.

Testing requirements

Companies responsible for putting products on the market are in a good position to provide the percentage of VOCs in the product formulae as they hold the ultimate technical responsibility on the composition and safety of their products. Colipa believes it is not proportionate to require companies to request external laboratories to carry out an analysis of the percentage of

VOCs in the product formulae as this information is easily available from each producer. Such a requirement would imply high costs on companies. Colipa proposes instead a submission of the percentage of VOCs in the product formula to the Hong Kong Authorities by each individual company. Only in the case that the Hong Kong Authorities consider there is need for a detailed analysis of the percentage of VOCs for a specific product, companies should then be requested to carry out an external analysis of the percentage of VOC in the given product.

Registration system

A system of registration of products creates a lot of paperwork with no added benefit to the consumer. A notification system, whereby cosmetic companies would inform the authorities of the putting on the Hong Kong market of a product should suffice. The notification of the product would include the relevant information on the product formula (percentage of VOCs), which would allow the Authorities to assess the presence or not of VOCs. Authorities may, according to this information, request companies to provide them with further information, upon request.

Fines

Colipa believes the fines included in the proposed scheme are disproportionate to the damage that may be caused by infraction.

* * *

24 November, 2004

TO:
Environment, Transport and Works Bureau
10/F., Citibank Tower, 3 Garden Road
Central, Hong Kong

Fax : 2509 8857

Dear Sirs:

IFRA STATEMENT ON PROPOSED VOC LEGISLATION IN HONG KONG

IFRA, the International Fragrance Association, was founded in 1973 to represent the collective interests of the fragrance industry worldwide. IFRA's primary concern is to ensure the highest level of safety of the ingredients used in the fragrance industry. Its membership comprises national associations of fragrance manufacturers worldwide, including China. IFRA's national member associations cover more than 95% of the total worldwide market for fragrances.

IFRA's Code of Practice is binding on its members and currently comprises more than 100 restrictions called Standards. The Standards ban or restrict the use of fragrance ingredients or set special purity criteria for them. The Code of Practice and Standards are available on IFRA's website (www.ifraorg.org).

The fragrance industry takes consumer health and safety very seriously. Its four-step safety process includes an understanding of the history of materials safely used in fragrances, extensive safety tests by the manufacturers of those materials, thorough testing by the Research Institute for Fragrance Materials (RIFM), and safety tests conducted by the manufacturers of consumer products that these materials enhance.

Having carefully reviewed the proposed regulatory scheme for Volatile Organic Compounds (VOC's) in Hong Kong, IFRA is pleased to offer the following comments.

Overall and consistent with its primary concern for the safety of fragrance ingredients, IFRA supports the basic objective of the regulation to protect the environment in Hong Kong and develop the awareness of its consumers as to the safety of products they use, including VOC's. Nonetheless, in IFRA's opinion, the administrative requirements presently proposed in the draft regulation, would impose an unduly burdensome process on companies operating in Hong Kong, a burden IFRA believes would far outweigh the marginal benefits obtained, especially when such objectives can be procured through other means. Those alternatives have been carefully considered and adopted in other jurisdictions that share the concerns of the Hong Kong authorities in proposing the subject regulations. Therefore IFRA urges the Hong Kong authorities to review the less onerous solutions thus adopted and thereby limit the undue economic hardship on fragrance companies and their customers operating in the Hong Kong market, which would otherwise result from the regulations as proposed.

Definitions of VOC's and Fragrances

IFRA believes that a technical definition of the term 'Volatile Organic Compounds' is needed to help guide the industry in complying with the proposed regulation. Moreover, given the unique properties and intended purpose of those very important components of household and cosmetic products, we believe a clear definition of "Fragrances" should be established to facilitate the exact understanding and implementation of the legislation.

Together with RIFM, IFRA is widely considered to have the broadest scientific knowledge and experience on the safety aspects of fragrances and fragrance ingredients. In that context, it has consulted with many national regulatory authorities worldwide on regulatory matters dealing with the safety and environmental aspects of fragrances and VOC's. This often includes setting up workshops on topics of interests. IFRA would be pleased to conduct such a workshop for the Hong Kong regulatory authorities involved in drafting the subject regulations. This could consist of the presentation and discussion of the scientific and technical information needed to develop and support the public policy decisions required for an effective air pollution control program dealing with fragrances and VOC's, as well as a review of successful alternatives adopted in other countries.

By the nature of their intended function and properties, fragrances must have some degree of volatility in order to be perceived. Regulatory authorities have recognized these important properties and the benefits of fragrances, and as a result, developed and implemented a consistent definition for fragrances from which they may be recognized and regulated in their VOC regulations. For example, in the U.S. state of California, VOC regulations define a fragrance as "a substance or complex mixture of aroma chemicals, naturals essential oils, and other functional components with a combined vapor pressure not in excess of 2 mm of Hg at 20 C, the sole purpose of which is to impart an odor or scent, or to counteract a malodor". The U.S. Federal guideline has a similar definition for a fragrance.

Labeling Requirements

IFRA encourages that the proposed requirements be harmonized with other existing national legislation as they would otherwise impose an unnecessary burden on the fragrance manufacturers and their customers operating in Hong Kong. The Labeling requirements that would be imposed under the proposed regulations exceed those of other similar national regulations, which have achieved the very objectives targeted by the proposed legislation.

Testing Requirements

Fragrance companies already have the responsibility for knowing the exact technical composition and the safety of their products and as such are already fully aware of the percentage of VOC's in their products. The onerous requirement for consumer and cosmetic product companies to have their products tested by external laboratories for the percentage of VOC's, far exceeds any requirement by other national legislation, worldwide. The requirement for external testing, while not offering any additional advantage toward the regulation's purpose, would impose substantially higher costs on the fragrance producers and their customers. The goal of that requirement could be easily achieved by requiring that each company putting a product on the Hong Kong market submit to the local authorities the percentage of VOC's in that product. Should there be reasonable cause for requiring further testing by outside agencies of the VOC percentage contained, this would then be arranged.

IFRA

The fragrance industry cooperates closely with consumer and cosmetic product companies to ensure compliance with similar VOC regulations. For example, in the U.S. state of California, which so far has enacted the most stringent regulation on VOC's, manufacturers are not required to measure VOC's, but instead the regulators regularly spot check products on the market, and conduct analyses of those products to ensure compliance.

Registration Requirements

The proposed registration procedure would not help to advance the legislative purpose while adding significant burden to fragrance companies and their customers. Here again, the goal of the legislation could be easily met by requiring each party putting a product on the Hong Kong market to submit to the appropriate authorities all relevant information on that product, including the percentage of VOC's contained. Should there be a reasonable need for further information, those can then be easily requested and provided.

We look forward to hearing from you.

Yours sincerely,

Richard Boncy
IFRA Executive Director

CC The Cosmetics & Perfumery Association of Hong Kong, Fax +852 2312 0348

Messrs., Environment, Transport and Works Bureau

Nov. 29, 2004

Our comments for “A Proposed Scheme to Require Mandatory Registration and Labelling of the Contents of Volatile Organic Compounds in Specified Products”

We have known your struggle towards the emission reduction program for the improvement of the air quality of the Pearl River Delta Region.

Now we would like to address our comment for “A Proposed Scheme to Require Mandatory Registration and Labelling of the Contents of Volatile Organic Compounds in Specified Products”, addressed on Sep. 22, 2004, as follows;

1. The category of the coverage

In order to improve the air quality, the major source of emission (including both fixed and unfixed sources) should be regulated for the firsthand, and further regulation should be made after that, confirming the effect or result of the first trial. Even in such case, when regulating the commodities for consumers, the products that contain the VOCs, which have higher negative effects on air condition, should be prioritized.

2. Regarding the definition of the VOCs

Since your “A Proposed Scheme to Require Mandatory Registration and Labelling of the Contents of Volatile Organic Compounds in Specified Products” doesn't have clear indication for the target material which corresponds to the VOCs definition, it is rather hard to comment precisely, but we propose to specify the limited material as possible, considering the degree of impact on the air quality

3. Regarding the coverage of VOCs

Under the “List of VOC Containing Consumer Products to be Regulated under the Proposed Registration and Labelling Scheme”(designated consumer products) which is attached to “A Proposed Scheme to Require Mandatory Registration and Labelling of the Contents of Volatile Organic Compounds in Specified Products”, the personal care products are listed from No.24 to No.29.

Regarding these 5 products except No.27, if you assume Liquefied Petroleum Gas and ethanol as VOCs, we do hope to remove them from the target substance, since there is no substitute for these two substances.

Our comments for “A Proposed Scheme to Require Mandatory Registration and Labelling of the Contents of Volatile Organic Compounds in Specified Products”

We have known your struggle towards the emission reduction program for the improvement of the air quality of the Pearl River Delta Region.

Now we would like to address our comment for “A Proposed Scheme to Require Mandatory Registration and Labelling of the Contents of Volatile Organic Compounds in Specified Products”, addressed on Sep. 22,2004, as follows;

1. The category of the coverage

In order to improve the air quality, the major source of emission (including both fixed and unfixed sources) should be regulated for the firsthand, and further regulation should be made after that, confirming the effect or result of the first trial. Even in such case, when regulating the commodities for consumers, the products that contain the VOCs, which have higher negative effects on air condition, should be prioritized.

2. Regarding the definition of the VOCs

Since your “A Proposed Scheme to Require Mandatory Registration and Labelling of the Contents of Volatile Organic Compounds in Specified Products” doesn’t have clear indication for the target material which corresponds to the VOCs definition, it is rather hard to comment precisely, but we propose to specify the limited material as possible, considering the degree of impact on the air quality

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Regarding these 5 products except No.27, if you assume Liquefied Petroleum Gas and ethanol as VOCs, we do hope to remove them from the target substance, since there is no substitute for these two substances.

In addition, regarding No.27, nail polish (collar)/ nail polish remover, your proposed regulation is stricter than the content of VOC regulation in the USA. So, we would also hope you to remove No.27 from the “List of VOC Containing Consumer Products to be regulated under the Proposed Registration and Labeling Scheme”.

4. Regarding the VOC content by amount and the labeling of the warning message
In Japan, there is neither regulation for the amount of VOC content nor responsibility for any labeling.
No problem has been cast by consumers at all so far, in Japan.

Reference: Japan Cosmetic Industry Association is an association of cosmetic manufacturers and established in 1959. The current number of the member is 764.

Best regards,

A handwritten signature in black ink that reads "T. Makino". The signature is written in a cursive, flowing style.

Toshitaka MAKINO
Senior Management Director
Japan Cosmetic Industry Association