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the Administration)

Panel on Food Safety and Environmental Hygiene

Minutes of Meeting
held on Friday, 15 April 2005 at 10:45 am
in Conference Room A of the Legislative Council Building

Members Present : Hon Fred LI Wah-ming, JP (Chairman)
Hon WONG Yung-kan, JP (Deputy Chairman)
Hon Bernard CHAN, JP
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Vincent FANG Kang, JP
Dr Hon Joseph LEE Kok-long
Dr Hon KWOK Ka-ki

Member Absent : Hon WONG Kwok-hing, MH

Public Officers Attending : Item III

Mr Eddy CHAN
Deputy Secretary (Food & Environmental Hygiene)
Health, Welfare and Food Bureau

Mr Vincent LIU
Principal Assistant Secretary (Food & Environmental Hygiene) 2
Health, Welfare and Food Bureau

Mr Gregory LEUNG
Director of Food and Environmental Hygiene

Ms Annette LEE
Deputy Director (Environmental Hygiene)
Food and Environmental Hygiene Department

Dr S F LEUNG
Assistant Director (Fisheries)
Agriculture, Fisheries and Conservation Department

Item IV

Mr Eddy CHAN
Deputy Secretary (Food & Environmental Hygiene)
Health, Welfare and Food Bureau

Miss Vivian KO
Principal Assistant Secretary (Food & Environmental Hygiene) 1
Health, Welfare and Food Bureau

Mr Gregory LEUNG
Director of Food and Environmental Hygiene

Ms Annette LEE
Deputy Director (Environmental Hygiene)
Food and Environmental Hygiene Department

Ms Rhonda LO
Assistant Director (Operations)3
Food and Environmental Hygiene Department

Item V

Mr Eddy CHAN
Deputy Secretary (Food & Environmental Hygiene)
Health, Welfare and Food Bureau

Miss Vivian KO
Principal Assistant Secretary (Food & Environmental Hygiene) 1
Health, Welfare and Food Bureau

Mr Gregory LEUNG
Director of Food and Environmental Hygiene

Dr S P MAK
Deputy Director (Food and Public Health)
Food and Environmental Hygiene Department

Dr Y Y HO
Consultant (Community Medicine)
(Risk Assessment and Communication)
Food and Environmental Hygiene Department

Clerk in Attendance : Mrs Constance LI
Chief Council Secretary (2)5

Staff in Attendance : Miss Betty MA
Senior Council Secretary (2)1

Ms Anna CHEUNG
Legislative Assistant (2)5

Action

I. Date of next meeting and items for discussion
[LC Paper Nos. CB(2) 1230/04-05(01) and (02)]

The Chairman reminded members that a special meeting of the Panel would be held on 26 April 2005 at 10:45 am to receive views from the deputations on the proposed Fisheries Protection (Amendment) Bill. The Chairman said that as it was anticipated that about 60 deputations would attend the meeting to give views on the legislative proposal, the meeting would be extended to end at 1:30 pm to allow sufficient time for discussion. Members agreed.

2. Members also agreed to defer the discussion of the “Study on dietary exposure to lead of secondary school students” to the next regular meeting on 10 May 2005 at 2:30 pm.

3. Mr Tommy CHEUNG suggested that deputations should be invited to give views on the nutrition information labelling scheme at the next regular meeting after discussion at this meeting. The Chairman said that the food industry and concerned organisations could be invited to give views at the meeting on 10 May 2005. Members agreed.

II. Information paper(s) issued since last meeting
[LC Paper Nos. CB(2) 1189/04-05 and CB(2)1285/04-05(01)]

4. Members noted that the Administration had provided the following information papers since the last meeting –

Action

- (a) breakdown of applications for ex-gratia payments under the voluntary scheme for surrender of live poultry retail licences/tenancies by markets and districts, and response on whether Housing Department market stallholders could terminate their market tenancies prematurely if they chose to join the voluntary surrender scheme for live poultry retailers; and
- (b) response to queries raised by members on the tailor-made retraining courses for ex-live poultry retail workers at the special meeting on 7 April 2005.

III Prohibition of abstraction of seawater from specified areas adjacent to the coast

[LC Paper No. CB(2) 1230/04-05(03)]

Proposed prohibition of abstraction of seawater from specified areas

5. The Chairman asked when the Administration planned to introduce the legislative proposal to prohibit abstraction of seawater from specified areas for keeping live seafood into the Legislative Council (LegCo).

6. Deputy Secretary for Health, Welfare and Food (Food and Environmental Hygiene (DS(FEH))) said that according to the data collected by the Environmental Protection Department (EPD) on marine water quality in various locations from 2002 to 2004, the Administration proposed to amend the Food Business Regulation (Cap. 132 sub. leg. X) to prohibit abstraction of seawater from the Victoria Harbour and typhoon shelters, and also along the coast of areas surrounding Hong Kong Island, including Ap Lei Chau and the western side of the New Territories. In short, seawater for keeping live seafood abstracted from the eastern side of the New Territories would be outside the restricted area after the enactment of the legislative proposal. DS(FEH) further said that subject to members' support, the Administration would introduce the legislative proposal into LegCo in the next session.

7. Mr WONG Yung-kan said that the deterioration of marine water quality in various locations in Hong Kong had been discussed for many years. The Administration should consider ways to improve the water quality in these areas, rather than prohibiting the abstraction of seawater from specified areas. Mr WONG expressed concern about the extensive areas to be covered under the legislative proposal. He sought clarification about the definition of shoreline along the western side of the New Territories and whether the coast along Southern Horizon on Hong Kong Island would be designated as specified areas. Mr WONG further asked whether seafood operators in Lau Fau Shan could use well water to keep live seafood after the legislative proposal had come into effect.

Action

8. Referring to a map indicating the specified areas (Annex E of the Administration's paper), DS(FEH)2 said that the entire coast along the western side of the New Territories and Hong Kong Island would be prohibited from abstracting seawater for keeping live seafood. While he acknowledged that the proposal might not be perfect, it sought to encourage seawater suppliers to go farther offshore to abstract seawater, as it was presently a common practice to abstract seawater along the coast.

9. DS(FEH) further said that the legislative proposal would not regulate the use of well water for keeping live seafood. No irregularities were detected as far as the quality of well water used for keeping seafood was concerned. To ensure the quality of water for keeping seafood, Director of Food and Environmental Hygiene (DFEH) said that the Food and Environmental Hygiene Department (FEHD) regularly took water samples from food premises where live seafood was sold. In reply to Mr WONG Yung-kan, DFEH added that FEHD had taken samples of well water in Lau Fau Shan last year.

Admin

10. Mr WONG Yung-kan requested the Administration to provide the test results of the samples taken from well water in the past year. DFEH said that the Administration could provide the requested information after the meeting. He, however, stressed that the test results of samples taken in the past could not reflect the existing water quality.

11. The Chairman asked about the definition of "along the coast" and whether Lei Yue Mun would be included in the specified areas.

12. DS(FEH) responded that when the legislative proposal was introduced into LegCo, the specified areas would be indicated. He said that designation of specified areas would be made on the basis of the water quality. As shown in Annex C of the paper, the level of E coli in waters on the eastern side of Hong Kong waters was within an acceptable range and was therefore not designated as specified areas. DFEH added that the definition of Victoria Harbour was provided in the Interpretation and General Clauses Ordinance (Cap. 1) and that part of Lei Yue Mun would likely fall outside the specified areas.

13. Mr Tommy CHEUNG said that he would not support the legislative proposal as it still failed to ensure the quality of seawater for keeping seafood, especially because it did not control the problem at source, such as the supply and transportation of seawater. Mr CHEUNG pointed out that while seawater suppliers were encouraged to join the voluntary accreditation scheme and to exercise self-regulation to provide reliable seawater supply, enforcement actions would still be taken against seafood operators if the quality of fish tank water did not meet the prescribed standard. Moreover, the seafood kept in the fish tank concerned would have to be destroyed if problems were found with the fish tank water. Mr CHEUNG held the view that the Administration should monitor the entire supply chain of seawater.

Action

14. Mr Tommy CHEUNG further said that the objective of ensuring seawater quality for keeping seafood could be achieved by means of administrative measures. He considered that the Administration should specify the distance from the coast, beyond which seawater suppliers or seafood operators would be allowed to abstract seawater for keeping live seafood. He said that seawater abstracted from the coast, if properly treated, could still be used for keeping live seafood.

15. DS(FEH) said that *Vibrio cholerae* was discovered from time to time in fish tank water used for keeping live seafood, and these incidents had aroused much public concern over the quality and hygiene standard of fish tank water. The proposal to prohibit abstracting seawater from the Victoria Harbour was made in response to Members' calls for safeguarding public health. DS(FEH) further said that the Administration welcomed members' views and suggestions on ways to improve the legislative proposal. As regards the voluntary accreditation scheme for seawater suppliers, DS(FEH) said that the Administration did not rule out the possibility of making the scheme mandatory if there was no improvement to the quality of seawater for keeping live seafood.

16. Principal Assistant Secretary for Health, Welfare and Food (Food and Environmental Hygiene)² (PAS(FEH)²) said that with the accreditation scheme for seawater suppliers and the implementation of the legislative proposal, the whole supply chain of seawater would be put under monitoring. He explained that the legislative proposal would control the quality of seawater at source, while the seawater suppliers and transporters would be monitored under the accreditation scheme, and seafood retailers would be subject to inspection by FEHD.

17. Mr Andrew CHENG expressed support for the Administration's proposal. However, he also expressed concern about the enforceability of the proposal. He said that without a clear definition of how far away from the shore would abstraction of seawater be prohibited, there would be disputes given the long shoreline of Hong Kong. He also pointed out that seawater was not stagnant. If the water quality on the western side of Hong Kong Island and the New Territories was considered not acceptable, the Administration should consider designating the whole area off the coast of the western side of Hong Kong Island and the New Territories as specified areas where abstraction of seawater would be prohibited. In other words, only seawater on the eastern side of the New Territories would be allowed for abstraction for keeping live seafood. He said that such an arrangement would be easier to enforce. He also said that he was inclined to support more stringent measures to ensure the water quality for keeping live seafood, in order to safeguard public health.

18. Mr Vincent FANG said that it would be difficult to specify a distance off the shore for the purpose of regulating the abstraction of seawater, as seawater was not stagnant. To enhance enforcement of the proposed legislation, he was inclined to support Mr Andrew CHENG's suggestion that abstraction of seawater on the eastern

Action

side of the New Territories would be allowed. Mr FANG also asked how the water quality in the Victoria Harbour was monitored if the seawater quality there was not acceptable, and whether the public would be informed if there was improvement.

19. PAS(FEH)2 said that under EPD's routine marine water quality monitoring programme, water samples were taken from monitoring stations around Victoria Harbour regularly. The reported data were released periodically.

20. Dr Joseph LEE expressed support for the Administration's proposal and Mr Andrew CHENG's suggestion. However, he was concerned about the enforceability of the proposal given that abstraction of seawater would be prohibited in an extensive area. He also considered it unfair to the restaurant operators if they would be prosecuted for discovery of *Vibrio cholerae* in fish tank water which was contaminated at source. As regards the legislative proposal, Dr LEE considered that the proposal should provide sufficient deterrence against abstracting seawater from prohibited areas.

21. DFEH acknowledged that there was a certain degree of difficulty in enforcing the proposed legislation. The enforcement staff would have to collect evidence that the seawater abstracted from the prohibited areas would be used for keeping live seafood.

22. Mr Tommy CHEUNG reiterated that the quality of seawater for keeping live seafood could not be guaranteed if the seawater transporters were not brought under the regulatory framework. He urged the Administration to take action to plug the loophole.

Measures to control quality of water for keeping seafood

Accreditation scheme for seawater suppliers

23. DS(FEH) advised that the voluntary accreditation scheme for seawater suppliers was one measure to control the quality of water used for keeping seafood intended for sale for human consumption. The scheme was to promote self-regulation by the trade. DS(FEH) further said that the Administration had earlier selected a suitable accrediting body for the development and implementation of the scheme. The Administration would work with the accrediting body to finalise the details of the scheme for implementation within 2005 after consultation with the trade.

24. Dr KWOK Ka-ki expressed support for the legislative proposal and the accreditation scheme for seawater suppliers. To ensure the water quality at all levels, Dr KWOK considered that the Administration should also introduce a registration system for all seawater suppliers, seawater transporters, seafood wholesalers and retailers.

Action

25. PAS(FEH)2 explained that the seawater suppliers and water delivery vehicles would be monitored under the accreditation scheme for seawater suppliers and they would not be allowed to abstract seawater from prohibited areas. Food premises and retail stalls would continue to be subject to the surveillance and inspection of FEHD.

26. Responding to Dr KWOK Ka-ki's further enquiry, PAS(FEH)2 said that those seafood wholesalers, restaurants and retail shops which sourced seawater from accredited suppliers would display a label on their premises. The Administration would step up publicity on the accreditation scheme upon implementation.

Supply of seawater from Fish Marketing Organisation

27. Mr TAM Yiu-chung said that the coast line of the proposed prohibited areas was very long and the proposal would have great impact on the seafood operators. Mr TAM asked whether the Administration would consider designating locations (which were equipped with filtration and disinfection facilities) for unloading of live seafood, so that treated seawater would be provided to seafood wholesalers and retailers.

28. PAS(FEH)2 said that the Fish Marketing Organisation (FMO) currently supplied treated seawater to seafood wholesalers and retailers at the Wholesale Fish Markets in Aberdeen, Kwun Tong and Cheung Sha Wan. The treated seawater was sold at cost, i.e. about \$15 a tonne, which represented about 1% of the business turnover of the seafood wholesalers.

29. Mr Vincent FANG wondered whether FMO could meet the demand from seafood wholesalers and retailers if all of them were to purchase treated seawater from FMO. Mr FANG further asked about the locations where FMO abstracted seawater for treatment.

30. PAS(FEH)2 said that FMO usually abstracted seawater from areas surrounding the south-western side of Hong Kong Island adjacent to Lamma Island where the water quality was within the prescribed standards. The abstracted water would be further treated before supplying to seafood wholesalers/retailers for keeping live seafood.

Water sampling and surveillance

31. Dr KWOK Ka-ki said that while FEHD normally took water samples for *Vibrio cholerae* testing between May and September every year, FEHD should consider extending the sample-taking period to October as the weather was still warm in October. Dr KWOK asked whether *Vibrio cholerae* was discovered in fish tank water samples collected between October and April.

Action

32. Deputy Director (Environmental Hygiene) / FEHD (DD/FEHD) explained that apart from taking samples from each premise for *Vibrio cholerae* testing between May and September each year, FEHD also implemented a risk-based surveillance programme under which testing for *E coli* was conducted for each premise every eight weeks. If any sample was found to contain *E coli* exceeding 180 per 100 ml, FEHD staff would take follow-up samples for both *E coli* and *Vibrio cholerae* testing. DD/FEHD advised that over 12 000 samples were taken from food premises for *E coli* testing last year, of which some 800 samples required follow-up action. *Vibrio cholerae* was found in five follow-up samples, and 29 samples exceeded the prescribed *E coli* standard of 610 per 100 ml. Appropriate enforcement and follow-up actions were taken and the quality of fish tank water in these food premises were subsequently found acceptable for keeping live seafood.

Admin

33. The Chairman said that seafood traders in Lei Yu Mun and Lau Fau Shan, which were seafood paradise in Hong Kong, expressed grave concern about the impact of the legislative proposal on their operation. He requested the Administration to discuss the implementation details with these traders.

IV Enhanced control measures on the sale of imported chilled meat at retail level

[LC Paper No. CB(2) 1230/04-05(04)]

One licence for one shop proposal

34. At the invitation of the Chairman, Assistant Legal Adviser 4 (ALA4) briefed members on the question whether the proposed amendment of one licence for one shop to the Public Health and Municipal Services Ordinance (Cap. 132) was within the scope of Cap. 132. ALA4 said that the “one licence for one shop” proposal made by the Panel could be considered as one of the possibilities to better promote public health and would therefore be within the scope of Cap. 132. ALA4 further said that the legal advice obtained by the Administration was apparently made on the basis of consumer protection only, whereas the Panel was also concerned about facilitating enforcement of the licensing conditions.

35. The Chairman said that as there was a difference in opinion between the legal advice given to the Panel and that to the Administration, he hoped that the legal advisers concerned could discuss and resolve the differences.

36. DS(FEH) said that the Administration would need more time to study the advice of the legal adviser to the Panel, and the Administration would seek further legal advice on the matter. DS(FEH) further said that the Administration would also consider the Panel’s proposal from the policy perspective, i.e. whether similar arrangement should be extended to the sale of other types of chilled meat. The Administration would revert to the Panel in due course.

Admin

Action

37. Mr Tommy CHEUNG said that he was open-minded on the “one licence for one shop” proposal. He considered that the concern was that the shops or stalls should not be allowed to display chilled meat for sale as fresh meat. Mr CHEUNG further said that as far as he knew, the fresh meat trade would have no strong views on the Administration’s proposal, if the shops concerned clearly displayed a notice that chilled meat was sold at the premises. He said that it was regrettable that the Secretary for Health, Welfare and Food (SHWF) and DFEH had refused to meet the trade representatives to discuss the “one licence for one shop” proposal and the arrangements for selling chilled meat.

38. DS(FEH) responded that SHWF had met with the trades to gauge their views on different proposals on many previous occasions. DFEH said that he had met with the meat traders to discuss the importation of chilled pork from the Mainland. No further meeting had been arranged because there was no progress on the matter.

39. Mr Tommy CHEUNG reiterated that the trade requested a meeting with the Administration to discuss the arrangements for selling chilled meat.

40. Mr WONG Yung-kan expressed disappointment that the Administration might not pursue the “one licence for one shop” proposal. Mr WONG said that the trade had urged for the introduction of one licence for one shop to facilitate the differentiation of chilled pork and fresh pork. The main purpose was to ensure the safety of meat sold and it was not only a matter of consumer protection. Mr WONG considered that if the additional measures proposed in the paper could not deter the unscrupulous traders selling chilled meat as fresh meat, the Administration should pursue the “one licence for one shop” proposal.

Enhanced control measures on the sale of chilled meat

41. Mr TAM Yiu-chung noted from paragraph 4 of the Administration’s paper that since June 2003, FEHD had increased the gravity of sanction against fresh provision shop licensees and FEHD market stall tenants displaying or selling chilled meat as fresh meat. Mr TAM asked about the effectiveness of the existing regulatory measures, such as the frequency of inspections conducted by FEHD, and the number of cases in which FEHD had successfully taken actions against such malpractice. Mr TAM further asked whether there was a telephone hotline for reporting such malpractice.

42. DFEH said that FEHD welcomed reports on the malpractice of displaying or selling chilled meat as fresh meat and would take actions upon receipt of such reports. The public could make reports through FEHD’s hotline. DFEH further said that under the existing regulatory framework, he would cancel the fresh provision shop licence/terminate the market tenancy once such malpractice was discovered. However, in some cases, the licensees/stall tenants concerned had made appeals to the respective appeal tribunals, and had their licences suspended for a period instead.

Action

43. Assistant Director (Operations) 3/FEHD (AD/FEHD) said that the frequency of inspections to fresh provision shops and FEHD market stalls depended on the risk classification of the premises. For premises classified as low risk, inspection took place once every 12 weeks. However, the frequency of inspections would be increased to once every eight weeks and once every four weeks if the risk classifications were regarded as medium and high respectively. She pointed out that retail outlets (including market stalls, fresh provision shops and supermarkets) with permission to sell chilled meat were also subject to FEHD's inspections. AD/FEHD further said that since June 2003, FEHD had taken enforcement actions against over 20 fresh provision shop licensees and FEHD market stall tenants for breaching the licensing/tenancy conditions for selling chilled meat as fresh meat. In these cases, two fresh provision shop licensees had their licences cancelled and five market stallholders had their tenancies terminated. The others either had their licences suspended for a period following appeals made to the appeal tribunals or not proceeded with due to inadequate evidence.

44. Responding to members, AD/FEHD said that under the proposed licensing requirements and tenancy clauses for the sale of imported chilled meat in fresh provision shops and FEHD market stalls selling fresh meat, the licensees and stall tenants were required, among other things, to display a rectangular notice made of acrylic material with sides measuring not less than 40 cm (length) x 30 cm (width) and printed with legible letters "Imported Chilled Meat for Sale" of specified size. The notice should be affixed at a conspicuous and unobstructed location facing the customers at the fresh meat portion. The chilled meat for sale should be placed in display chiller at the shop/stall front for the convenience of the customers.

(Post-meeting note : The Administration subsequently advised that having further consulted the meat trade, it was agreed that the notice should be displayed at a conspicuous and unobstructed location at the entrance facing the customers, and, for supermarkets, the display chiller could be placed on the premises at a location convenient to the customers.)

45. Mr Tommy CHEUNG expressed reservations about the new set of licensing requirements and conditions/tenancy clauses, as the Administration had not fully consulted the trade. The Chairman said that other members of the Panel raised no objection to the proposed additional measures.

46. DFEH said that FEHD would explain the new set of licensing requirements and conditions/tenancy clauses to the meat trade before implementation.

V **Labelling scheme on nutrition information**

[LC Paper No. CB(2) 1230/04-05(05)]

47. The Chairman informed members that he had received a letter from The Hong Kong Food Council Limited, The Chinese Manufacturers' Association of Hong Kong and The Hong Kong Federation of Restaurants & Related Trades requesting to make oral representations to the Panel on the proposed labelling scheme on nutrition information. The Chairman said that as members had earlier agreed that deputations would be invited to attend the Panel meeting on 10 May 2005 to discuss the labelling scheme, these three organisations would be invited to attend the meeting as well. Members agreed.

48. With the aid of powerpoint, Consultant (Community Medicine) (Risk Assessment and Communication)/FEHD (Consultant/FEHD) briefed members on the results of the public consultation exercise and the Regulatory Impact Assessment (RIA), and the proposal for implementing the labelling scheme on nutrition information in Hong Kong. Consultant/FEHD said that having considered the local health situation, views collected during the consultation exercise and results of RIA, the Administration proposed to introduce a labelling scheme in Hong Kong in two phases –

- (a) In Phase I, prepackaged food with nutrient-related claims would need to label energy plus **five** core nutrients and any nutrient for which a claim was made. On enactment of the relevant legislation, there would be a two-year grace period before the implementation of Phase I; and
- (b) In Phase II, all prepackaged food would need to label energy plus **nine** core nutrients and any nutrient for which a claim was made. Phase II would be implemented two years after the implementation of Phase I.

Consultant/FEHD further said that the Administration aimed to introduce the legislative amendments to LegCo in 2006. The Administration would continue dialogue with the industry and the professional sector over the implementation of the scheme, and would develop guidelines for the industry.

(Post-meeting note : The powerpoint presentation materials were circulated to members vide LC Paper No. CB(2)1305/04-05 dated 18 April 2005.)

Implementation timetable

49. Dr KWOK Ka-ki noted from the Administration's paper that the community was generally in support of the labelling scheme on nutrition information. He also noted that according to the cost-benefit analysis of the proposed labelling of energy value and nine core nutrients, the net present value of the benefit to Hong Kong in 20

Action

years' time could amount to \$10 billion. Given the community support and the overall benefit to Hong Kong, Dr KWOK expressed disappointment that the Administration still proposed to implement the nutrition labelling scheme in two phases, with a two-year grace period before the implementation of Phase I. Dr KWOK considered that the Administration was too slow in taking forward the labelling scheme, and Hong Kong had lagged much behind other countries in this respect. While the nutrition labelling scheme would lead to additional costs on the industry, in particular the small and medium-sized enterprises (SMEs), the Administration should consider offering technical assistance or compensation to the industry.

50. DS(FEH) said that the proposed implementation plan was already expeditious. Upon the enactment of the legislative proposal, Phase I would be implemented after a two-year grace period, and Phase II would be implemented two years after implementation of Phase I. Under the revised proposal, it would take about four years to implement the mandatory nutrition labelling scheme, which was one year earlier than the original proposal.

51. DS(FEH) further said that the proposal was to strike a balance between the interests of the public and the food industry. The Administration would discuss with the industry the implementation details and provide technical assistance where necessary.

52. Dr KWOK Ka-ki reiterated that there was no need to implement the nutrition labelling scheme in two phases. He said that after the implementation of Phase I, the industry would have to prepare for the changes required in Phase II, i.e. food products had to be relabelled and re-packaged. It would save the costs to the industry if the two phases were combined into one.

53. DS(FEH) said that during the consultation period, the industry had expressed difficulties in meeting the requirement of labelling "energy plus nine core nutrients". To alleviate the burden on the industry, the Administration decided to adopt a less stringent approach in Phase I. DS(FEH) further said that the revised proposal would allow more lead time for the industry to adapt to the more stringent requirements in Phase II.

54. Consultant/FEHD advised that it was estimated that about 24% of prepackaged foods, which were mainly produced by large-sized enterprises, needed to label energy plus five core nutrients after the implementation of Phase I, and the impact on SMEs would be seen in Phase II as about 99% of prepackaged foods would fall under the mandatory nutrition labelling requirement in this Phase. In short, the impact on SMEs in Phase I was not significant. Consultant/FEHD said that the food industry was mostly concerned about the listing of nutrition information and accuracy of nutrient testing. The Administration would develop guidelines in this respect.

Action

55. Mr Bernard CHAN showed to members two bottles of prepackaged chilli sauce which he separately bought in Hong Kong and the United States (US). Mr CHAN said that although the chilli sauce was produced by the same manufacturer in Hong Kong with the same packaging, the one sold in US had labelled all the nutrient information while the one sold in Hong Kong did not show such information. He wondered whether the manufacturer in Hong Kong was only providing such information for their overseas markets. Mr CHAN considered that many manufacturers in Hong Kong were already able and ready to label the nutrition information on their products, and the two-year grace period was too long. As mandatory nutrition labelling would be implemented in Phase II, Mr CHAN asked whether the Administration would consider ways to encourage manufacturers to comply with the Phase II requirements as early as possible. He stressed that the nutrition information was important to enable consumers to make informed choices which were best to their health.

56. DS(FEH) agreed that the one-step approach would save the re-labelling costs. However, the food industry held the view that it would be easier for them to prepare for the changes and meet the requirement, if the proposal was implemented in two phases. The two-year grace period would also allow time for the traders to clear their existing stocks, as the shelf-life for most prepackaged food was two years. DS(FEH) added that the labelling requirements in some overseas countries were somewhat different from the proposed requirements for Hong Kong. For example, in US, the content of energy and nutrients were expressed in per serving of food, whereas these content would be expressed in per 100g of food in Hong Kong.

57. Mr Bernard CHAN said that he believed that food products manufactured locally would not need two years to sell all their existing stocks, and a two-year grace period was not necessary for implementation of Phase I. While he acknowledged that there might be problems for some imported food products to comply with the labelling requirements, he considered that the Administration should encourage those companies to comply with the nutrition labelling requirements once they were ready, without having to wait after two years.

58. DS(FEH) said that the local manufacturers would have less problems in complying with the nutrition labelling requirements. However, some SMEs, particularly importers of niche products, might need time to adjust to the new requirements. DS(FEH) further said that the Administration welcomed the industry to implement the Phase II requirements during Phase I or even earlier.

59. Mr Vincent FANG said that while the industry supported the nutrition labelling scheme for safeguarding public health, the industry considered the proposed labelling of nine core nutrients too stringent, as the World Health Organization only recommended the labelling of energy and four core nutrients. The industry also suggested that the grace period for Phase I should be extended to three years to tie in

Action

with the expiry period of certain food products, and there was no need for implementation of Phase II.

60. DS(FEH) explained that the Codex Alimentarius Commission (Codex) had recommended that the nutrition labelling scheme should cover at least the energy value and amounts of protein, available carbohydrate and fat. Individual countries could add other nutrient information to be included on food labels, which were considered to be relevant for maintaining a good nutritional status, by way of national legislation. Some countries (such as US) required the labelling of information on 14 nutrients. He stressed that Phase I would cover prepackaged food with nutrient-related claims only. Existing products that carried nutrition information but without claims would be excluded in Phase I. DS(FEH) reiterated that as far as nutrition labelling was concerned, Hong Kong lagged much behind other countries, and the proposed labelling requirements were reasonable.

61. Mr Andrew CHENG said that the community was in support of the implementation of a mandatory labelling scheme as soon as possible. However, the industry would not take action to comply with the labelling requirements until the scheme was made mandatory. To safeguard public health, the Administration should adopt a determined approach to implement the scheme in one-go. Assuming that the legislative proposal would be introduced into LegCo in the 2005-2006 session and taking into account the time for scrutinising the relevant legislative proposal and the grace period, it would take an unduly long time for the scheme to be fully implemented. As similar labelling requirements were already adopted in neighbouring places, Mr CHENG strongly urged that the Administration should expedite the legislative timetable and introduce the scheme in one-go.

62. Dr Joseph LEE said that nutrition labelling was introduced to promote healthy eating, and also to save healthcare costs and human lives. It was a waste of time to implement a nutrition labelling scheme in two phases. Dr LEE further said that if the shelf-life of food products was normally three years, the Administration could simply extend the grace period to three years before the full implementation of requiring labelling of energy plus nine core nutrients for all prepackaged food. He urged that the Administration should introduce the legislative proposal as early as possible, so as to enable consumers to make informed choices on food which were best to their health.

63. The Chairman said that Members belonging to the Democratic Party considered the three-year shelf-life of food products should not be a reason for deferring implementation of the scheme. The Chairman further said that as LegCo needed time to scrutinise the legislative proposal and there was a two-year grace period before the implementation of Phase I, the existing stock could be cleared well before expiry of the shelf-life. The Chairman further said that as Hong Kong lagged behind other overseas places in introducing nutrition labelling requirements, the Administration should expedite the introduction of the scheme.

Costs on industry

64. The Chairman asked whether compensation would be offered to those SMEs which would close down because they were unable to meet the additional costs arising from the implementation of the nutrition labelling scheme.

65. DS(FEH) said that food manufacturers, retailers and importers had the responsibility to ensure that their food products were safe for human consumption. The food products for local sale were already required to have labels for consumers' information. In view of this, the Administration did not consider it necessary to provide compensation to those who were unable to meet the costs of attaching labels onto their food products to provide nutrition information. The Administration would discuss with the industry, and provide technical advice where necessary, to assist them to comply with the nutrition labelling requirements.

66. Mr Tommy CHEUNG said that while the nutrition labelling requirements would offer more information of food products to facilitate consumers to make their food choices, the Administration should also let the public know that the scheme would possibly increase the costs of food products and eventually the costs might be transferred to consumers. The Administration should also ascertain whether the industry could comply with the requirements. Mr CHEUNG further said that Members belonging to the Liberal Party held the view that Hong Kong should not move ahead of the Mainland in implementing labelling requirements for food products. Mr CHEUNG asked when the Mainland would implement its labelling requirements and whether they were the same as those proposed in Hong Kong. Mr CHEUNG further asked about the labelling requirements adopted internationally. He considered that the labelling requirements in Hong Kong should not be more stringent than those adopted by other countries. He urged that the Administration should provide such information to the industry and the public.

67. DS(FEH) responded that the consultation paper on nutrition labelling had set out the international labelling requirements on core nutrients and the possible increase in costs on the industry. DS(FEH) said that the Codex guidelines suggested the labelling scheme should cover at least the energy value and amounts of protein, available carbohydrate and fat. The guidelines also recommended the inclusion of the amount of any other nutrient considered to be relevant for maintaining a good nutritional status, as required by national legislation. DS(FEH) further said that the labelling requirements in some other countries were listed out in Table 1.1 of the Executive Summary attached to the Administration's paper. DS(FEH) added that the Mainland had published a consultant document proposing that energy plus eight core nutrients should be included in food labels.

Action

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68. Mr Tommy CHEUNG said that given that Mainland was our major food supplier, the proposed nutrition labelling scheme in Hong Kong should synchronise with that in the Mainland. At Mr Tommy CHEUNG's request, DS(FEH) agreed to provide information on the Mainland's consultation document after the meeting.

(Post meeting note : The Administration subsequently advised that the nutrition labelling proposal in the Mainland was available at the website : http://www.moh.gov.cn/public/open.aspx?n_id=8606&seq=0. The relevant information is downloaded and circulated to members on 4 May 2005 vide LC Paper No. CB(2) 1449/04-05.)

69. Mr TAM Yiu-chung said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the Administration's proposal. Noting that the costs of the labelling requirements might lead to the closure of up to 191 small businesses according to the RIA results, Mr TAM asked about the possible impact on employment. Mr TAM also asked whether the laboratory facilities in Hong Kong could meet the demand for additional laboratory tests after implementation of the scheme.

70. Consultant/FEHD responded that RIA did not study the costs associated with employment arising from the scheme. He said that the SMEs impacted mainly referred to those businesses employing less than 20 employees. As regards laboratory facilities, Consultant/FEHD said that local laboratories were already conducting nutrient testing, and they had indicated that there were sufficient laboratory facilities to cope with the demand. These laboratories were also prepared to expand their business, if necessary. DS(FEH) added that it was envisaged that the impact on SMEs would surface four years later upon implementation of Phase II. However, the economic situation might have changed by that time.

71. Mr Vincent FANG expressed concern about the re-labelling costs for the industry to adopt the Phase II requirements. He considered that to reduce additional costs on the industry, it was more appropriate to implement only Phase I of the scheme. Mr FANG said that since labelling requirements had been put in place in overseas places, he could not see why labelled food products imported from these places could not be sold in Hong Kong without re-labelling. Mr FANG further said that the cost-benefit analysis carried out under the RIA suggested the benefit to the economy in 20 years' time. The time frame was too long to provide an accurate forecast.

72. DS(FEH) said that the Administration was aware that there would be additional costs on the industry for complying with the labelling requirements in two phases. However, labelling of energy plus four core nutrients in Phase I would still give rise to

Action

additional costs on the industry. DS(FEH) reiterated that the Codex guidelines also recommended the inclusion of the amount of any other nutrient considered to be relevant for maintaining a good nutritional status, as required by national legislation. DS(FEH) explained that the RIA was carried out in accordance with the international practice to study the nutrient labelling requirements in Hong Kong having regard to the local health situation. Against this background, the Administration proposed to introduce a nutrition labelling scheme in Hong Kong in two phases.

73. The Chairman said that members expressed divergent views on the proposal. The Panel would meet with deputations to further discuss the proposed nutrition labelling scheme at the next meeting on 10 May 2005.

VI Any other business

74. There being no other business, the meeting ended at 1:00 pm.

Council Business Division 2
Legislative Council Secretariat
31 May 2005