

**LEGISLATIVE COUNCIL
PANEL ON ENVIRONMENTAL AFFAIRS**

Overseas Experience on Plastic Shopping Bag Reduction

This paper provides supplementary information on overseas experience on plastic shopping bag reduction, in response to Members' request at the Panel meeting on 28 May.

OVERSEAS EXPERIENCE

2. The indiscriminate use of plastic shopping bags is not a unique phenomenon in Hong Kong. Overseas jurisdictions have adopted a wide range of measures to tackle the problem. These measures can be broadly divided into four categories, namely -

- i) environmental levy at the retail level;
- ii) environmental levy at the manufacturing and import level;
- iii) ban on plastic shopping bags; and
- iv) voluntary reduction approach.

Environmental Levy at the Retail Level

Ireland

3. Ireland introduced an environmental levy of EUR 0.15 (HK\$ 1.5) at the retail level in March 2002. Its objective is to address the littering problem and discourage the use of plastic shopping bags. Plastic shopping bags used for carrying fresh food, pre-sealed packaging bags and reusable plastic shopping bags sold for not less than EUR 0.7 (HK\$ 7.0) are exempted from the levy. The environmental levy is collected through the valued added tax (VAT) system and deposited into an Environmental Fund.

4. Before the introduction of the levy, the plastic shopping bag usage in Ireland was about 0.9 bag/person/day. After the introduction of the levy, the plastic shopping bag usage dropped by 95% in the first year. In subsequent years,

the usage slightly rebounded, but was still 90% below the pre-levy level¹. To maintain the effectiveness of the levy, Ireland has recently decided to revise the levy upwards to EUR 0.22 (HK\$ 2.2) in July 2007.

Taiwan

5. Taiwan introduced its “Restricted Use Policy On Plastic Shopping Bags” in 2002. The scheme involves two elements -

- i) ban on plastic shopping bags with thickness less than 0.06 mm; and
- ii) environmental levy at the retail level.

The scheme was introduced in two phases, with “Phase I” covering Government departments and agencies, schools and public hospitals; and “Phase II” covering department stores, shopping malls, warehouse stores, supermarkets, convenience stores, fast food chains and restaurants with storefronts.

6. The scheme does not mandate a particular level of levy. Retailers usually set the levy in the range of NT1 - NT3 (HK\$ 0.23 – HK\$ 0.69) per plastic shopping bag. The levy collected is retained by retailers themselves. Plastic shopping bags for carrying perishable goods and pre-sealed packaging bags are exempted.

7. Before the introduction of the levy, the plastic shopping bag usage in Taiwan was about 2.5 bags/person/day. After the introduction of the levy, the plastic shopping bag usage dropped by 80% in the first year, but slightly rebounded subsequently². The minimum thickness requirement has led to an increase in plastic bag waste in certain sector. The Taiwan Environmental Protection Agency had therefore exempted restaurants with storefronts from the scheme since June 2006.

Environmental Levy at the Manufacturing and Import Level

Denmark

8. Denmark introduced a series of “green” taxes in 1994, covering amongst others, plastic bags. The objective is to reduce waste through the “polluter pays” principle. Manufacturers and importers of plastic bags are required to pay a tax based on the weight of plastic bags. Retailers, in turn,

¹ Source: <http://www.environ.ie/en/Environment/Waste/PlasticBags/News/MainBody,3199,en.htm>

² Source: <http://ww2.epa.gov.tw/enews/Newsdetail.asp?InputTime=0920627163727>

buy plastic bags at tax-loaded prices. Retailers are *not* required to pass on the tax to their customers, but some retailers, especially supermarkets, have used the tax as a lever to charge consumers for plastic bags.

9. The current tax rate on plastic bags is 22 DDK (HK\$27.5) per kilogram. The tax forms part of the general revenue. It was reported that the distribution of plastic bags dropped by about 60% with the introduction of the tax, but went up gradually as the current tax rate remained unchanged since 1998.

South Africa

10. South Africa imposed a ban on plastic bags with thickness of less than 0.024 mm in May 2003, followed by an environmental levy of R 3 cents (HK\$0.04) per plastic bag at the manufacturing and import level in May 2004. Retailers are *not* required to pass on the levy to their customers. Part of the revenue is injected into a non-profit making joint-venture company for pursuing environmental initiatives. There is no data on the effectiveness of the scheme.

Malta

11. The Malta's Eco-Contribution Act, effective in January 2005, imposes an Eco-Contribution Tax on manufacturers and importers at Lm 0.06 (HK\$1.3) per plastic bag and Lm 0.01 (HK\$0.22) per degradable plastic bag. The levy is collected by the VAT Department and is used for general waste management. There is no data on the effectiveness of the scheme.

Ban on Plastic Shopping Bags

San Francisco

12. The plastic shopping bag usage in San Francisco is about 0.2 bag/person/day. The San Francisco City Government proposed to introduce an environmental levy of US\$ 17 cents (HK\$ 1.30) in January 2005 to reduce the plastic shopping bag usage. The proposal was withdrawn due to the objection from the trade. Instead, the City Government signed a voluntary agreement with major supermarkets in November 2005 to reduce 10 million plastic bags by December 2006³. Yet, it was reported that the target was not met⁴. In March 2007, a piece of legislation was passed to mandate the use of recyclable paper bags, compostable plastic bags or reusable checkout bags at supermarkets and

³ Source: http://www.sfenvironment.org/our_sfenvironment/press_releases.html?topic=details&ni=118

⁴ Source: http://www.sfenvironment.org/our_sfenvironment/news.html?topic=details&ni=32

pharmacies⁵.

Voluntary Approach

Australia

13. The plastic shopping bag usage in Australia is about 1 bag/person/day. Australia adopted a voluntary approach in October 2003 when a Code of Practice for the Management of Plastic Bags was agreed between the Australian Retailers Association and the Environment Protection and Heritage Council (EPHC). The Code required 90% and 25% participation rates for supermarkets and no-supermarkets respectively, and set out a 50% reduction target and a 50% recycling rate to be achieved by end 2005. It was reported that a reduction of 45% and a recycling rate of 14% were achieved, and 19% of non-supermarkets signed onto the Code, hence falling short of the targets⁶. In January 2007, the EPHC issued a public consultation document on plastic shopping bag reduction, with options including extension of the Code of Practice, a levy on plastic shopping bags and a complete ban.

Environmental Protection Department
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⁵ Source: <http://www.sfgov.org/site/uploadedfiles/bdsupvrs/ordinances07/o0081-07.pdf>

⁶ Source: http://www.ephc.gov.au/pdf/Plastic_Bags/ANRA_Report_to_EPHC_Chair_22_May_2006.pdf