

Submission on Nutrition Labelling
by the Hong Kong General Chamber of Commerce
2 May 2008

We fully support the protection and promotion of public health – it is an important part of sustainable development which the Chamber champions; hence we do not oppose a legislative approach to nutrition labeling.

In considering the government's mandatory "1+7" nutrition proposal, our starting point is that an effective regime is not achieved by over-regulation, but rather, there should be a combination of light-handed regulation, business-friendly compliance, and effective public education. We note that there are concerns from among our members and from the retail sector that the present proposals may not achieve that.

The main concern is with the apparent attitude of "the more stringent, the better", both in the design and the implementation of the legislation. The scheme as proposed by the government appears far more stringent than the claim-based nutrition "1+3" Codex guidelines issued by the World Health Organisation. We have been advised by retailers that the scheme as currently devised means that products with claims that are imported from USA will need to be re-labelled even though USA has the most strict nutrition labelling scheme in the World.

By introducing an exemption for products that sell less than 30,000 units per year, the government recognises that it is not viable economically to test and re-label these products. We support the government's proposal in this regard.

However, we have doubts regarding the proposal to exclude from the small volume exemption products that make nutrition claims. Products that are fully compliant with nutrition labelling requirements in other jurisdictions, e.g. the US and the EU, have to be relabelled. Such an application of the law is, in our view, too mechanical and unnecessary. It will have adverse impacts on Hong Kong consumers and traders (both exporters and importers) of food products. More importantly, some exporters may simply stop supplying healthier products to Hong Kong, a small market by any global standards. This defeats the purpose of safeguarding consumer welfare and health, as the consumer will have less choice to healthier products which hitherto have complied with recognised international standards of regulation.

There are real impacts on commerce and on development of some key industries of Hong Kong, given Hong Kong's important place in the global supply chain. The impact of the new regulation on Hong Kong's competitiveness in the logistics industry and in the supply chain services sectors will thus need to be further examined, over and above the impact on the trading sector and the consumer market.

The Chamber would therefore call for further moderation in the design of the legislation, and greater flexibility in its implementation. The practitioners have proposed to include within the small volume exemption products that make nutrition claims and we ask the Legislative Council and the Administration to give full consideration to this request.

We urge the Administration to give due weight to these considerations in taking the legislative proposals forward.