

立法會
Legislative Council

LC Paper No. CB(2)2503/07-08(02)

Ref: CB2/PL/FE

**Meeting of Panel on Food Safety and Environmental Hygiene
on 8 July 2008**

Background Brief prepared by Legislative Council Secretariat

Regulation and labelling of genetically modified food

Purpose

This paper summarizes the discussions by Members since 2000 relating to the need for a regulatory and labelling system for genetically modified (GM) food in Hong Kong.

Background

Labelling requirements of GM food in overseas places

2. There is currently no international consensus on labelling of GM food or a GM food testing protocol. The United States and Canada only require labelling of GM food that is substantially different from its conventional counterpart in terms of composition, nutritional value and allergenicity. However, the food trade may label other GM foods on a voluntary basis.
3. Australia and New Zealand require labelling of all GM food if any ingredient therein contains more than 1% GM material. However, all GM food products are required to be labelled in countries of the European Union (EU). Food products which contain authorized genetically modified organisms above a threshold of 0.9% should also be labelled.
4. In Asia, Japan and the Republic of Korea require labelling of certain food products which contain the most common GM agricultural products, such as corn and soybean, as major ingredients. The threshold adopted by Japan is 5% and Korea 3%.
5. In Hong Kong, there is presently no requirement to label the GM content of pre-packaged or other types of food.

Public concerns

6. Green groups, the Consumer Council (CC) and some members of the public have called for the labelling of GM food to provide more information for consumers. Public concerns about GM food are mainly -

- (a) GM food may cause allergic reactions and antibiotic resistance;
- (b) GM food may bring irreversible damage to the environment such as unintended modification of other species in the neighbouring fields of GM crops due to cross-pollination; and
- (c) religious and vegetarian groups are worried that they may consume food containing genes from animals which they do not eat for religious or other reasons.

Motion debate at the Council meeting on 5 January 2000

7. On 5 January 2000, the Legislative Council (LegCo) passed a motion urging the Government to introduce a mandatory labelling system for GM food, conduct tests on GM food for sale locally and enhance consumers' knowledge of GM food.

Consultation Paper issued by the Administration

8. On 26 February 2001, the Administration issued a "Consultation Paper on Labelling of Genetically Modified Food". Public views were specifically sought on a number of issues, including -

- (a) whether a voluntary or a mandatory labelling system, or a phased programme of both, should be introduced;
- (b) whether the labelling system should be restricted to prepackaged food ; and
- (c) whether the threshold of GM content should be set at 5% or lower.

Discussions by the Panel on Food Safety and Environmental Hygiene

The Administration's Consultation Paper

9. The Administration briefed the Panel on Food Safety and Environmental Hygiene (the Panel) on the Consultation Paper on 26 February 2001. The Administration advised that there was no scientific or medical evidence to date to suggest that GM food was unsafe for human consumption. The

Administration also pointed out that any labelling system to be introduced would have implications on food supply and cost for the food trade.

10. The Panel held another meeting on 28 May 2001 to further discuss the proposals in the Consultation Paper. The Panel expressed support for putting in place a labelling system for GM food as soon as possible to enhance consumer information. While members did not oppose a voluntary labelling system in the initial stage of implementation, some members considered that a mandatory system should be introduced after a grace period of 18 months. Hon Tommy CHEUNG suggested that a threshold of 5% could be introduced initially and lowered to 3% gradually. However, some members suggested that a more stringent threshold of GM content, say 1%, should be set.

11. Members also requested the Administration to strengthen publicity and public education on GM food. They were concerned about the enforcement aspect of the system, such as which party should be held responsible for the accuracy of information on the GM content on a food label. Hon SIN Chung-kai suggested that the Administration should consider issuing a White Bill on GM food labelling to facilitate the collection of public views.

Outcome of the public consultation

12. The Administration briefed the Panel on the outcome of the public consultation exercise at the meeting on 28 January 2002.

13. According to the Administration, the majority of views collected during public consultation was in support of mandatory labelling, and that the presence of GM content in any ingredient of a food product above a threshold should be labelled. All the professional medical bodies that had expressed views on the Consultation Paper also supported the proposal that there should be additional labelling for GM materials with significantly different characteristics from their traditional counterparts.

14. However, the trade was concerned that additional costs would be incurred for compliance with the mandatory labelling requirements. Moreover, if the GM food labelling system in Hong Kong would be very different from those implemented in other markets, overseas food manufacturers might simply give up the Hong Kong market because Hong Kong was a very small market for them. The Administration therefore proposed to conduct an economic assessment on the different options, including the impact on each sector of the food trade and on food prices, and the resource implications for implementation.

15. Some members considered that a mandatory labelling system should be put in place as soon as possible, given that the majority of views collected in the public consultation exercise was in support of conducting a mandatory system. Nevertheless, the Panel did not raise objection to the proposed economic assessment in order to fully evaluate the impact on the food trade.

Findings of the economic assessment

16. The Administration briefed the Panel on the findings of the regulatory impact assessment (the RIA) at the meeting on 20 March 2003. The Panel noted that, according to the RIA, there would be no increase in cost to the food trade if a voluntary labelling system was adopted. There would be some increase in costs (ranging from \$16 million to \$91 million) to the food trade if a mandatory labelling system was implemented. The cost implications to the small to medium enterprises would be significant because they would have difficulties in complying with the requirements, including difficulties in securing contractual agreements with product manufacturers with regard to the product's GM status. The RIA also identified some barriers to implementation, such as the lack of international consensus of GM labelling and testing, and the lack of international standards on Identity Preservation and documentation systems for certifying the GM content of products.

17. Having considered the RIA report and the need to address the issue of safety of GM foods in future, the Administration proposed that it would be appropriate to introduce a pre-market safety assessment requirement for GM ingredients, to be supplemented by a system of voluntary labelling.

Views of the Panel and depositions

18. The Panel held two meetings on 20 March and 29 April 2003 to gauge the views of the food trade and organizations concerned on the RIA and the Administration's proposal to introduce a voluntary labelling system and a pre-market safety assessment requirement for GM ingredients.

19. The green groups and CC supported the introduction of a mandatory labelling system for GM food as soon as possible. Greenpeace considered that a voluntary labelling system would mean maintaining status quo because many food importers would not voluntarily label their products as containing GM ingredients. CC also pointed out that there was consensus internationally on the need for the labelling of GM food, although there were differences in their labelling systems. These depositions were of the view that the costs on the food trade for complying with the mandatory labelling requirements were not that significant, given that the cost would spread over a long period of time, and it would cost more to the food trade if some of the GM products were subsequently found unsafe for human consumption. Some organizations also urged the Government to include seeds and animal feeds in the regulatory system for GM food.

20. Organizations representing the food trade were generally in favour of a voluntary labelling system, and requested a gradual implementation approach. They also expressed concern about the additional costs for safety assessment and repackaging, the lack of international consensus on the threshold for labelling of GM food, difficulties in tracing the origin of the GM content in ingredients, and availability of testing facilities in Hong Kong.

21. The majority of members expressed support for introducing a mandatory labelling system for GM food in order to safeguard public health and protect consumers' interest. They shared the views of some deputations that the food trade should be able to comply with the labelling requirements given that many exporting countries already adopted GM food labelling and the additional costs of \$91 million to the industry was not very significant. The Panel passed a motion at the meeting on 20 March 2003 urging the Administration to draw reference to the experience of the EU countries and introduce expeditiously legislation to set up a mandatory GM food labelling system.

22. A delegation of the Panel visited Australia and Japan in 2003 and 2004 respectively to better understand the food regulatory systems in these countries. During these visits, members also exchanged views with the organizations concerned on the implementation of GM food labelling in their countries. An extract of the observations of the delegations is in **Appendix I**.

23. When discussing with the Administration the monitoring of the sale of GM food in Hong Kong at the Panel meeting on 9 May 2006, some members expressed dissatisfaction about the slow progress made by the Administration in introducing a mandatory system for GM food. The Administration responded that the Administration's proposal to draw up guidelines for voluntary labelling of GM food was the first step moving towards establishing a labelling regime for GM food. The Administration would review the effectiveness of the voluntary labelling system after 12 months and decide whether further steps such as mandatory labelling should be taken.

The Administration's proposed guidelines for voluntary labelling

24. The Administration briefed the Panel on the proposed guidelines on voluntary labelling of GM food on 13 June 2006. According to the proposed guidelines, the trade would be required to list out the ingredients of a food product which contained GM materials on a voluntary basis. Members noted that the threshold level applied in the guidelines for labelling purpose was 5%, in respect of individual food ingredient. Additional declaration on the food label was recommended when significant modifications to the food had taken place. However, negative labelling was not recommended for food of which no GM varieties had been produced, as it would be misleading to consumers.

25. The majority of members was dissatisfied with the slow progress in introducing a mandatory labelling system for GM food, and urged the Administration to expedite the introduction of a mandatory labelling system for food. They requested the Administration to review the effectiveness of the voluntary labelling system for GM food after a period of implementation and revert to the Panel on the review result. Some members expressed doubt as to whether the food trade would adopt the guidelines on labelling of GM food given that it was voluntary in nature; they were also concerned that the food trade would adopt negative labelling without providing proof.

26. Mr Vincent FANG pointed out that the food trade did not object to the introduction of a labelling system for GM food, but was concerned about the additional costs involved. Mr Tommy CHEUNG also cautioned that the Administration should be careful in deciding whether to introduce a mandatory labelling system for GM food. He was concerned that food choices would be reduced if a mandatory labelling of GM food was introduced in Hong Kong, given that most of the food sold at local market was imported.

27. The Administration reiterated that the international community had yet to reach a consensus on the labelling of GM food, and the introduction of a mandatory labelling in Hong Kong would increase cost and affect the business environment for the trade. It was considered more appropriate to adopt a pragmatic approach by implementing a voluntary labelling system as the first step. The Administration would encourage the trade to implement the voluntary labelling system and review its effectiveness after a period of implementation. As regards the concern on negative labelling, the Administration pointed out that the information provided on food labels should be in compliance with the relevant food labelling requirements in existing legislation, and false declaration was liable to prosecution.

Recent developments

28. The Administration will brief the Panel on 8 July 2008 on the regulation and labelling of GM food.

Relevant papers

29. A list of relevant documents and relevant motions/questions moved/raised at Council meetings is in **Appendix II** for members' easy reference. The documents and Council questions are available on the Council's website at <http://www.legco.gov.hk/english/index.htm>.

Council Business Division 2
Legislative Council Secretariat
3 July 2008

**Extract from the report of the delegation of
the Panel on Food Safety and Environmental Hygiene
to study the food regulatory systems in Australia
from 20 to 25 July 2003**

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Chapter 7 : Observations

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Testing of GM food

7.7 There are several laboratories in Australia which provide GMO testing services for industries and organizations. The delegation is given to understand that with advance technology, it is now possible for the PCR testing to identify the presence of up to 0.1% DNA in food (paragraph 4.26).

7.8 According to Australia's recent GM food labelling survey (paragraphs 4.16 to 4.24), the large food businesses surveyed have put in place management systems (documentation and testing) to demonstrate the GM status of ingredients used in their products, but the smaller food businesses do not have such systems and they generally rely on the information provided by suppliers. The survey report also suggests that document survey is a useful tool to regulatory authorities as an alternative to expensive laboratory testing in determining compliance or non-compliance with the GM labelling requirements.

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**Extract from the report of the delegation of
the Panel on Food Safety and Environmental Hygiene
to study the food regulatory systems in Japan
from 15 to 21 January 2004**

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Chapter 9 - Observations

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Food labelling

9.6 The delegation has noted that food labels in Japan provide very comprehensive information on the ingredients and their quantities. There are also detailed guidelines and standards on food labelling such as those related to nutrition claims (paragraphs 4.5 to 4.8 and Appendix VII). According to government officials in Japan, the five core nutrients subject to mandatory labelling were selected after a survey on the health conditions and nutrient deficiencies among the nationals in Japan. There was not much controversy over the labelling requirement on nutrition claims because not much additional costs for nutrition information labelling were involved, and the food industry in Japan also wanted to include such information as a marketing tactic (paragraph 4.8).

9.7 Labelling of GM food is mandatory (subject to certain exemptions) in Japan. The 5% threshold is adopted by Japan having regard to its own situation and overseas experience, and after scientific research and public consultation. There are very few GM food for sale in Japan, and almost all non-GM foods are so labelled although negative labelling (i.e. non-GM food labelling) is entirely voluntary (paragraphs 4.10 to 4.14).

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Relevant Papers

<u>Meetings</u>	<u>Meeting Dates</u>	<u>Papers/Motion Passed/Council Question</u>
Legislative Council (LegCo)	5 January 2000	A motion was passed urging Government to introduce a mandatory labelling system for GM food, conduct tests on GM food for sale locally and enhance consumers' knowledge of GM food.
	5 December 2001	Motion on "Reviewing the labelling system for prepackaged food" moved by Hon CHAN Kam-lam
	12 December 2001	Written question on "Labelling system for GM food" raised by Hon Cyd HO
	8 May 2002	Written question on "Control of 'roundup ready' soya bean" raised by Hon Cyd HO
	26 June 2003	Motion on "Establishing a labelling system for genetically modified food" moved by Hon Fred LI
	2 March 2005	Written question on "Genetically modified food" raised by Hon Fred LI
	1 June 2005	Oral question on "Food labelling requirements for food products sold in Hong Kong" raised by Dr Hon LUI Ming-wah
	21 December 2005	Oral question on "Genetically modified foods" raised by Dr Hon LUI Ming-wah
	26 April 2006	Written question on "Application of the Cartagena Protocol on Biosafety to Hong Kong" raised by Hon Fred LI
Panel on Food Safety and Environmental Hygiene	26 February 2001	Government Consultation Paper entitled "Labelling System for Genetically Modified Food"

		<p>Submission from Greenpeace [LC Paper No. CB(2) 951/00-01(01)]</p> <p>Submission from Hong Kong DNA Chips Ltd. [LC Paper No. CB(2) 920/00-01(06)]</p> <p>Administration's paper [LC Paper No. CB(2) 920/00-01(05)]</p> <p>Minutes of meeting [LC Paper No. CB(2) 1328/00-01]</p>
	28 May 2001	<p>Minutes of meeting [LC Paper No. CB(2) 2314/00-01]</p>
	28 January 2002	<p>Administration's paper [LC Paper No. CB(2) 713/01-02(05)]</p> <p>Minutes of meeting [LC Paper No. CB(2) 1260/02-03]</p>
	20 March 2003	<p>Administration's paper and executive summary on regulatory impact assessment on labelling of genetically modified food [LC Paper No. CB(2)1511/02-03(04)]</p> <p>Submission from Greenpeace [LC Paper No. CB(2) 1511/02-03(03)]</p> <p>Press release provided by the Secretariat of Legislative Councillors of the Democratic Party [LC Paper No. CB(2) 1511/02-03(05)]</p> <p>Research report prepared by Research and Library Services (RLSD) of the Legislative Council (LegCo) Secretariat on "Genetically modified food labelling" [LC Paper No. RP05/02-03]</p> <p>Minutes of meeting [LC Paper No. CB(2) 1835/02-03]</p>

	29 April 2003	Summary of submissions on labelling of genetically modified food received by the Panel – [LC Paper No. CB(2)2521/02-03(01)] Minutes of meeting [LC Paper No. CB(2) 2169/02-03]
	27 May 2003	Information note prepared by RLSD of LegCo Secretariat on "Supplementary information on the penalty on violation of genetically modified food labelling in the United States of America and Australia" [LC Paper No. IN25/02-03]
	25 November 2003	Information note prepared by RLSD of LegCo Secretariat on "Genetically modified food labelling in European Union" [LC Paper No. IN03/03-04]
	9 May 2006	Administration's paper [LC Paper No. CB(2) 1905/05-06(05)] Background Brief prepared by the LegCo Secretariat [LC Paper No. CB(2) 1905/05-06(06)] Minutes of meeting [LC Paper No. CB(2) 2304/05-06]
	13 June 2006	Administration's paper [LC Paper No. CB(2) 2305/05-06(05)] Minutes of meeting [LC Paper No. CB(2) 2919/05-06]
	---	Research report on "Genetically modified food labelling in the European Union and selected places" prepared by RLSD of the LegCo Secretariat [LC Paper No. RP02/07-08]