



6 February 2009

Mr. Alfred Lee  
Assistant Director (Waste Management Policy)  
Environmental Protection Department  
46<sup>th</sup> Floor, Revenue Tower  
5 Gloucester Road  
Wanchai, Hong Kong

(By fax 2511 3658)

Dear Mr. Lee,

**Product Eco-responsibility (Plastic Shopping Bags) Regulation**

On behalf of the Hong Kong Retail Management Association (HKRMA), I write to thank you for arranging the Working Group meeting with the trade on 20 January 2009.

Following the discussion on the meeting, members would like to restate their specific concerns on the plastic shopping bags levy implementation as follows:

**On Third Party Operation**

1. As raised at the meeting and stated in our letter to your Department dated 15 January 2009, it is not a usual practice for concessionaires to operate under requirements (i), (ii), (iii), and (v) set out in paragraph 6 in your Legislative Council Brief.
2. Subsequent to the Working Group meeting, all but one member reported their third party operators at store level usually operate under a Business Registration with an address of its head office instead of having "separate business registration at the location in question".
3. In this case, the definition of third party operators set out in requirement (i) of paragraph 6 totally could not be applied to majority of the prescribed retailers and is therefore of little or no use to our members in the proposed form.

**On Implementation Date**

4. Members reiterated that a 6-month lead time from the date on which the regulation is passed is required to prepare for the implementation. In particular, time will be needed for prescribed retailers to modify their IT systems.

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On Environmental and Sustainability Implications

5. Plastic shopping bags will be subject to a 50 cent levy post-implementation of the regulation. Your Department suggested that 1.8 billion plastic shopping bags are currently handed out by prescribed retailers and that, post-implementation, 900 million bags will be handed out (raising HK\$450 million). All of these plastic shopping bags are subject to the levy, but "for the purposes of assessing financial implications, we further assume that 50% of remaining bags are not subject to the levy." We do not understand why 50% of remaining plastic shopping bags are not subject to the levy when 100% of plastic shopping bags are subject to the levy and it is an offence to hand out plastic shopping bags without charging.
6. Accordingly, either your department is overstating (by 500 million plastic shopping bags) the number of bags that will be saved (which we believe to be the case) or it is under-estimating (by HK\$250 million per year) the amount of revenue that it will receive.

We hope your Department will provide answers to our questions as soon as possible, as such information is important for our members to make necessary preparations in order to comply with the scheme.

We look forward to hearing from you soon and working closely with your Department in resolving issues that may arise from the scheme.

Yours sincerely,

PP 

Peter Johnston  
Chairman  
Task Force on Plastic Shopping Bags Levy Implementation  
Hong Kong Retail Management Association

- c.c. Panel on Environmental Affairs, LegCo  
Subcommittee on Product Eco-responsibility (Plastic Shopping Bags) Regulation  
(Fax: 2869 6794)  
Business Facilitation Advisory Committee  
Retail Task Force (Fax: 2537 7566)