



HONG KONG
RETAIL MANAGEMENT
ASSOCIATION

香港零售管理協會

CB(1) 1020/08-09(01)

3 March 2009

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

(By fax 2511 3658 & by mail)

Dear Mr. Lee,

Product Eco-responsibility (Plastic Shopping Bags) Regulation

I refer to your reply on 18 February 2009 on the captioned and to EPD's second Working Group meeting with the trade on 24 February 2009 and would like to respond as follows:

(a) Third Party Operation

We maintain that it is not a usual practice for concessionaire to operate under a separate business registration at "the location in question", as the concessionaire usually operates under a Business Registration with an address of its head office. We are of the view that a certified true copy of the third party operator is sufficient to establish the fact that a third party operation is indeed not carried out by a registered retailer.

(b) Figures on plastic shopping bags

Repeatedly, we have queried the accuracy of EPD's estimation of a 1 billion bags reduction and presented actual figures based on the industry's statistics. But we are disappointed that your department has never provided further information or explanation.

The industry believes that the Government's figures are incorrect. Based on figures available to HKRMA, affected retailers distribute about 800 million plastic shopping bags each year. Accordingly, even if affected retailers did not give away any bags, the reduction could not possibly be one billion. HKRMA feels that because the difference is so big, your department must explain how you come up with this estimates.

Your calculation of expected revenue from the levy is also questionable. If one billion plastic shopping bags can really be reduced and one billion plastic shopping bags are still handed out after the levy, an annual revenue of \$500 million will be raised instead of \$200 million you estimated.

10/F, First Commercial Building, 83-85 Leighton Road, Causeway Bay, Hong Kong
TEL 電話: 2888 8211 FAX 傳真: 2886 8380 WEBSITE 網址: www.hkrma.org

香港零售管理協會 33-35號第一商業大廈10樓



**HONG KONG
RETAIL MANAGEMENT
ASSOCIATION**

香港零售管理協會

Accordingly, either the EPD's estimated reduction of one billion is overstated (by 600 million bags) - which we believe to be the case; or the EPD is under-estimating the amount of revenue that it will receive (by \$300 million per year). The EPD's estimated reduction in plastic shopping bags and the amount of levy raised cannot be reconciled. We would therefore like to hear from you how these figures can be reconciled.

(c) Works on Review Mechanism

We are pleased to learn that a taskforce will be set up in July to start looking into the review mechanism of the scheme and we are also glad that HKRMA will be part of the taskforce. There is, however, no reason why work on review mechanism should not start now. As mentioned in our meeting, we believe that the existing working group for the implementation details of the levy scheme is well placed to discuss the review mechanism, as part of its ongoing work. To initiate the process, the HKRMA would like to submit the following recommendations on the review's scope and the necessary criteria for measuring the effectiveness of the levy:

1. Review objectives of the scheme;
2. Define "indiscriminate use" of plastic bags across Hong Kong;
3. Set targets for number of bags in Hong Kong to be reduced;
4. Determine methodology to calculate plastic bag usage and re-usages in Hong Kong;
5. Measure "switching" behaviours of consumers resulting from the levy implementation; and
6. Review administration cost incurred by affected retailers.

Should you have any queries, please feel free to contact the undersigned on 2866 8311.

Yours sincerely,


Peter Winston
Chairman

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

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

10/R, First Commercial Building, 33-35 Leighton Road, Causeway Bay, Hong Kong
TEL 電話: 2866 8311 FAX 傳真: 2866 8380 WEBSITE 網址: www.hkrma.org

香港銅鑼灣禮頓道33-35號第一商業大廈10樓