

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

**The Administration's Response to the Follow-up Actions
Arising from the Meeting on 13 March 2009**

Performance Pledge

The Administration agrees that the speech to be delivered by the Secretary for the Environment at the moving of the resolution on the Regulation shall include the performance pledge in respect of applications for registration of “prescribed retailer” and “qualified retail outlet”.

Application for Registration

2. The implementation details of the environmental levy scheme are worked out in consultation with the retail trade. In particular, the Administration has had a series of meetings with the Business Facilitation Advisory Committee and its Retail Task Force, the Hong Kong Retail Management Association, as well as major retailers to be included in the environmental levy scheme. It has been acknowledged that prior registration is necessary to ensure the integrity of the environmental levy scheme. To cater for the dynamic nature of the retail trade, the Administration has made a performance pledge that an application for registration of a new qualified retail outlet of a registered retailer would be processed in 10 working days or less. The Administration has also pledged to further expedite the processing of urgent cases. With respect to the initial launch of the environmental levy scheme, the Administration would allow about three months for initial registration of “prescribed retailers” and their “qualified retail outlets”. The Administration very much appreciates the commitment shown by the retail trade for a smooth implementation of the environmental levy scheme, and will continue to work closely with the trade towards achieving this objective

Third Party Operation

3. As stated in the LC Paper No. CB(1) 1036/08-09(01), the Administration observes that there could be business arrangements within retail outlets which are operated by third parties (e.g. sub-tenancies and consignment counters managed by staff members engaged by the sub-tenants or consignors). Given the requirements of sections 19(3) and 23(1) of the Ordinance, if a third party operation located in an area within a qualified retail outlet proposes to continue to provide free plastic shopping bags, the third party operation will be relying on the argument that the area it occupies does not form part of the qualified retail outlet.

4. To clearly establish this fact, we consider it prudent for the third party to demonstrate that it is operating under a separate business or branch registration certificate at that location to avoid an infringement of the requirements of the Ordinance when the third party operation provides free shopping bags from there. A certified true copy of the business registration of the headquarters of a third party operator may not help establish the fact that the area occupied by a third party operation within a prescribed retailer's qualified retail outlet is indeed an area that does not form part of that outlet for the purposes of the environmental levy scheme. If a registered retailer allows any so-called third parties, as long as they show their brand names and station their own staff at a registered retail outlet, to distribute plastic shopping bags for free, it might undermine the objective of the environmental levy scheme. Members of the public might also be confused.

Dedicated Survey on Plastic Shopping Bags

5. As stated in the LC Paper No. CB(1) 1036/08-09(01), a dedicated survey was conducted in 2005 as part of the annual waste survey to estimate the number and identify the sources of plastic shopping bags disposed of at landfills. For the purpose of the survey, "plastic shopping bags" mean plastic bags with carrying handles, holes or devices. A total of some 140 waste samples, involving about 10 tonnes of domestic, commercial and industrial waste, were randomly selected at refuse transfer stations and landfills. Plastic shopping bags in the waste samples were manually picked out and sorted by a team of about 10 workmen and an inspectorate staff as the supervisor. The sources of plastic shopping bags were identified by the brand names, logos, markings, or descriptions printed on the bags. The outcome of the dedicated survey is set out at **Annex**. In gist, the dedicated survey indicates that more than eight billion plastic shopping bags are disposed of every year, and some 20% of which

come from supermarkets, convenience stores, and medicare and cosmetic shops.

Environmental Protection Department
March 2009

Survey Results of Plastic Shopping Bags at Waste Facilities (2005)

Types of Retailers	Million/year	%
Supermarkets and Convenience Stores	1,766	20.3
Bakeries and Cake Shops	530	6.1
Restaurants and Fast Food Shops	387	4.5
Newspaper and Magazine Bags	298	3.4
Medicare and Cosmetic Shops	195	2.2
Department Stores and Home Accessories Shops	158	1.8
Fashion and Footwear Shops	106	1.2
Books, Stationery, Gifts and Novelties Shops	61	0.7
Electrical, Electronic and Telecommunications Shops	35	0.4
Others¹	5,155	59.3
Total:	8,691	100

¹ These were plastic shopping bags for which the types of retailers were not readily identifiable.