

**Submission of the Consumer Council to the
Subcommittee on Ozone Layer Protection (Products Containing
Scheduled Substances)(Import Banning) (Amendment) Regulation
2009**

Criteria for Assessing Market Readiness

It is important to conduct market readiness assessment to provide necessary evidence base for the Authority to determine whether policy measures would be required for the introduction of new regulation or changes. The interests/concerns of various stakeholders have to be addressed:

1. For consumers, there should be a wide range of products available for selection so that they can have a real choice. Moreover, the incentive for consumers to purchase the more environmental friendly products at higher prices should not be neglected. For instance, in the case of HCFC-free air conditioners, it is understood that there would be a variety of models available. However, consumers may need to be convinced of the good cause served if they were to switch to those products. If the energy efficiency of these new models could be demonstrated through testing and certification to be at least comparable to models with HCFC, and there is the additional environmental preservation dimension to using these products, consumers might be more willing to purchase these products at higher prices.
2. As far as producers/manufacturers are concerned, the availability of new materials and technology, the impacts of the changes of technology and trends in market production pattern are prime parameters for consideration. Take for instance the control of volatile organic compounds from vehicle refinishing and marine paints, media reports in June 2009 highlighted impacts of the technological changes and it was said that increased operational cost to cope with the changes would limit the choices for users. If true, this would affect the industry as well as consumers and pose obstacles for the control of VOCs.

3. For retailers, brands with a bigger market share or higher percentage of market penetration would be easier to promote and green features in these brands would be better perceived and received by the average consumers.
4. As for the Authority, consumers' willingness to pay more, producers' capabilities to meet new technology and requirements, and retailers' means to market the new features/products would have to be considered.

There is no hard and fast rule on what means is appropriate to gauge the level of readiness as situation changes over time, and consumers and industries have different needs. Assessments can be made through market observation, questionnaire survey, in-depth interview or study of production trend. If the market is found not ready, the Authority may consider, for example, to engage in community or consumer education, provide appropriate policy instrument or institutional arrangements to encourage industry best practices, or adopt other initiatives to upgrade and enhance market readiness.

Consumer Council
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