



HONG KONG  
RETAIL MANAGEMENT  
ASSOCIATION

香港零售管理協會

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6 August 2009

Mr. Yau Tang-wah, Edward, JP  
Secretary for the Environment  
Environment Bureau  
46/F., Revenue Tower, 5 Gloucester Road  
Wanchai, Hong Kong

(By fax 2537 7278 and mail)

Dear Mr. Yau,

**Consolidated Feedback from HKRMA Members on the Implementation of  
Environmental Levy Scheme on Plastic Shopping Bags**

On behalf of the Hong Kong Retail Management Association ("HKRMA"), I would like to take this opportunity to advise you on our members' general observations and specific concerns regarding the implementation of the plastic shopping bag levy, which are as follows:

**General Observations**

Since the commencement of the Every Day No Plastic Bag Campaign facilitated by the Association in March this year, customers have been responding positively. Many have already developed the habit of BYOB before the levy came into effect. As the Every Day No Plastic Bag Campaign is gaining momentum, the vast majority of customers bring their own bags to shopping now.

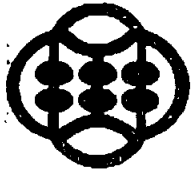
**Proposal**

The EPD should seize the momentum and extend the levy to the remaining 96% of retail outlets in order to achieve more significant impact on waste reduction. We understand the EPD will reactivate the whole Working Group on the Implementation of the Environmental Levy Scheme on Plastic Shopping Bags, we would suggest the EPD to commence the review process by inviting a few key representatives among the trade, so as to facilitate the discussions in an effective and interactive manner. Our Association can facilitate the invitation in this respect.

**Specific Concerns**

**A. Registration situation**

The registration has run smoothly in general. However, the department store members find the definition of Type 2 exemptions (third party operators) unclear and confusing. They are also very concerned about the extra time spent on filling and lodging the Type 1 and 2 exemption forms to the EPD and meeting the submission deadlines.



HONG KONG  
RETAIL MANAGEMENT  
ASSOCIATION

香港零售管理協會

## B. Communication

In terms of communication since the implementation, there are several areas we would like to draw your attention:

### EPD Hotline

Members feel that it is essential to have a more thorough study of the customer enquiries received by the EPD so far.

### Tourists

Foreign tourists are not aware of the scheme and feel offended upon the levy request at cashier counters because the English descriptions of the levy scheme are neither sufficient nor clear. Extra pressure is put on the frontline retail staff, who are understandably not fluent in English speaking, to explain to the tourists about the levy scheme. Moreover, the tourists are confused since the scheme is only implemented at selective retailers.

### Domestic Helpers and Expatriates

The foreign domestic helpers and expatriates feel confused and annoyed about the scheme since the messages on the levy scheme have not been effectively delivered to them in advance.

### Message

The Cantonese phrase “慳五毫” instead of standard Chinese is used in the materials such as posters and stickers. The message is, therefore, not understood by Chinese consumers from the Mainland China, Taiwan, or South East Asia.

### Materials

The current levy scheme promotional materials such as stickers and posters are not long-lasting in terms of quality and color fadeout is already observed. The stickers and tent cards could be more eye-catching.

### Proposal

In order to address the issues arising in the process of communication, we suggest the EPD to act on the following:

- (1) to share with our members information of the consumer hotline enquiries, including the nature of enquiries, quantity since the scheme was launched, and any recorded enquiries received so far, so as to let them better understand the customer needs
- (2) to consider extending the enquiry hotline on the scheme beyond the 3-month period once Point (1) is more clearly analysed.
- (3) to proactively alert tourists about the scheme by distributing related leaflets at the airport and other ports of entry.
- (4) to strengthen the communication with the non-Cantonese speaking domestic helpers with suitable promotional tools.
- (5) to produce promotional materials which are more durable and could stand sunlight.
- (6) to improve the promotional stickers and tent cards by:



**HONG KONG  
RETAIL MANAGEMENT  
ASSOCIATION**

**香港零售管理協會**

- (a) modifying the design with bigger texts while minimising the plastic bag image; and
  - (b) providing differentiated stickers with different messages for exempted area/counter versus levy applied, using different colors or patterns.
- (7) to set up a promotional material replenishment mechanism and continuously provide all the promotion materials for retailers for free.
- (8) to provide stickers or labels as promised to the department stores (e.g. Jusco) to differentiate their baby products in the exempted area.

### C. Customer Complaints

Besides dissatisfaction of the tourists, foreign domestic helpers and expatriates as mentioned, chaos has been observed when customers are required to queue up and carry out two separate transactions once at exempt counters and once at counters handling prescribed products.

Diverting from the objective of avoiding indiscriminate use of plastic bags, customers demand bigger plastic bags since they "pay" for it. They are disappointed when a plastic bag with suitable size to contain the products is offered to them. Besides, some convenience store members have received customer complaints about not being given plastic bags for chilled dairy products and hot food.

#### Proposal

The EPD should clearly define what it is regarded as "indiscriminate use" of plastic bags to the public. It should also further strengthen its education to the community on the true value of environmental protection and correct attitude towards the use of plastic bags.

### D. Business Impact

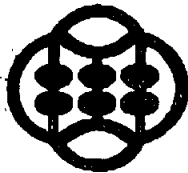
After the implementation of the levy scheme, our members have witnessed reduced basket size and decreased impulse purchase among customers in their daily operations. Due to the selective and discriminatory nature of the levy, our affected members strongly feel that their competitiveness is being eroded in such an unfair business environment. Moreover, the technical problem of handling both levy-exempted goods and levy-applied goods at one time at the cashier counters has been ignored in the levy scheme planning process.

#### Proposal

The EPD should immediately review the overall implementation of the scheme, including but not limited to the credit card/octopus card charges and other administration costs incurred on the affected retailers and the extension of levy scheme to all sectors.

### E. Food Hygiene Risk

Due to the levy, it is commonly seen that consumers would put cooked food and raw food products together into one shopping bag. Our members are concerned that this would cause a significant risk to food hygiene and cross contamination.



HONG KONG  
RETAIL MANAGEMENT  
ASSOCIATION

香港零售管理協會

Proposal

The EPD should work with the Centre for Health Protection or relevant departments, to investigate any possible food safety risks caused by the changing habit of using plastic bags and come up with professional advice and best practice for sharing and educating retailers and the public.

**F. Switching Effect**

According to the members and as we have already alerted the EPD, indications of switching effect are observed:

- (1) *Produce bags*: the demand has been obviously increased, ranging from 10%-60%.
- (2) *Environmental protection bags*: the demand has been obviously increased weeks before the levy scheme implementation. After implementation, demands are still observed but the increasing trend has been slowing down.
- (3) *Rubbish bin liners*: the real pattern of demands is not yet surfaced and a more accurate picture would likely be seen few months later after the plastic shopping bags stored in households are used up.

Proposal

The EPD should measure the "switching behaviours" of consumers resulting from the levy implementation and share the information with the public as well as giving appropriate advice to our members.

**G. Pre-packaged Products**

In response to media queries on the pre-packaged products, members point out that this type of packaging already existed long before the launch of the levy scheme. Members also feel that some green groups are wrongly comparing the quantity of pre-packaged drinks in July to those in previous months without understanding that it is the trade's seasonal response to market demand by increasing the pre-packaged drinks for summer.

We sincerely hope that our members' concerns and suggestions could be well taken into account in your review and your Department will respond to our concerns and proposals as soon as possible.

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

Yours sincerely,

Caroline Mak  
Chairman



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