



HONG KONG
RETAIL MANAGEMENT
ASSOCIATION

香港零售管理協會

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7 April 2009

Dr. Constance Chan
Controller, Centre for Food Safety
Food and Environmental Hygiene Department
45/F., Queensway Government Offices
66 Queensway, Hong Kong

(By fax 2536 9731 by mail)

Dear Dr. Chan,

Re: Small Volume Exemption

Retailers have informed their suppliers that, from 1 January 2010, they will not accept the delivery of pre-packaged food products that do not comply with the Nutrition Labelling Regulations.

This deadline has been set for supply chain and shelf-life reasons and will ensure that all pre-packaged products on shelf are in compliance with the Regulations when the grace period expires on 1 July 2010. As you are aware, the process of ordering foods from all around the World includes production, consolidation, shipping, re-labelling, stocking, distributing to, and sale in, stores takes many months in most cases.

The trade is working very hard to ensure compliance with this tight deadline. Retailers will be reviewing the proposed new packaging from suppliers in the second half of this year to check that the products are in compliance. This is an immense exercise with an individual review of an estimated 65,000 pre-packaged food products currently taking place.

As discussed at the Retail Task Force meeting on 19 February 2009, at the recent trade consultation meetings, and at the Business Facilitation Meeting on 31 March 2009, it is essential that all products that are eligible for the small volume exemption ("SVE Products") are registered by the end of 2009.

We now understand, and are very alarmed, that the government:

- (i) only intends to commence receiving applications for registration of SVE Products in April 2010;

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- (ii) has provided no commitment as to when the registration of SVE Products will be completed; and
 - (iii) expects there to be 10,000 applications for SVE Products.

Our position on this issue is clear: the grace period must expire six months after the date that all products that are eligible for small volume exemption have been registered.

We note that the Government estimates that there will be 10,000 SVE Products. We are unsure where this figure came from, but we do know that it did not come from the trade.

We estimate that the number of SVE Products imported directly by the big chain retailers will be approximately 20,000. Adding SVE Products imported by other importers (wholesalers and independent retailers), we estimate that the Government will need to register at least 30,000 SVEs.

We recommend that the Government carries out a survey immediately to determine the number of SVE Products and we are concerned that the Government has issued a tender to set up the registration system without taking necessary action to establish this important number.

It is entirely within your control to make sure that there is no extension to the expiry of the grace period by committing to register all products that are eligible for the small volume exemption by 31 December 2009. We strongly recommend that the Government starts to accept application of SVE Product registrations after 1 July 2009.

If the Government is unable to provide this commitment, it would be essential to extend the grace period otherwise some niche retail outlets may need to close, thereby causing unnecessary loss of jobs and consumer choice.

Please confirm that:

- 1. all SVE Products will be registered by the end of 2009; and, if not*
- 2. the grace period will expire 6 months from the date that all SVE Products are registered*

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We look forward to hearing from you and propose that we meet on an urgent basis to discuss this.

Yours faithfully,

PP 

Philippe Giard
Chairman
Government Regulations Sub-Committee
Hong Kong Retail Management Association

c.c Dr. York Chow, SBS, JP, Secretary for Food and Health, HKSAR
(Fax: 2526 3753)

Mrs Stella HUNG, JP, Permanent Secretary for Food and Health (Food),
HKSAR (Fax: 2537 3753)

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