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Submission by FrieslandCampina (Hong Kong) Ltd. To the Hong Kong Legislative Council Panel on Food Safety and Environmental Hygiene and Panel on Health Services Joint Meeting on the Regulation of Formula Products and Foods for Infants and Young Children

FrieslandCampina has had a presence in Hong Kong for some 75 years and we are proud to be a responsible member of the Hong Kong business community and an active member of the Hong Kong Infant and Young Child Nutrition Association. The purpose of our submission is to both endorse the position of the Association on the draft Hong Kong Code and to provide some additional perspective on that draft Hong Kong Code based on our experience in the more than 45 countries around the world in which our company operates.

As a global company, FrieslandCampina has a very good understanding of the environment in which our products are regulated and marketed in jurisdictions around the world. That understanding enables FrieslandCampina to consider the draft Hong Kong Code in a global context and, as such, to share some thoughts on global best practices. That understanding also enables us to raise a point that we believe is being overlooked in the discussions taking place in our community regarding this draft Hong Kong Code. Quite simply, in spite of the efforts of many of our industry's critics to misrepresent the position of the members of our Association on breastfeeding, we firmly believe that this is not a breastfeeding issue.

To make it very clear, our Association and our members are fully supportive of breastfeeding as the best and most natural means to ensure normal health and development of infants during at least the first 6 months of life. We are also committed to adhering to the principles of the World Health Organization Code of Marketing of Breast-milk Substitutes. Contrary to the statements of our industry's critics, we are pro-breastfeeding. And that is why we do not see the draft Hong Kong Code as purely an issue about breastfeeding.

We believe that this is an issue regarding the best approach the government should take to protecting the interests of consumers while also preserving their right to access the information they require to make educated decisions for their families.

In addition, we see this as a discussion of how government does this while also recognizing the rights of responsible companies to carry out their business activities in Hong Kong in a manner that is consistent with Hong Kong's commitment to respecting best global business practices and free-market principles. From a global perspective, the draft Hong Kong Code is not consistent with the policies and practices of the majority of jurisdictions in developed economies around the world and the following points serve to address this point-of-view.

- **First, as far as we know no other jurisdiction integrates the Marketing code and labeling and quality standards into a single voluntary Code.** These issues should be addressed separately because these are two very distinct and important aspects of our business that require review and monitoring by different parts of government. Separate approaches to legislation and giving adequate time for our industry and others in the marketing and food and beverage industries to provide their comments on the draft Hong Kong Code will ultimately ensure that the interests of consumers and all other stakeholders are well-protected.
- **Second, any voluntary code or regulation for marketing of infant formula should be in line with the WHO Code of Marketing of Breast-milk Substitutes and global best practices.** This practice of regulation of products for infants up to 6 months is adopted in many other international jurisdictions, including most of the countries in Europe, and we believe for good reason. The restrictions in the draft Hong Kong Code would deprive mothers with children over the age of six months product-specific information they require to make educated decisions about which infant formula products are best suited to their needs. Mothers do need the information to make an informed and responsible choice when they choose to start their children on additional food. Moreover we believe that the onerous restrictions on marketing included in the draft Hong Kong Code would not allow companies in our industry to carry out their business activities in a manner that is consistent with Hong Kong's commitment to respecting global business practices and free market principles and, as such, they do not respect the rights of companies in our industry to meet the needs of consumers in a manner that is open, transparent and consistent with the global standards that many in our industry have adopted.
- **Third, we believe that the issue of product labeling and quality is far too important to be left to voluntary compliance and it requires very clear guidelines to support the interests of manufacturers and also consumers.** This view is shared by other major economies in the world such as EU, Malaysia, USA where labeling and quality requirements have been adopted as law. We believe that a legislative path is essential for labeling and quality standards if the interests of Hong Kong's consumers are to be protected by access to products of the highest quality and safety. This would not only provide the certainty consumers expect when they purchase infant formula but also the clarity manufacturers need in ensuring compliance with Hong Kong regulations. Furthermore, Hong Kong's current food nutrition labeling guidelines do not cover food manufactured for children under 36 months and this is not consistent with the needs of mothers and their young children or best

international practices. Such existing international codes as CODEX Alimentarius and the EU and US codes of regulations that govern our industry provide models that can be used in the development of legislation on product labeling and quality. They are followed by all responsible companies in our industry in other major markets and they have shown their effectiveness in ensuring both compliance by our industry and monitoring by the relevant regulatory agencies.

In conclusion, we do not believe the draft Hong Kong Code, as currently presented, is consistent with global best practices in our industry, but we are also concerned that the impact of this draft Hong Kong Code could go far beyond our industry. This may seem like an issue that impacts only mothers, their young children and the companies in our industry, but we believe all consumers and all industries in Hong Kong have a stake in reviewing the approach that our government is considering with this draft Hong Kong Code.

Companies in a range of industry sectors, and consumers in general, must understand the impact that this Code will have on them and that ultimately, their mutual interests are best served by a very clear legal and regulatory environment that respects the rights of companies to meet the needs of consumers and that allows them to operate in a manner that is consistent with local laws and with best international practices.

FrieslandCampina is committed to manufacturing and selling high-quality products in a manner that is responsible and in full compliance with all applicable regulations and codes. This commitment is demonstrated by the sophisticated processes applied to the manufacture of our products in the Netherlands as well as by the rigorous standards we apply to all aspects of our product marketing and we will continue to support any regulation that is aimed at upholding the highest standards for our industry.

We will cooperate fully with the government as it carries out this consultation process for the draft Hong Kong Code, but we also urge the government to consider our position on this issue as we believe our proposed approach is good for consumers, good for Hong Kong's role as a positive example for other jurisdictions given its developed, vibrant and open economy, and good for responsible companies in our industry.

FrieslandCampina (Hong Kong) Limited
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