

Legislative Council Panel on Trade and Industry

Labelling Requirements for Consumer Goods Governed by Legislation Under the Purview of Trade and Industry Bureau

Introduction

This paper informs Members of the existing labelling requirements for consumer goods governed by legislation under the purview of the Trade and Industry Bureau (TIB). It also addresses the question of whether additional labelling requirements should be imposed.

Existing Labelling Requirements

2. TIB is responsible for three existing Ordinances having provisions related to labelling requirements for consumer goods. These are the Consumer Goods Safety Ordinance (Cap. 456), Toys and Children's Products Safety Ordinance (Cap. 424) and Trade Descriptions Ordinance (Cap. 362).

3. The Consumer Goods Safety Ordinance imposes a statutory duty on manufacturers, importers and suppliers of consumer goods¹ to ensure that the goods they supply for local consumption are safe. The Toys and Children's Products Safety Ordinance stipulates similar statutory safety requirements for toys and children's products. There is no general labelling requirement under these two Ordinances. However, both Ordinances empower the Commissioner of Customs and Excise to require that a warning notice be published, in a form and manner to be specified by him (which may include labels), that a particular consumer product may be unsafe unless the steps set out in the notice are taken. Furthermore, where labelling requirement forms part of the safety standard specified for a particular product,

¹ Excluding consumer goods the safety of which is regulated by specific legislation.

compliance with the safety standard requires, inter alia, compliance with the relevant labelling requirement. It is an offence for contravening any of these requirements. The maximum penalty is a fine of \$500,000 and an imprisonment of 2 years.

4. The Trade Descriptions Ordinance prohibits, among other things, false trade descriptions, forged trade marks and mis-statements in respect of goods provided in the course of trade, such as false labels of origin for products. It is an offence to contravene the prohibitions and the maximum penalty is a fine of \$500,000 and an imprisonment of 5 years.

Whether Additional Labelling Requirements Should Be Imposed

5. The question of statutory labelling for consumer goods is a major issue which requires careful study. We recognize the need to ensure that labelling requirements are appropriate and up to date to take into account, for example, technological developments. However, labelling requirements on goods carry a cost of compliance, which the consumer has to bear ultimately. Requirements on top of the existing ones, particularly those that are applicable to all consumer goods across the board, must be fully justified. We will also need to address the question of effective enforcement given the myriad of consumer goods available on the market. We would be grateful to hear the views of Members on this issue.

6. As regards the proposal to require parallel imported goods to bear a label setting out the name and address of the importer, we have made clear our stance at the Trade Marks Bills Committee that such a labelling requirement will serve no useful purpose. Instead, it will increase importers' burden, reduce the supply of parallel imports, and adversely affect consumers who will pay higher prices and have fewer choices.

Trade and Industry Bureau

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