

香港供應商協會
Hong Kong Suppliers Association

Submission to Sub-committee on food and Drugs (Composition and Labelling) (Amendment) Regulation 2004 on June 3, 2004

I am Albert Tang. On behalf of the Hong Kong Suppliers Association, I thank you for inviting us here to express our concerns. We were surprised to hear from the news that today's subject of Composition and Labelling Amendment has been published in the Gazettes. We received numerous inquiries from our members asking us about this issue. There is certainly great concern amongst the suppliers on this subject. The consultation was done four years ago with no feedback to the trade and suddenly it was published in the Gazettes.

First of all, let us assure you that our Association is in full support of providing pertinent information to the consumer. In this case, for example, labelling of allergenic substances will definitely be of great value to consumer safety and protection. But is the legislation proposed practical and workable?

It is our position that any regulation must be meaningful to the consumer, practical and implemented effectively to achieve the objectives. In the case of listing of allergen, it is not workable as stated in the proposed legislation.

It sounded very simple – listing the 8 allergens on a label. Yes, listing the known allergen in the ingredient list can be done. The problem is that allergen or trace of allergen not listed may unavoidably be presented in some products and the suppliers will be prosecuted.

Please allow me to elaborate on this point. Hong Kong is a small market with 90% of our food imported. At present, only a few countries, U.S., Japan and Australia, for example, require allergens labelling. Most multi-national and renowned food manufacturers in the U.S. and Europe already implemented allergen management system in their manufacturing processes. Such allergen management systems require specific cleaning and manufacturing procedures, segregation of personnel and material flow, etc.

香港供應商協會
Hong Kong Suppliers Association

Most Asian countries, including China, do not have allergen labelling requirement and the majority of Asian manufacturers do not have such allergen control system in place. We cannot force all our overseas manufacturers to implement an allergen management system for food supplied to Hong Kong because we are too small. This is just not practical. By the way, I would like to raise one question here and I would like our Government to respond in this meeting:

Do you have an Allergen Management System or guideline that lay out procedures for local manufacturers to follow?

If you do, I would like to have a copy for our members. If you don't have a guideline now or the guideline is still in the work, we don't see how you can impose a law on local manufacturers while you, the enforcers, have not evaluated how to produce food with allergen free.

Furthermore, have you studied how much time and how much money it will take to implement an allergen management system?

We strongly recommend our Government to carry out a Regulatory Impact Assessment and truly study the feasibility of the proposed legislation.

The consequence of a new legislation not carefully thought through will cause more harm than good. When the Government publicizes that the 8 allergens are required to be listed on food label, consumers will believe in what the label said. Since most Asian food manufacturers do not have allergen management systems in place, there is no guarantee that food from these origins may contain trace of allergen. Without legislation, individual may avoid certain foods. With the new legislation, the cases of allergic reaction may escalate because consumers believe in the label. As a responsible Government, you must ensure that our food suppliers can supply us with allergen free foods.

香港供應商協會
Hong Kong Suppliers Association

Under “Implications of the Proposal” in the Legco Brief, our Government stated that the proposal has no financial and economic implication. We disagree totally. Process modification to comply with allergen free manufacturing will incur cost for the manufacturers. Redesigning packaging and additional labelling will have cost associated with it. We estimated that there are over 30,000 pre-packaged food items and over 10,000,000 bottles of wine sold in Hong Kong. There will be cost associate with the labelling of detailed additives used and the labelling of alcoholic drinks. For consumer safety and protection, we, the suppliers, are more than happy to comply, but, please do not say that there is no financial impact. Our Government must carry out a Regulatory Impact Assessment before moving forward with this Amendment.

Our Honourable Chairman, Dr. Lo, pointed out in the Special meeting on March 28, 2002 that Hong Kong has only a small budget of some \$30 million for food safety control while FDA of U.S. accounted for 25 cents for every consumer dollars spent. I don’t know if our Government has gotten more money for food safety since then. Regulation must be regulated and regulating cost money. We don’t see how our Government can impose more and more regulations without providing additional financial support to the relevant Governmental Department. So, please include the financial implication on the Government in the Regulatory Impact Assessment. Our Government has a number of proposed new food regulations on the table – For example, Nutrient labelling requirement, Health claims, Health supplement. Hong Kong’s economy relies on free trade. Regulations generally do not encourage free trade. There must be a strong possibility of economic impact on new regulations and our Government must assess such impact.

The Nutrient Labelling Requirement is closely related to today’s subject of Composition and Labelling Requirement. We recommend our Government to evaluate the Regulatory Impact Assessment for these two requirements together.

香港供應商協會
Hong Kong Suppliers Association

We agree and welcome the flexibility on date marking format. We, however, would like our Government to consider aligning with the labelling law of the Mainland by accepting one additional option for date marking format :

Production date plus Shelf Life

On the subject of grace period, we recommend our Government to extend grace period of any new requirement for labelling of packaged food to 24 months. We further recommend that any new law on labelling of packaged food should commence from end of grace period based on production date. In other words, products produced prior to the end of grace period can continue to sell even after the grace period. Product produced after the grace period must comply with the new law. The reasons for extension of grace period are:

1. It is rather common that packaged foods have shelf life up to three years. There is a possibility that food produced before the grace period started will still be on the shelf after the grace period. That's why commencement of any regulation must base on production date.
2. Because Hong Kong is a small market, manufacturers could easily have printed packaging material inventory of one to two years. Our Government should allow sufficient time for the suppliers to clear out the old labels.

Finally on the subject of labelling of Alcoholic Drinks, there was no mention of labelling of wine and spirit in the original consultation. We question the merit of statutory labelling requirement on wine and spirit as compared to the cost of labelling and re-packaging. For your information, small import suppliers, because of small volume turnover, they probably will have to de-packed, label and re-pack locally after products are imported.

Thank you for your attention.