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**Meeting of Panel on Food Safety and Environmental Hygiene
on 14 June 2005**

Background Brief prepared by Legislative Council Secretariat

Nutrition Labelling

Purpose

This paper briefs Members on the discussions held by the Panel on Food Safety and Environmental Hygiene on the Administration's proposals on nutrition labelling.

Background

2. The existing legislation in Hong Kong does not provide for any specification on nutrition information on food labels. At present, the formats of nutrition information presented on the labels of pre-packaged food products currently available in the local market are not consistent.

3. In 2001 and 2002, the Food and Environmental Hygiene Department (FEHD) conducted a feasibility study on nutrition labelling and examined a range of options for implementation. The feasibility study also looked into the different international practices in overseas jurisdictions as well as labelling guidelines issued by the Codex Alimentarius Commission (Codex). A market survey was conducted at the same time to determine the prevalence of nutrition labels and related claims and to examine the contents of nutrition labels.

4. After the completion of the feasibility study, the Administration came to the conclusion that the policy objective of protecting public health and ensuring food safety could best be achieved through implementation of a mandatory nutrition labelling scheme by phases.

5. On 20 March 2003, the Administration briefed the Panel on Food Safety and Environmental Hygiene on its proposal on nutrition labelling together with the proposal for genetically modified food labelling. A public consultation paper on the proposed scheme was published on 25 November 2003, and the Panel was briefed on the proposal on the same day. The Panel met with representatives of the food trade and concerned organisations on 29 April 2003 and 2 February 2004 to gauge their views on the proposal. The Administration subsequently engaged a consultant to conduct a Regulatory Impact Assessment (RIA) to study the various options for implementing nutrition labelling in Hong Kong.

6. On 15 April 2005, the Administration briefed the Panel on the results of the public consultation exercise and the RIA, and a revised proposal for nutrition labelling. The Panel again gauged the views of the food trade and concerned organisations on the revised proposal at the meeting on 10 May 2005.

The Administration's proposal on nutrition labelling in 2003

7. Under the Administration's original proposal in 2003, the mandatory labelling scheme on nutrition information would be implemented in two phases. In Phase I, food suppliers who chose on a voluntary basis to carry nutrient-related claims and other nutrition information on their pre-packaged food products would be required to list out the contents of **energy plus nine core nutrients** including protein, available carbohydrates, total fat, saturated fat, cholesterol, sugars, sodium, dietary fibre and calcium. Other nutrition information might be listed on the labels voluntarily, but the amounts of any such nutrients listed must be declared. A **two-year grace period** would be allowed for implementation of Phase I. In Phase II, the statutory requirements would be extended to all pre-packaged food products regardless of whether they carried nutrient-related claims. Implementation of Phase II would take place **three years** after implementation of Phase I.

8. Under the proposal, the presentation of nutrition information would also be standardised to facilitate easy understanding by consumers. The content of energy and nutrients would be expressed in absolute amounts in kilocalories³ per metric units per 100g (per 100ml) of food, or per package if the package contained only a single portion of food. There would also be specific requirements on the format of the nutrition labels. The different requirements applicable to different categories of nutrient-related claims were described in paragraphs 10 to 13 in the Administration's paper for the Panel meeting on 25 November 2003 [LC Paper No. CB(2) 407/03-04(03)].

The Administration's revised proposal in 2005

9. Having considered the local health situation, views collected during the consultation exercise and the results of RIA, the Administration put forward a revised proposal for discussion at the Panel meeting on 15 April 2005. Under the revised proposal, the nutrition labelling scheme will still be implemented in two phases –

- (a) in **Phase I**, pre-packaged food with nutrient-related claims will need to label **energy plus five core nutrients**, namely protein, carbohydrate, total fat, saturated fat and sodium on their packages, as well as any nutrient for which a claim is made. Food products that carry nutrition information but without claims will be excluded from Phase I. There will be a **two-year** grace period before the implementation of Phase I; and
- (b) in **Phase II**, mandatory nutrition labelling will be implemented, and all pre-packaged food, except those exempted, will have to label **energy plus nine core nutrients**, namely protein, carbohydrate, total fat, saturated fat, sodium, cholesterol, sugars, dietary fibre and calcium, as well as any nutrient for which a claim is made. Phase II will be implemented **two years** after the implementation of Phase I. According to the RIA findings, almost all prepackaged food in the market will require some actions to comply with the labelling requirements.

Discussions by the Panel

Benefits to the community

10. The Panel noted that the majority of submissions received during public consultation was in support of the proposed nutrition labelling scheme. The medical sector, dieticians/nutrition associations, patients' groups and the Consumer Council were in support of nutrition labelling, as it would facilitate consumers and patients to make food choices best to their health. They pointed out that the implementation of a nutrition labelling scheme would reduce the medical hazard of diet-related health conditions such as diabetes, high blood cholesterol and kidney disease, and reduce the related medical costs.

11. The RIA also showed that there would be net economic benefits to Hong Kong in implementing the proposed nutrition labelling scheme. Such benefits included savings in health care, avoided productivity losses and reduction in premature deaths.

Implementation timetable

12. When discussing the proposed nutrition labelling scheme at the Panel meetings in 2003 and on 15 April 2005, most members urged the Administration to introduce the mandatory labelling scheme as early as possible. As many of the pre-packaged food for sale in Hong Kong already had labels with nutrition information, and the community was generally in support of the nutrition labelling scheme, most members considered that it should not need to take four to five years to fully implement nutrition labelling. They also did not consider it necessary to adopt a phased approach for implementation as there would be additional costs on the trade for complying with the Phase II requirements.

13. Most deputations from the food industry, however, requested for a longer grace period for implementation of Phase I, and that the timing for implementation of Phase II should be reviewed one year after implementation of Phase I. They considered the proposed requirement of labelling energy and nine core nutrients in Phase II very stringent, as Hong Kong would only be second to the United States and Canada in nutrition labelling requirements after implementation of Phase II. These deputations were of the view that Hong Kong should not move ahead of the Mainland and the European Union in introducing nutrition labelling requirements. Some other food associations preferred a voluntary labelling scheme, and did not consider it necessary to implement Phase II which would be a mandatory scheme.

Labelling requirements

14. When the original proposal was discussed in 2003, most Panel members expressed support for the proposed requirement of labelling energy plus nine core nutrients in Phases I and II. As the Administration subsequently revised the proposal to require only the labelling of energy plus five core nutrients in Phase I, some members expressed concern that delaying the implementation of the more stringent labelling requirements to Phase II was undesirable and contrary to the interest of consumers. They urged the Administration to adopt a one-step approach to require the labelling of energy and nine core nutrients, subject to a grace period of two or three years.

15. The medical sector, dieticians' associations and consumers'/patients' groups preferred more stringent labelling requirements to enable consumers and people in need of special diet to make informed food choices. The medical sector and dieticians had suggested that infants' food and foods for special dietary purposes should be covered by the mandatory labelling scheme, and that the amounts of potassium and food iodine should also be labelled.

16. Most deputations from the food industry, however, considered the Phase II requirements too stringent, as other countries such as Australia and Japan only required the labelling of five to seven core nutrients. Some deputations

suggested that the Codex guidelines (i.e. energy plus protein, available carbohydrate and fat) should be adopted, and the declaration of other nutrients should only be required when there was a claim on such nutrients. Some other deputations suggested that Hong Kong's labelling requirements should follow the Mainland proposed requirements (i.e. energy plus eight core nutrients) when the latter was promulgated. There were also views that Hong Kong should accept the source countries' food labels if such countries had put in place nutrition labelling requirements, so that the manufacturers/importers would not need to re-package and re-label the food products concerned.

Costs on trade

17. The Panel noted that according to the RIA, the introduction of a nutrition labelling scheme would likely impose costs on importers, manufacturers and retailers mainly because of the need to undertake testing and to re-label the products. There would also be economic losses because some low volume, low profit niche foods would no longer be imported. The RIA estimated that about 191 small and medium enterprises (SMEs) might have to close down after Phase II was implemented.

18. The RIA also revealed that if the option of labelling "energy plus five core nutrients" was adopted for Phase I, the initial compliance costs would be significantly lower. However, some deputations from the food trade expressed reservations about RIA's estimation on the economic losses and the impact on SMEs. They urged the Administration to provide financial and technical assistance to the food industry, especially the SMEs, in complying with the new requirements. They pointed out that the small enterprises would face hardship when Phase II was implemented, because of the high costs for testing and re-labelling the products. The RIA had estimated that the total costs for implementing Phase II requirements would be \$244 million.

19. Hon Tommy CHEUNG held the view that the Administration should let the public know that the scheme would possibly increase the costs of food products and such costs would eventually be transferred to consumers. Members noted that there were also costs on enforcement by the Administration.

20. Regarding members' suggestion to implement nutrition labelling in one-step in order to reduce the costs for re-labelling, the Administration explained that during the public consultation, the food industry had expressed difficulties in complying with the requirement of labelling "energy plus nine core nutrients". Under the revised proposal, it was estimated that about 24% of pre-packaged food, which were mainly produced by large-sized enterprises, needed to label energy plus five core nutrients under Phase I. The revised proposal would reduce the initial cost of testing and allow more lead time for the industry to adapt to the more stringent requirements in Phase II.

Public education

21. The Panel and deputations urged the Administration to enhance public education on the use of nutrition information. Some deputations considered that if the consumers could not understand or make use of the nutrition information on food labels, it would be a waste of resources to introduce the nutrition labelling scheme.

Laboratory facilities

22. Some deputations from the food industry expressed concern about the availability of laboratory facilities for conducting testing and the costs for such tests. The Administration advised that the laboratories in Hong Kong had indicated that they could cope with the demand following implementation of the labelling scheme. Moreover, test results from accredited laboratories overseas would also be accepted. It was estimated that the food tests would cost about a few thousand dollars, and that the charge could be lowered if there was greater demand.

23. The Panel will further discuss the proposed labelling scheme on nutrition information at the next meeting on 14 June 2005.

Motions on the subject

24. Hon WONG Yung-kan moved a motion on “Regulating health foods” for debate at the Council meeting on 5 November 2003. Hon Fred LI moved a motion on “Labelling scheme on nutrition information” for debate at the Council meeting on 17 December 2003.

25. Dr Hon Joseph LEE moved a motion on “Labelling Scheme on Nutrition Information for pre-packaged food” for debate at the Council meeting on 8 June 2005.

Relevant papers

26. A list of relevant papers and documents is in the **Appendix** for members’ easy reference. The papers and documents are available on the Council’s website at <http://www.legco.gov.hk/english/index.htm>.

Relevant Papers/Documents

<u>Meeting</u>	<u>Meeting Date</u>	<u>Papers/Motion Passed/Council Question</u>
Legislative Council	5 November 2003	Motion on “Regulating health foods” moved by Hon WONG Yung-kan
	17 December 2003	Motion on “Labelling scheme on nutrition information” moved by Hon Fred LI
	8 June 2005	Motion on “Labelling Scheme on Nutrition Information for pre-packaged food” moved by Dr Hon Joseph LEE
Panel on Food Safety and Environmental Hygiene	20 March 2003	Administration's paper – Paragraphs 2-3 & 6-9 of LC Paper No. CB(2) 1511/02-03(04) Minutes of meeting (LC Paper No. CB(2) 1835/02-03)
	29 April 2003	Summary of views of deputations – LC Paper No. CB(2) 2521/02-03(01) Minutes of meeting (LC Paper No. CB(2) 2169/02-03)
	25 November 2003	Consultation paper on labelling scheme on nutrition information Administration's paper - Paper No. CB(2) 407/03-04(03) Minutes of meeting (LC Paper No. CB(2) 888/03-04)
	2 February 2004	Minutes of meeting (LC Paper No. CB(2) 1989/03-04)
	15 April 2005	Administration's paper - Paper No. CB(2) 1230/04-05(05) Background brief prepared by LegCo Secretariat - Paper No. CB(2) 1263/04-05(01)

		Minutes of meeting (LC Paper No. CB(2) 1474/04-05)
	10 May 2005	Mainland's consultation document on food nutrition labelling requirements - Paper No. CB(2) 1449/04-05(01) Summary of views and suggestions expressed/made by deputations on the proposed labelling scheme on food nutrition at the meeting - Paper No. CB(2) 1794/04-05(01)