



CB(1) 1750/06-07(01)

港九電器商聯會有限公司

HONG KONG & KOWLOON ELECTRICAL APPLIANCES MERCHANTS ASSOCIATION LTD.

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25th May, 2007

Clerk to Bills Committee
Legislative Council Secretariat
Legislative Council Building,
8, Jackson Road,
Central,
Hong Kong.

Attention: Ms. Debbie Yau

Dear Ms. Yau,

Submission from Hong Kong & Kowloon Electrical Appliances Merchants Association on Energy Efficiency (Labelling of Products) Bill

We refer to your letter (CB1/BC/4/06) dated 16 May 2007 and would like to give our submission in both English and Chinese as follows:

The voluntary Energy Efficiency Labelling Scheme (EELS) for household and office appliances and vehicles has been operating since 1995. The trade has been cooperative and recorded with high participation rates ranging from 40% for compact fluorescent lamps, 70% for refrigerators and 80% for room coolers according to data from Environmental Protection Department. These three specified products together account for 74% of the electricity consumption in the residential sector and have all been included in the voluntary EELS since 1996. It is the standpoint of the administration that significant improvement in market participation can only be achieved by introducing mandatory EELS which is recognized internationally as effective in promoting energy efficiency and conservation and achieving sustainable progress.

As far as energy saving is concerned, Hong Kong & Kowloon Electrical Appliances Merchants Association (HKKEAMA) supports the implementation of the mandatory EELS in phases, with the initial phase covering room coolers, refrigerators and compact fluorescent lamps. The primary target of the mandatory labelling scheme, as agreed by the administration, is basically governing consumer products for residential uses, excluding those products primarily designed and used for commercial purposes which involve different set of calculations on energy performance.



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From business operation point of view, trade members shall have to undertake a lot of extra administrative workload as well as financial resources in meeting the mandatory requirements of the scheme. The self-testing system under the mandatory EELS shall require manufacturers or importers of the specified products to conduct tests in institutions approved by DEMS whereas under the voluntary scheme test is only required for those products opted for registration. Under the mandatory scheme, tests for all products to be sold for residential uses become compulsory and will incur extra costs for manufacturers and importers. There were differences between HKKEAMA and the relevant government departments along the way leading to the energy efficiency bill to date. Public consultation, task force meetings, trade discussions were held in order to identify, research and resolve the prevailing issues. Mutual concessions were made by both parties on most of the variances with the common goal of achieving efficient use of energy in mind.

HKKEAMA fully endorses that the implementation of the mandatory EELS should contribute positively to energy conservation and alleviation of air pollution while it will provide consumers with more information to make sensible choice on energy efficient products. It will further promote the use of more energy-efficient products, hence inspires manufacturers to follow suit. HKKEAMA would like to express their support in principle to the bill in view of the long term environmental benefit to the community even it will incur extra operating costs to the trade. However, the administration should allow sufficient transition period for the trade to pave way for the full operation of the mandatory scheme and the trade still reckons that a 30-month grace period is necessary for the all stakeholders to clear up their residual stocks without energy label and to have products tested in accordance with the mandatory requirements.

Accommodating the trade required grace period will ensure a smooth execution of the mandatory EELS and further enhance the acceptance of the bill. This is a win-win scenario for the administration, the trade and the consumers.

Yours sincerely,

Peter K. L. Chu
Chairman

Hong Kong & Kowloon Electrical Appliances Merchants Association Ltd.