# 立法會 Legislative Council

LC Paper No. CB(2)1585/12-13 (These minutes have been seen by the Administration)

Ref: CB2/SS/4/12

### Subcommittee on Import and Export (General) (Amendment) Regulation 2013

## Minutes of meeting held on Wednesday, 13 March 2013, at 10:45 am in Conference Room 1 of the Legislative Council Complex

**Members**: Hon WONG Ting-kwong, SBS, JP (Chairman)

**present** Hon James TO Kun-sun

Hon Abraham SHEK Lai-him, SBS, JP Hon Tommy CHEUNG Yu-yan, SBS, JP

Hon Vincent FANG Kang, SBS, JP

Hon WONG Kwok-hing, MH Hon Paul TSE Wai-chun, JP Hon Alan LEONG Kah-kit, SC

Hon Michael TIEN Puk-sun, BBS, JP

Hon Steven HO Chun-yin Hon Gary FAN Kwok-wai Hon CHAN Chi-chuen

Hon LEUNG Che-cheung, BBS, MH, JP

Hon Dennis KWOK

Hon SIN Chung-kai, SBS, JP

Ir Dr Hon LO Wai-kwok, BBS, MH, JP

Hon CHUNG Kwok-pan

Hon Christopher CHUNG Shu-kun, BBS, MH, JP

**Member** : Hon WU Chi-wai, MH attending

Members absent Hon Emily LAU Wai-hing, JP Hon CHAN Hak-kan, JP Dr Hon LEUNG Ka-lau

Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Hon Alice MAK Mei-kuen, JP Dr Hon Helena WONG Pik-wan

Hon TANG Ka-piu

Dr Hon CHIANG Lai-wan, JP

Public Officers: attending

Item I

Professor Sophia CHAN Siu-chee Under Secretary for Food and Health

Mr Philip CHAN Kwan-yee, JP

Deputy Secretary for Food & Health (Food)

Mr Brian LO, JP

Deputy Director-General of Trade and Industry (Commercial Relations, Controls and Support)

Mr YU Koon-hing, C.D.S.M., C.M.S.M Assistant Commissioner for Customs and Excise (Boundary and Ports)

Mr Llewellyn MUI Senior Assistant Solicitor General

Department of Justice

Ms Leonora IP

Senior Assistant Law Draftsman

Department of Justice

Mr Peter SZE

Senior Government Counsel

Department of Justice

Attendance by invitation

: Item I

Hong Kong Suppliers Association Limited

Mr Albert TANG

Chairman

## Hong Kong General Chamber of Pharmacy Limited

Mr Samuel HUI Vice Chairman

**Snow Brand Hong Kong Company Limited** 

Miss Virginia MO Ying General Manager - Sales and Marketing

Wyeth Nutrition

Ms Veronica SZE Senior Manager - Public Affairs

Hong Kong Infant and Young Child Nutrition Association

Mr Clarence CHUNG President

**Eugene Group** 

Mr Eugene YAU CEO

**Uneeds Company Limited** 

Mr Andy MA Ping-kay Director

Clerk in attendance

Miss Betty MA

Chief Council Secretary (2) 1

Staff in attendance

Ms Wendy KAN

Assistant Legal Adviser 6

Mr Raymond LAM

Senior Council Secretary (2) 7

Ms Kiwi NG

Legislative Assistant (2) 1

#### I. Meeting with deputations and the Administration

<u>The Subcommittee</u> deliberated (index of proceedings attached at **Annex**).

- 2. <u>Members</u> received oral representations from seven deputations on the Import and Export (General) (Amendment) Regulation 2013 ("the Amendment Regulation"). The major views of the deputations are set out in the **Annex**.
- 3. <u>Members</u> noted that the following organizations not attending the meeting had provided the Subcommittee with written submissions -
  - (a) Tung Wah Group of Hospitals Food for All Food Assistance Service;
  - (b) Consumer Council;
  - (c) Abbott Laboratories Limited;
  - (d) Danone Baby Nutrition (HK) Limited;
  - (e) FrieslandCampina (Hong Kong) Limited;
  - (f) Shatin Women's Association;
  - (g) Long Rise Group Limited; and
  - (h) Hong Kong Retail Management Association.

## Admin 4. Members requested the Administration to -

- (a) provide a paper explaining the consistency of the Amendment Regulation with the Basic Law; and
- (b) provide details regarding the public consultation on its proposed amendments to the Import and Export (General) Regulations (Cap. 60 sub. leg. A).

#### II. Date of next meeting

- 5. <u>Members</u> noted that as agreed at the last meeting on 8 March 2013, the Chairman would move a motion on behalf of the Subcommittee to extend the scrutiny period of the Amendment Regulation to the Council meeting of 17 April 2013. <u>Members</u> noted that the Subcommittee should report its deliberations to the House Committee on 22 March 2013, and the deadline for giving notice of a motion to amend the Amendment Regulation, if any, at the Council meeting of 17 April 2013 was 10 April 2013.
- 6. <u>Members</u> noted that the next meeting had been scheduled for 14 March 2013 at 2:30 pm.
- 7. There being no other business, the meeting ended at 12:47 pm.

Council Business Division 2
<u>Legislative Council Secretariat</u>
10 July 2013

# Proceedings of meeting of the Subcommittee on Import and Export (General) (Amendment) Regulation 2013 held on Wednesday, 13 March 2013, at 10:45 am in Conference Room 1 of the Legislative Council Complex

Time marker	Speaker(s)	Subject(s)	Action Required
000000 - 001100	Chairman	Opening remarks	•
001101 - 001631	Hong Kong Suppliers Association Limited	Presentation of views as detailed in the submission (LC Paper No. CB(2)771/12-13(01))	
001632 - 002043	Hong Kong General Chamber of Pharmacy Limited	Presentation of views -  (a) although there had been a shortage of some products of certain brands of powdered formula, there had not been a general powdered formula shortage in Hong Kong before the implementation of the Import and Export (General) (Amendment) Regulation 2013 ("the Amendment Regulation");  (b) a sunset provision should be incorporated into the Amendment Regulation; and  (c) the Administration had not allowed sufficient time for consultation with the relevant sectors.	
002044 - 002500	Snow Brand Hong Kong Company Limited	Presentation of views as detailed in the submission (LC Paper No. CB(2)767/12-13(01))	
002501 - 002744	Wyeth Nutrition	Presentation of views as detailed in the submission (LC Paper No. CB(2)776/12-13(01))	
002745 - 003050	Hong Kong Infant and Young Child Nutrition Association	Presentation of views as detailed in the submission (LC Paper No. CB(2)776/12-13(02))	
003051 - 003416	Eugene Group	Presentation of views -  (a) although there had been a shortage of some products of certain brands of powdered formula, there had not been a general shortage of powdered formula in Hong Kong before the implementation of the Amendment Regulation;	

Time marker	Speaker(s)	Subject(s)	Action Required
		<ul> <li>(b) the Amendment Regulation should not be implemented on a long-term basis; and</li> <li>(c) instead of making the Amendment Regulation, the Administration could consider imposing tax on powdered formula exported from Hong Kong.</li> </ul>	
003417 - 003537	Uneeds Company Limited	Presentation of views as detailed in the submission (LC Paper No. CB(2)771/12-13(02))	
003538 - 004948	Chairman Mr Vincent FANG Admin	<ul> <li>Mr Vincent FANG's concern and the Administration's response regarding -</li> <li>(a) whether there had been a serious shortage of powdered formula in Hong Kong before the Chinese New Year;</li> <li>(b) whether the Amendment Regulation was consistent with Article 115 of the Basic Law ("BL115"); and</li> <li>(c) whether the Amendment Regulation was consistent with the World Trade Organisation ("WTO") General Agreement on Tariffs and Trade.</li> </ul>	
004949 - 005736	Chairman Mr SIN Chung-kai Hong Kong Suppliers Association Limited Admin	<ul> <li>Mr SIN Chung-kai's concern, views of the Hong Kong Suppliers Association Limited and the Administration's response regarding -</li> <li>(a) whether suppliers could jointly draw up measures to ensure adequate supply of powdered formula in Hong Kong, such as requiring suppliers to maintain inventory above a certain level;</li> <li>(b) whether the Amendment Regulation had hindered re-export of powdered formula;</li> <li>(c) whether the Administration had consulted the relevant sectors on the amendments proposed in the Amendment Regulation; and</li> <li>(d) whether the parallel trading of powdered formula had subsided after the implementation of the Amendment Regulation.</li> </ul>	

Time marker	Speaker(s)	Subject(s)	Action Required
005737 - 011004	Chairman Mr Alan LEONG Hong Kong General Chamber of Pharmacy Limited Hong Kong Suppliers Association Limited Admin	Mr Alan LEONG's view that the Amendment Regulation was consistent with BL115.  Mr LEONG's concern, views of the Hong Kong General Chamber of Pharmacy Limited and the Hong Kong Suppliers Association Limited, and the Administration's response regarding -  (a) the need to ensure a steady supply of powdered formula for all infants and young children in Hong Kong;  (b) whether the Amendment Regulation should be implemented on a short-term basis;  (c) whether there had been a serious shortage of powdered formula in Hong Kong before the Chinese New Year;  (d) whether suppliers could collaborate with the Administration to put the supply chain for powdered formula into proper track;  (e) whether the Administration had consulted the relevant sectors on the amendments proposed in the Amendment Regulation; and  (f) whether the Amendment Regulation permitted lawful re-export of powdered formula.	Kequireu
011005 - 011621	Chairman Mr CHAN Chi-chuen Admin	<ul> <li>Mr CHAN Chi-chuen's concern and the Administration's response regarding -</li> <li>(a) whether there had been a serious shortage of powdered formula in Hong Kong before the Chinese New Year;</li> <li>(b) whether the Amendment Regulation would be implemented on a short-term basis;</li> <li>(c) whether the Administration would review the implementation of the Amendment Regulation at quarterly intervals;</li> <li>(d) whether it was viable to restrict the application of the Amendment Regulation to certain powdered formula products of which there had been serious shortage;</li> </ul>	

Time marker	Speaker(s)	Subject(s)	Action Required
		(e) whether the Administration had considered the possibility of imposing tax on powdered formula exported or carried out of Hong Kong; and	zicquireu
		(f) food safety problem in the Mainland.	
011622 - 012136	Chairman Mr Tommy CHEUNG Admin	Mr Tommy CHEUNG's concern and the Administration's response regarding -	
		(a) whether there had been a serious shortage of powdered formula in Hong Kong before the Chinese New Year;	
		(b) whether a sunset provision should be incorporated into the Amendment Regulation; and	
		(c) whether the Administration had consulted the relevant sectors on the amendments proposed in the Amendment Regulation.	
		The Administration was requested to provide details regarding the public consultation on its proposed amendments to the Import and Export (General) Regulations (Cap. 60 sub. leg. A).	Admin
012137 - 012650	Chairman Mr Paul TSE	Mr Paul TSE's views regarding -	
012030	Wil Tudi TSE	(a) impact of the Amendment Regulation on the relationship between Hong Kong and the Mainland;	
		(b) the need for the Administration to protect free trade in Hong Kong; and	
		(c) the need for the Administration to set out the criteria for discontinuation of the Amendment Regulation.	
012651 - 013201	Chairman Mr Gary FAN	Mr Gary FAN's views regarding -	
		(a) whether there should be a timeline for implementation of the Amendment Regulation;	
		(b) whether there had been a serious shortage of powdered formula in Hong Kong before the Chinese New Year and whether the problem had affected the life of the general public;	

Time marker	Speaker(s)	Subject(s)	Action Required
		(c) whether the Amendment Regulation was consistent with WTO General Agreement on Tariffs and Trade; and	. <b>.</b>
		(d) powdered formula problem in the Mainland.	
013202 - 013604	Chairman Mr Abraham SHEK	Mr Abraham SHEK's expression of support for the views of the Liberal Party on the Amendment Regulation.	
		Mr SHEK's views regarding -	
		(a) whether the Amendment Regulation was consistent with the free market principle;	
		(b) whether the Amendment Regulation was consistent with BL115; and	
		(c) whether a sunset provision should be incorporated into the Amendment Regulation.	
013605 - 014011	Chairman Mr CHUNG Kwok-pan Admin	Mr CHUNG Kwok-pan's concern and the Administration's response regarding -	
	Admin	(a) whether there had been a serious shortage of powdered formula in Hong Kong before the Chinese New Year;	
		(b) whether the Amendment Regulation was consistent with WTO General Agreement on Tariffs and Trade; and	
		(c) whether the Administration had consulted the relevant sectors on the amendments proposed in the Amendment Regulation.	
014012 - 014620	Chairman Mr Steven HO Hong Kong Suppliers Association Limited	Mr Steven HO's concern, views of the Hong Kong Suppliers Association Limited and the Administration's response regarding -	
	Admin	(a) whether there had been a serious shortage of powdered formula in Hong Kong before the Chinese New Year; and	
		(b) efforts made by suppliers and retailers to ensure a steady supply of powdered formula in Hong Kong.	

Time marker	Speaker(s)	Subject(s)	Action Required
014621 - 015521	Chairman Mr WU Chi-wai Hong Kong Infant and Young Child Nutrition Association Admin	Mr WU Chi-wai's concern and the Administration's response regarding -  (a) criteria for discontinuation of the Amendment Regulation; and  (b) the Administration's work in assisting suppliers and retailers to get the supply chain into proper track.	Trequir eu
015522 - 015655	Chairman Mr Gary FAN Admin	Mr Gary FAN's question and the Administration's response regarding whether a sunset provision had been incorporated in previous amendments to the Import and Export (General) Regulations in 2003.	
015656 - 015756	Chairman Mr WU Chi-wai	Mr WU Chi-wai's view that the Administration should collaborate with suppliers and retailers to put the supply chain into proper track to ensure a steady supply of powdered formula for local infants and young children.	
015757 - 015919	Chairman Mr Vincent FANG	Mr Vincent FANG's concern about the absence of representatives of the two major powdered formula suppliers from the meeting.	
015920 - 015953	Chairman Mr Paul TSE	Mr Paul TSE's request for the Administration to provide a paper explaining the consistency of the Amendment Regulation with BL115.	Admin
015954 - 020323	Chairman Mr Vincent FANG Admin	Legislative timetable.  Date of next meeting.  Administration's provision of its response to issues raised in the letter from Mr Vincent FANG and other issues raised by members.	

Council Business Division 2 <u>Legislative Council Secretariat</u> 10 July 2013