

LC Paper No. CB(2)1587/12-13 (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 Tuesday, 19 March 2013, at 10:45 am in Conference Room 3 of the Legislative Council Complex

| Members present | : | Hon WONG Ting-kwong, SBS, JP (Chairman) 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 Vincent FANG Kang, SBS, JP Hon WONG Kwok-hing, MH Hon CHAN Hak-kan, JP Hon CHAN Hak-kan, JP Hon Paul TSE Wai-chun, JP Hon Michael TIEN Puk-sun, BBS, JP Hon Steven HO Chun-yin Hon Steven HO Chun-yin Hon Gary FAN Kwok-wai Hon Alice MAK Mei-kuen, JP Hon SIN Chung-kai, SBS, JP Dr Hon Helena WONG Pik-wan Hon TANG Ka-piu Dr Hon CHIANG Lai-wan, JP Ir Dr Hon LO Wai-kwok, BBS, MH, JP Hon CHUNG Kwok-pan |
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| Members absent | : | Hon Emily LAU Wai-hing, JP Dr Hon LEUNG Ka-lau Hon Mrs Regina IP LAU Suk-yee, GBS, JP Hon Alan LEONG Kah-kit, SC Hon CHAN Chi-chuen Hon LEUNG Che-cheung, BBS, MH, JP Hon Dennis KWOK Hon Christopher CHUNG Shu-kun, BBS, MH, JP |

| Public Officers attending | : | Item I |
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| attenuing | | Mrs Marion LAI CHAN Chi-kuen, JP Permanent Secretary for Food & Health (Food) |
| | | 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 CHAN Chi-keung Head of Trade Controls Customs and Excise Department |
| | | Ms Leonora IP Senior Assistant Law Draftsman Department of Justice |
| | | Mr Llewellyn MUI Senior Assistant Solicitor General Department of Justice |
| | | Mr Peter SZE Senior Government Counsel Department of Justice |
| Clerk in attendance | : | Miss Betty MA Chief Council Secretary (2) 1 |
| Staff in attendance | : | Mr Arthur CHEUNG Senior Assistant Legal Adviser 2 |
| | | Mr Raymond LAM Senior Council Secretary (2) 7 |
| | | Ms Kiwi NG Legislative Assistant (2) 1 |

Action

I. Meeting with the Administration

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

- Admin 2. <u>Members</u> requested the Administration to -
 - (a) consider allowing persons departing from Hong Kong and found carrying small quantity of powdered formula in excess of 1.8 kg to give up the excess quantity at boundary control points;
 - (b) provide details on the number of staff deployed to inspect retail outlets for powdered formula in Hong Kong such as pharmacies and major chain retailers to obtain information on the shortage problem in the market, and the respective number of inspections and retail outlets inspected in January and early February 2013 before the Administration came to the conclusion that there was a powdered formula shortage;
 - (c) review the drafting of the definition of "powdered formula", having regard to whether it covered rice-based milk cereal;
 - (d) advise whether there were any other places imposing restrictions on export of powdered formula;
 - (e) provide information on the penalties imposed by the court on persons in breach of the restrictions on articles other than powdered formula listed in Schedule 2 to the Import and Export (General) Regulations (Cap. 60, sub. leg. A) in the past; and
 - (f) provide estimates on the monthly/annual consumption of powdered formula by infants and young children in Hong Kong.

3. <u>The Administration</u> undertook to review the implementation of the Import and Export (General) (Amendment) Regulation 2013 ("the Amendment Regulation") in one year's time.

II. Date of next meeting

4. <u>Members</u> noted that the Chairman would, on behalf of the Subcommittee, move a motion to extend the scrutiny period of the Amendment Regulation to the Council meeting of 17 April 2013. 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. <u>Members</u> also noted that the Chairman would, on behalf of the Subcommittee, make a verbal report on its deliberations to the House Committee on 22 March 2013.

5. <u>Members</u> agreed that the next meeting would be held on 25 March 2013 at 2:30 pm to continue discussion with the Administration.

6. There being no other business, the meeting ended at 12:43 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 Tuesday, 19 March 2013, at 10:45 am in Conference Room 3 of the Legislative Council Complex

| Time marker | Speaker(s) | Subject(s) | Action Required |
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| 000000 - 000451 | Chairman | The Administration's response to issues raised by members at the Subcommittee meeting on 14 March 2013 and the letters dated 15 and 16 March 2013 respectively from Hon Tommy CHEUNG and Hon CHUNG Kwok-pan (LC Paper No. CB(2)818/12-13(01)), which was tabled at the meeting. | Required |
| 000452 - 001113 | Chairman Mr SIN Chung-kai Admin | Mr SIN Chung-kai's concern and the Administration's response regarding whether the basket of indicators for discontinuation of the Import and Export (General) (Amendment) Regulation 2013 ("the Amendment Regulation") could be quantified. | |
| 001114 - 001640 | Chairman Mr Vincent FANG Admin | Mr Vincent FANG's concern and the Administration's response regarding the estimated consumption of powdered formula by local infants and young children under 36 months in Hong Kong and whether there was a shortage of powdered formula in Hong Kong before the Chinese New Year. | |
| 001641 - 002158 | Chairman Ir Dr LO Wai-kwok Admin | Ir Dr LO Wai-kwok's concern and the Administration's response regarding - (a) the timeline for review of the implementation of the Amendment Regulation; (b) criteria for discontinuation of the Amendment Regulation; (c) whether rice-based milk cereal fell within the definition of powdered formula; and (d) penalty level for breach of the Amendment Regulation. The Administration's undertaking to review the implementation of the Amendment Regulation in one year's time. | |

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| 002159 - 002717 | Chairman Mr Paul TSE Admin | Mr Paul TSE's concern and the Administration's response regarding - (a) whether implementation of the Amendment Regulation had caused inconvenience to visitors; and (b) whether the definition of "powdered | Required |
| 002718 - 003313 | Chairman Mr Tommy CHEUNG Admin | formula" was too broad and whether it covered rice-based milk cereal. Mr Tommy CHEUNG's concern and the Administration's response regarding the number of persons deployed to inspect retail outlets for powdered formula in Hong Kong, the respective | |
| | | number of inspections and retail outlets inspected in January and early February 2013 before the Administration came to the conclusion that there was a powdered formula shortage in Hong Kong. | |
| 003314 - 003830 | Chairman Mr Steven HO Admin | Mr Steven HO's view and the Administration's response regarding - (a) whether there was a shortage of powdered formula in Hong Kong before the Chinese New Year; | |
| | | (b) whether a sunset provision should be incorporated in the Amendment Regulation; and | |
| | | (c) whether the definition of "powdered formula" was too broad and whether the Customs and Excise Department had been consulted on the definition. | |
| 003831 - 004408 | Chairman Mr CHUNG Kwok-pan Admin | Mr CHUNG Kwok-pan's views and the Administration's response regarding whether the basket of indicators for discontinuation of the Amendment Regulation would be quantified. | |
| 004409 - 004856 | Chairman Miss Alice MAK Admin | Miss Alice MAK's view and the Administration's response regarding - (a) whether there was a shortage of powdered formula in Hong Kong before the Chinese New Year; | |

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| | | (b) whether a sunset provision should be incorporated in the Amendment Regulation; | |
| | | (c) the need for a review of the definition of "powdered formula"; | |
| | | (d) the need for the Administration to step up publicity on the implementation of the Amendment Regulation at boundary control points; and | |
| | | (e) the need to explain to parents that the compositions of different powdered formula were very similar. | |
| 004857 - 005420 | Chairman Dr Helena WONG Admin | Dr Helena WONG's concern and the Administration's response regarding - | |
| | | (a) the estimated consumption of powdered formula for infants and young children in Hong Kong; | |
| | | (b) the need to ensure a steady supply of powdered formula for infants and young children in Hong Kong; and | |
| | | (c) whether the Amendment Regulation could be confined to those powdered formula brands and products of which there was a shortage. | |
| 005421 - 010011 | Chairman Ir Dr LO Wai-kwok | Ir Dr LO Wai-kwok's concern and the Administration's response regarding - | |
| | Admin | (a) whether persons departing from Hong Kong and found carrying small quantity of powdered formula in excess of 1.8 kg were allowed to give up the excess quantity at boundary control points; and | |
| | | (b) publicity on the implementation of the Amendment Regulation at boundary control points. | |
| | | The Administration was requested to consider allowing persons departing from Hong Kong and found carrying small quantity of powdered formula in excess of 1.8 kg to give up the excess quantity at boundary control points. | Admin |

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| 010012 - 010609 | Chairman Mr Tommy CHEUNG Admin | Mr Tommy CHEUNG's reiteration of his concern and the Administration's response regarding the number of persons deployed, the number of inspections conducted, the number of retail outlets for powdered formula in Hong Kong inspected in January and early February 2013. | |
| | | The Administration was requested to provide details on the number of staff deployed to inspect retail outlets for powdered formula in Hong Kong such as pharmacies and major chain retailers to obtain information on the shortage problem in the market, and the respective number of inspections and retail outlets inspected in January and early February 2013 before the Administration came to the conclusion that there was a powdered formula shortage. | Admin |
| 010610 - 011208 | Chairman Mr Vincent FANG Admin | Mr Vincent FANG's concern and the Administration's response regarding the estimated consumption of powdered formula by infants and young children in Hong Kong. | |
| 011209 - 011828 | Chairman Mr Paul TSE Admin | Mr Paul TSE's view and the Administration's response regarding - (a) evidence and statistics supporting the view that there was a shortage of powdered formula in Hong Kong before the Chinese New Year; and (b) whether restrictions on powdered formula should be implemented through amendments to the Import and Export (General) Regulations (Cap. 60, sub. leg. A). | |
| 011829 - 012540 | Chairman Mr James TO Admin | Mr James TO's concern and the Administration's response regarding - (a) whether rice-based milk cereal fell within the definition of "powdered formula"; (b) whether the definition of "powdered formula" was too broad; and | |

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| | | (c) whether the Department of Justice had been consulted about the Customs and Excise Department's understanding of the effect of the prohibition. | |
| 012541 - 012837 | Chairman Mr CHUNG Kwok-pan Admin | Mr CHUNG Kwok-pan's questions and the Administration's response regarding whether the Amendment Regulation would be extended to other products of which there was a shortage of supply. | |
| 012838 - 013217 | Chairman Mr James TO Admin | Mr James TO's concern and the Administration's response regarding whether rice-based milk cereal fell within the definition of "powdered formula", the Administration's response to enquiries from the media regarding the coverage of "powdered formula" and whether the definition of "powdered formula" should be amended. | |
| | | The Administration was requested to review the drafting of the definition of "powdered formula", having regard to whether it covered rice-based milk cereal. | Admin |
| 013218 - 013724 | Chairman Mr Abraham SHEK Admin | Mr Abraham SHEK's concern and the Administration's response regarding estimated consumption of powdered formula by local infants and young children under 36 months in Hong Kong and the statistics relating to the actions taken by the Administration to determine whether there was a shortage of powdered formula in Hong Kong before the Chinese New Year. | |
| 013725 - 014358 | Chairman Mr Tommy CHEUNG Admin | Mr Tommy CHEUNG's concern and the Administration's response regarding - (a) estimated consumption of powdered formula by local infants and young children under 36 months in Hong Kong; | |
| | | (b) whether there was a shortage of powdered formula in Hong Kong before the Chinese New Year; and | |
| | | (c) whether there was a need to make the Amendment Regulation. | |

| Time marker | Speaker(s) | Subject(s) | Action Required |
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| 014359 - 015026 | Chairman Mr Paul TSE Admin | Mr Paul TSE's concern and the Administration's response regarding - (a) whether there were any other places imposing similar restrictions on export of powdered formula; and (b) penalties imposed by the court on persons in breach of the restrictions on articles other than powdered formula listed in Schedule 2 to the Import and Export (General) Regulations in the past. The Administration was requested to - (a) advise whether there were any other places imposing restrictions on export of powdered formula; and (b) provide information on the penalties imposed by the court on persons in breach of the restrictions on articles other than powdered formula; and (b) provide information on the penalties imposed by the court on persons in breach of the restrictions on articles other than powdered formula listed in Schedule 2 to the Import and Export (General) Regulations in the past. | Admin |
| 015027 - 015343 | Chairman Mr Abraham SHEK Admin | Mr Abraham SHEK's concern and the Administration's response regarding the maximum penalty level on persons in breach of the Amendment Regulation. | |
| 015344 - 015714 | Chairman Mr Vincent FANG Admin | Mr Vincent FANG's concern and the Administration's response regarding estimates on the monthly/annual consumption of powdered formula by local infants and young children under 36 months in Hong Kong and the surge in demand for powdered formula during the Golden Weeks and Chinese New Year. | |
| | | The Administration was requested to provide estimates on the monthly/annual consumption of powdered formula by local infants and young children under 36 months in Hong Kong. | Admin |

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| 015715 - 020001 | Chairman Mr Paul TSE Mr Abraham SHEK Mr Michael TIEN | Extension of scrutiny period. Legislative timetable and making of verbal report to the House Committee on 22 March 2013. Date of next meeting. | |

Council Business Division 2 Legislative Council Secretariat 10 July 2013