

**立法會**  
**Legislative Council**

LC Paper No. CB(2)28/13-14

(These minutes have been  
seen by the Administration)

Ref : CB2/PL/FE

**Panel on Food Safety and Environmental Hygiene**

**Minutes of meeting**  
**held on Tuesday, 28 May 2013, at 4:30 pm**  
**in Conference Room 2 of the Legislative Council Complex**

- Members present** : Hon Alan LEONG Kah-kit, SC (Chairman)  
Hon James TO Kun-sun  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon WONG Kwok-hing, MH  
Dr Hon Joseph LEE Kok-long, SBS, JP  
Dr Hon LEUNG Ka-lau  
Hon CHEUNG Kwok-che  
Hon WONG Yuk-man  
Hon Claudia MO  
Hon CHAN Chi-chuen  
Dr Hon Kenneth CHAN Ka-lok  
Dr Hon Helena WONG Pik-wan  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Members attending** : Hon Cyd HO Sau-lan  
Hon Paul TSE Wai-chun, JP  
Hon Alice MAK Mei-kuen, JP  
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
- Member absent** : Hon Steven HO Chun-yin (Deputy Chairman)

**Public Officers :** Item III  
**attending**

Dr KO Wing-man, BBS, JP  
Secretary for Food and Health

Mrs Marion LAI CHAN Chi-kuen, JP  
Permanent Secretary for Food & Health (Food)

Mr Philip CHAN Kwan-ye, JP  
Deputy Secretary for Food & Health (Food)2

Mr Brian LO Sai-hung, JP  
Deputy Director-General of Trade and Industry  
(Commercial Relations, Controls and Support)  
Trade and Industry Department

Mr Thomas LIN Shun-yin  
Head of Land Boundary Command  
Customs and Excise Department

Item IV

Dr KO Wing-man, BBS, JP  
Secretary for Food and Health

Mrs Marion LAI CHAN Chi-kuen, JP  
Permanent Secretary for Food & Health (Food)

Ms Hinny LAM Shuk-ye  
Principal Assistant Secretary for Food & Health  
(Food)3

**Clerk in** : Ms Elyssa WONG  
**attendance** : Chief Council Secretary (2) 5

**Staff in** : Mr Jove CHAN  
**attendance** : Senior Council Secretary 2 (6)

Ms Priscilla LAU  
Council Secretary (2) 5

Ms Michelle LEE  
Legislative Assistant (2) 5

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**I. Information paper(s) issued since the last meeting**

(LC Paper Nos. CB(2)1078/12-13(01), CB(2)1118/12-13(01) and CB(2)1125/12-13(01))

Members noted the following papers issued since the last meeting -

- (a) Information paper provided by the Administration on the dengue vector surveillance programme and the Anti-mosquito Campaign 2013;
- (b) Information paper provided by the Administration on reduction of salt and sugar content in food; and
- (c) Letter dated 9 May 2013 from Hon Claudia MO requesting discussion on the outsourcing arrangements of the Food and Environmental Hygiene Department.

2. The Chairman sought members' view on the two information papers provided by the Administration, the subjects of which had originally been scheduled for discussion at the regular meeting in June 2013. Members did not raise questions on the two information papers and agreed that it was not necessary to further discuss the two subjects at the regular meeting in June 2013.

**II. Items for discussion at the next meeting**

(LC Paper Nos. CB(2)1182/12-13(01) and (02))

3. Following the wide media coverage on some restaurants selling beef balls which contained no beef and some shops selling fake dried fish maw, Mr WONG Kwok-hing expressed concern about the Administration's follow-up actions on falsely described food. Mr WONG suggested, and members agreed, to discuss the Administration's mechanism for monitoring falsely described food at the next regular meeting scheduled for 11 June 2013.

4. Members also agreed to discuss the following items at the next regular meeting -

- (a) Sustainable Fisheries Development Fund;
- (b) Review of the moratorium on issuing new fish culture licences - Outcome of consultation and the proposed way forward; and

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(c) Rodent Control.

5. Members noted that two special meetings would be held on 13 June and 21 June 2013 respectively to receive views from deputations on "Liquor licensing - guidelines for upstairs bars" and "Hawker policy".

6. The Chairman sought members' view on the request of Dr Helena WONG for extending the scope of the discussion of the item "Liquor licensing - guidelines for upstairs bars" to include the subject of "Procedure for assessing liquor licensing applications". Members agreed.

7. The Chairman advised that in addition to the visit made with the Secretary for Food and Health ("SFH") in the morning of 28 May 2013 to three public markets in Kowloon, members and SFH would visit three other public markets on Hong Kong Island on 25 June 2013. The Chairman sought members' view on the need to visit more public markets. Noting that the first two visits had already covered six public markets of various characteristics and facilities (e.g. air-conditioned markets versus non-air-conditioned ones and new markets versus old ones) and a meeting had already been scheduled in July 2013 to discuss with the Administration on its public market policy, members agreed that it was not necessary to make further visits to public markets.

**III. Issues relating to the implementation of the Import and Export (General) (Amendment) Regulation 2013**

(LC Paper Nos. CB(2)1182/12-13(03), CB(2)942/12-13 and CB(2)996/12-13(01))

8. SFH briefed members on the implementation of the Import and Export (General) (Amendment) Regulation 2013 ("the Amendment Regulation"), details of which were set out in the Administration's paper (LC Paper No. CB(2)1182/12-13(03)).

Improving the supply chain

9. Mr Vincent FANG said that the suppliers and retailers of powdered formula had signed in late April 2013 the "Sufficient Supply Charter", announcing joint measures to ensure a stable supply of powdered formula for local parents to meet their needs. The suppliers had undertaken to -

- (a) import powdered formula by air when necessary;
- (b) step up deliveries to retailers from weekly to daily;

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- (c) enhance the ordering hotline capacity by increasing manpower by 50%; and
- (d) provide powdered formula coupons for local mothers who had signed up for a membership programme to purchase five tins of powdered formula each month at designated pharmacies. Parents with coupons would be guaranteed to have their orders delivered within three days.

Mr FANG considered that such measures should be able to meet the Administration's requirements for improving the supply chain of powdered formula.

10. SFH welcomed the various measures proposed by the suppliers of powdered formula to improve their supply chain in order to ensure a sufficient and stable supply of powdered formula to meet the local needs. He advised that the Administration would follow up with the suppliers about -

- (a) their arrangement with their holding companies to ensure a steady and sufficient supply of powdered formula to Hong Kong even when there was strong demand globally for powdered formula;
- (b) whether their existing manpower and logistical support could deal with the proposed daily delivery to around 1 800 retailers in Hong Kong;
- (c) whether the increase in manpower for their ordering hotlines could cope with a sudden surge in demand for powdered formula; and
- (d) whether the number of retail outlets was adequate to cope with the demand from local parents.

(At this juncture, the Chairman informed members that he had to leave the meeting temporarily. As the Deputy Chairman was not present at the meeting, members elected Mr Tommy CHEUNG to take over the chair.)

11. Mr WONG Yuk-man expressed support for the improved arrangement for local parents to place advanced orders with designated retail outlets for powdered formula. In his view, the suppliers could, under this arrangement, forecast the demand for powdered formula more accurately and hence improve their inventory management. Mr WONG then sought information from the Administration on the progress of the

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improvement of the supply chain in relation to powdered formula. SFH advised that the suppliers and retailers were asked by the Administration to improve their supply chain. The Administration would continue to closely monitor the situation and keep the Panel informed of the latest development.

12. Mr WONG Yuk-man expressed concern that the demand for powdered formula might surge again if the Administration decided to discontinue the implementation of the Amendment Regulation. He enquired about the Administration's criteria for evaluating the supply chain management of powdered formula suppliers. SFH advised that according to the import statistics, Hong Kong imported a total of more than 40 million kg of powdered formula for infants and young children in 2012, of which not more than 10 million kg was consumed locally and a lot of the remaining some 30 million kg was deduced to be purchased by parallel traders. Local suppliers had to make sure that an effective and efficient stock replenishment mechanism would be put in place to ensure steady and sufficient supply for local parents.

13. Mr CHAN Chi-chuen considered the Amendment Regulation effective in stabilizing the supply of powdered formula for local parents. Noting that the Administration might discontinue the Amendment Regulation if the supply chain improvement measures were proven to be effective and sustainable after passing the stress tests, Mr CHAN expressed concern that the suppliers might manipulate their supply of powdered formula in the short term in order to pass the stress tests. However, the improvement made to the supply chain might not be sustainable and the supply of powdered formula might fall short of the local demand again. Miss Alice MAK shared Mr CHAN's view.

14. SFH stressed that the Administration would not just look at the results of the stress tests but would also examine the efforts, manpower and resources that the suppliers had invested into the improvement measures to ensure their sustainability.

15. Dr Helena WONG sought information about the supply of powdered formula during the Labour Day holiday period and enquired whether there was any shortage of supply. SFH advised that the supply of powdered formula in Hong Kong was generally stable during the period. Neither complaints nor an unusually large number of telephone calls had been received by the government special hotline.

(At this juncture, the Chairman resumed the chair.)

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16. Mr Vincent FANG, Mr WONG Kwok-hing and Mr Tommy CHEUNG were concerned about the arrangement for stress tests. Mr WONG and Mr CHEUNG enquired about the timetable for conducting the stress tests. They also requested the Administration to revert to the Panel on the results of the stress tests. Mr FANG suggested that in order to fully assess the effectiveness of the proposed improvement measures, the Administration should first discontinue the implementation of the Amendment Regulation before conducting the stress tests. He further suggested that consideration might be given to temporarily suspending the implementation of the Amendment Regulation for two weeks for conducting stress tests during the summer vacation or the National Day Golden Week.

17. SFH advised that the improvement measures had to be proved to be sustainable and able to cope with the peak demand periods. The Administration had not set a deadline for the review on the improvement of the supply chain management. During the scrutiny of the Amendment Regulation by the Subcommittee on Import and Export (General) (Amendment) Regulation 2013 ("the Subcommittee"), the Administration had advised that stress tests might be conducted in October 2013, during which there were the National Day Golden Week holidays. A consultant would be commissioned shortly to design the stress tests and devise the timetable for conducting the tests. SFH further advised that it was considered not appropriate to suspend the Amendment Regulation for two weeks for the stress tests. Stress tests such as those on the capacity of the ordering hotline could be conducted without suspending the Amendment Regulation.

18. Miss Alice MAK enquired about how members of the trade could obtain information about the requirements of the stress tests. She said that some retailers, particularly those small retailers, were unable to get any replenishment from the suppliers. SFH advised that the Administration would establish a committee comprising representatives of major suppliers and retailers, including small retailers, of powdered formula as well as members from the logistics sector, relevant academic and consumer sectors to work together on improving the supply chain. Essential information on the stress tests would be disseminated to members of the trade through the committee, on the condition that the integrity of the tests was not compromised.

19. Mr Tommy CHEUNG was of the view that there was no critical shortage of powdered formula in Hong Kong. The supply chain failure in relation to powdered formula was limited to the shortage of certain brands of powdered formula at certain retail outlets. He was strongly of the view that the stress tests were unnecessary as there was an abundant supply of

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powdered formula of various other brands in the market. He surmised that the stress tests were excuses for the Administration to continue the implementation of the Amendment Regulation.

20. SFH advised that there had been an acute shortage of powdered formula of certain brands in Hong Kong and it was important to ensure a sufficient supply of powdered formula to meet the local demands. While the Administration would closely monitor the efficiency of stock replenishment between the suppliers and their holding companies, it was equally important to have the stress tests in order to enhance public confidence in the improvement of the supply chain. An independent consultant with expertise in retail supply chain management would be commissioned by the Administration to design the stress tests.

Definition of powdered formula

21. Ms Cyd HO, Mr CHAN Chi-chuen and Mr Paul TSE expressed deep concern about the implementation of the Amendment Regulation in its original form since the amendments proposed to the Amendment Regulation could not be dealt with owing to the early adjournment of the Council meeting of 17 April 2013. Ms HO expressed strong dissatisfaction with the Administration's refusal to present its proposed amendment to the definition of powdered formula by way of another piece of subsidiary legislation. Mr CHAN and Mr TSE considered that there was a need to improve the clarity of the definition so as to facilitate the enforcement of the Amendment Regulation. SFH advised that the existing definition had already fully and effectively reflected the policy intent and the scope of regulation on powdered formula. Although the Administration had considered refining the definition of powdered formula in the Amendment Regulation to address the Subcommittee's concerns, the Administration did not consider the existing definition unclear or incorrect.

22. Mr Paul TSE maintained his view that the existing definition of powdered formula was confusing, and which had resulted in nine cases of inappropriate detention and arrests of persons for breach of the Amendment Regulation. He enquired about the number of convictions that should be quashed as the offenders had brought only rice-based milk cereal instead of powdered formula. Head of Land Boundary Command, the Customs and Excise Department ("HLBC/C&ED") advised that at the moment, there was no person convicted of carrying rice-based milk cereal leaving Hong Kong.



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23. Mr Paul TSE was not satisfied with the Administration's response. In his view, the Administration had interpreted the law in a way that favoured its handling of the current shortage of powdered formula. However, this might not be consistent with the rule of law principle.

24. SFH advised that while the Administration had endeavoured to ensure a sufficient supply of powdered formula for local infants and young children, it had always acted within the legal framework. The Department of Justice ("DoJ") had also been consulted on the interpretation of the definition of powdered formula.

25. The Chairman commented that it was unusual that a piece of subsidiary legislation had come into operation before the expiry of its scrutiny period, and while the Administration had obviously been aware of the irregularities of the original definition of powdered formula, it did not further introduce any amendment to the definition after the scrutiny period of Amendment Regulation had expired on 17 April 2013. He was gravely concerned that such unusual arrangements had undermined the rule of law.

26. SFH advised that the Administration was dealing with a special situation and that timely implementation of the Amendment Regulation was essential to combating the problem of parallel traders diverting large quantities of powdered formula away from the supply chain in Hong Kong. As regards the definition of powdered formula, SFH reiterated that the existing definition had clearly reflected the policy intent and the scope of regulation on powdered formula. Although there might be room for improvement, the Administration did not see the need to do so. The first and foremost task of the Administration was to improve the supply chain management of the suppliers and retailers, so as to ensure a sufficient and stable supply of powdered formula for local infants and young children.

Notification to the World Trade Organization

27. Mr Paul TSE was also concerned about the notification that the Administration had given to the World Trade Organization ("WTO") of the Amendment Regulation and requested the Administration to provide relevant information to the Panel. Mr Tommy CHEUNG echoed Mr TSE's view and he further requested the Administration to provide the response of WTO to the Administration's notification as he questioned that the Amendment Regulation was not in compliance with WTO requirements.

28. Deputy Director-General of Trade and Industry (Commercial Relations, Controls and Support)/Trade and Industry Department advised that he would consult the relevant authority on the provision of the notification provided by the Government to WTO on the Amendment

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Regulation and the response of WTO to the Government's notification. He would relay the response to the LegCo Secretariat.

Proposed sunset clause for the Amendment Regulation

29. Ms Cyd HO stressed the need for including a sunset clause in the Amendment Regulation as it set a timeline for the Administration to review the effectiveness of the Amendment Regulation and for the suppliers to improve their supply chain. In her view, the sunset clause would create pressure for the stakeholders to improve their supply chain management by the date set by the sunset clause. She further enquired about whether the Administration had other measures in contemplation, such as more stringent export control or alternative import sources, if the Amendment Regulation was proven ineffective. SFH advised that the import figures showed that the current supply of powdered formula far exceeded the local demand. If the four requirements for improving the supply chain of the suppliers and retailers as set out in paragraph 9 of the Administration's paper were met by the suppliers and retailers, there should be sufficient supply of powdered formula to satisfy the local needs.

30. Mr WONG Yuk-man expressed objection to the suggestion of sunset clause for fear of a revival of parallel trading activities after the repeal of the Amendment Regulation.

Exemption arrangement for personal use

31. Mr WONG Kwok-hing, Mr James TO and Ir Dr LO Wai-kwok expressed deep concern about the exemption arrangement for personal use in the Amendment Regulation. They considered that the current exemption arrangement would bring unnecessary inconvenience to both travellers and frontline enforcement staff, in particular to those who crossed the land boundary check point on the next day but still within 24 hours since their last departure. They urged the Administration to exercise enforcement or prosecutorial discretion when dealing with minor violations of the exemption arrangement. Ir Dr LO Wai-kwok also called on the Administration to revise the exemption arrangement from first departure from Hong Kong within a 24-hour period to within the same day.

32. SFH advised that such proposal might create loopholes for more parallel trading activities as parallel traders might take advantage of the exemption before and after midnight at the land boundary control points. He understood that some travellers might be unaware of the Amendment Regulation and might commit minor breaches of the Amendment Regulation. However, the court would impose proper penalties to reflect the seriousness of the breach. HLBC/C&ED added that the frontline staff

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of the Customs and Excise Department ("C&ED") would examine each non-compliant case seriously. In the event that a person leaving Hong Kong was found to have violated the exemption arrangement unintentionally and the length of time since his last departure of Hong Kong was close to 24 hours, C&ED would consult DoJ on whether to pursue the prosecution of the case. SFH reiterated that the Amendment Regulation was not aimed to combat paralleling trading activities or parallel traders in general, but to combat the specific problem of parallel traders diverting large quantities of powdered formula away from the supply chain in Hong Kong.

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33. In response to the enquiry of Ir Dr LO Wai-kwok about the enforcement of the Amendment Regulation, HLBC/C&ED advised that in March 2013, 161 out of 489 (i.e. about 33%) convictions involved violation of the 24-hour requirement. The number dropped to 49 out of a total of 482 in April and 48 out of 399 in May (up to 23 May 2013). Publicity efforts about the Amendment Regulation had been enhanced through various channels such as Announcements in the Public Interest and posters and banners at boundary check points. At the request of the Chairman, the Administration would provide written information on the number of non-compliance cases related to the violation of the 24-hour requirement on which the enforcement agency had sought advice from DoJ and which DoJ eventually decided not to pursue prosecution.

Internal guidelines for the officers of the Customs and Excise Department

34. Ms Cyd HO was dissatisfied with the Administration's refusal to make public the list of powdered formula regulated by the Amendment Regulation compiled by the Food and Health Bureau as well as the enforcement guidelines for the frontline staff of C&ED which set out the scope, nature and targeted consumers of the powdered formula subject to the regulation. The Chairman echoed Ms HO's view. The Chairman said that such arrangement would violate the rule of law principle under which the Government and the governed should be subject to the same law which should be publicly promulgated and equally enforced. Mr Vincent FANG also urged the Administration to make the enforcement guidelines available to the retailers. HLBC/C&ED advised that the enforcement guidelines for C&ED staff served as internal reference only and contained information on operational procedures. It was considered not appropriate to distribute these guidelines to the public. To promote a better understanding of the policy intent and scope of the Amendment Regulation by the public, members noted that the Administration would publish a new and detailed pamphlet for the public and the trade. The pamphlet would illustrate the scope, nature and targeted consumers of the powdered formula subject to regulation.

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35. Dr Helena WONG requested the Administration to provide the number of enquiries made by C&ED to FHB after the end of the scrutiny period of the Amendment Regulation, seeking assistance in judging whether or not certain products fell within the regulatory ambit of the Amendment Regulation. Deputy Secretary for Food and Health (Food)<sup>2</sup> agreed.

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#### Trial Scheme on Powdered Formula Receptacles

36. Mr WONG Kwok-hing and Ir Dr LO Wai-kwok welcomed the Administration's adoption of members' suggestion of placing receptacles for collection of powdered formula at the boundary control points to enable outbound travellers to properly handle powdered formula in excess of the prescribed limit before entering the clearance area. They asked the Administration about the progress of implementation.

37. SFH advised that a trial scheme to place receptacles at Lo Wu and Lok Ma Chau Spur Line Control Points would be launched in June 2013. The Administration had liaised with four non-governmental organizations operating the Short-term Food Assistance Service Projects to donate powdered formula collected at the receptacles to those in need. In response to Ir Dr LO's further enquiry about the duration of the trial scheme, SFH advised that the Administration would review the effectiveness of the trial scheme after its operation for a suitable period of time before deciding on the long term arrangements.

#### Assessment of the likely reaction of the Mainland authorities and people

38. Dr Helena WONG said that it was reported that after the implementation of the Amendment Regulation, the Chief Executive had asked policy bureaux to assess the likely reaction of the Mainland authorities and people before launching any new policies or implementing any new measures. As the Amendment Regulation was aimed to ensure a sufficient supply of powdered formula for local infants and young children, Dr WONG enquired about the assessment of the Mainland reaction to the Amendment Regulation. Mr WONG Yuk-man strongly criticized the Chief Executive's request for considering the reaction of the Mainland to the Administration's new policies or measures, as he considered such request destructive to the principles of "One Country Two System" and "Hong Kong people ruling Hong Kong".

39. SFH reiterated that the Amendment Regulation was aimed to combat the problem of parallel traders diverting large quantities of powdered formula away from the supply chain in Hong Kong, instead of preventing Mainland residents from purchasing powdered formula in Hong Kong. SFH stressed that it was important to protect the health of local infants and

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young children to ensure sufficient and stable supply of powdered formula. The Administration would continue to maintain close communication with the Mainland authorities on the rationale behind the Amendment Regulation.

**IV. Supply of live cattle in Hong Kong**

(LC Paper Nos. CB(2)1182/12-13(04) and (05))

40. SFH briefed members on the supply of live cattle in Hong Kong as well as the market survey conducted on the prices of fresh beef, details of which were set out in the Administration's paper (LC Paper No. CB(2)1182/12-13(04)).

41. Members also noted the information note entitled "Supply of live cattle in Hong Kong" (LC Paper No. CB(2)1182/12-13(05)) prepared by the LegCo Secretariat.

Opening up of the live cattle market

42. Mr WONG Kwok-hing and Mr Tommy CHEUNG were deeply concerned about the surge in the price of fresh beef. Mr WONG relayed the views of the trade that the consultancy study commissioned by the Administration was unable to provide the reasons for the continuous surge in the price of beef. In his view, the current arrangement of supplying all live cattle to Hong Kong through a single export agent, i.e. Ng Fung Hong Limited ("NFH"), had rendered the supply and wholesale price of fresh beef susceptible to manipulation. Mr CHEUNG requested the Administration to look into the business of NFH to ascertain whether it was making unreasonably huge profits.

43. Mr WONG Kwok-hing moved a motion urging the opening up of the live cattle market. The Chairman ruled that the motion was directly related to the agenda item under discussion, and invited members to consider whether the motion should be proceeded with at this meeting. Members raised no objection. The Chairman said that the motion would be dealt with at the end of the discussion of the item.

44. Mr WONG Kwok-hing pointed out that although another agent, Kwong Nam Hong, could also supply live cattle to Hong Kong, the price of live cattle supplied by Kwong Nam Hang was fixed by NFH. Mr WONG considered this arrangement unreasonable and urged the Administration to take measures to break the monopoly and stabilize the price and supply of fresh beef. Mr WONG further said that the frequent increases in the wholesale price of fresh beef had also driven many small businesses to

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despair. Noting that the Administration had started a discussion with the Mainland authority on the opening up of the market, Mr WONG enquired about the progress of the discussion.

45. Mr Tommy CHEUNG said that the Liberal Party supported the opening up of the live cattle market. Noting that after opening up the live pigs market, not all wholesale import agents for live pigs were active in the business, Mr CHEUNG asked the Administration to carefully select the import agents for live cattle if the Mainland authority agreed to open up the live cattle market.

46. Dr Helena WONG said that the Democratic Party supported the opening up of live cattle market. She asked the Administration to elaborate on the procedures for the opening up of the live cattle market.

47. The Chairman suggested and members agreed to extend the meeting for 15 minutes to allow sufficient time for discussion.

48. SFH advised that the Administration was aware of the surge in the price of fresh beef, as well as the impact of the price increases on the business of beef retailers and restaurants. It was the Government's policy to maintain a stable and adequate supply of fresh beef from diverse sources. SFH further advised that the Administration was open-minded about the opening up of the market; however, the authority to approve the export agent for the supply of live cattle to Hong Kong rested with the Ministry of Commerce. The Administration had liaised with the relevant Mainland authority to explore the feasibility of opening up the market.

49. Noting that the upward trend in the price of live cattle was mainly attributable to the tight supply and high demand in the market, Dr Helena WONG expressed doubt that an increase in the number of distributing agents would lead to a decrease in the price of fresh beef. SFH shared Dr WONG's observation. He observed that a basket of factors were at play which drove up the price of beef in recent years, including escalating operating costs, the long breeding cycle of live cattle which rendered supply inelastic, strong demand from Mainland consumers, and the appreciation of Renminbi. Given the relatively small size of the market in Hong Kong, SFH cautioned that increasing the number of distribution agents by itself might not help ameliorate the situation.

50. Noting that the number of imported live cattle was diminishing, Dr Joseph LEE enquired whether the opening up of the market could increase the number of live cattle transactions. He also enquired about the measures to prevent traders from forming a cartel. SFH advised that theoretically, the increase in the number of suppliers would create price

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competition, which would in turn benefit consumers. Depending on the circumstances of the case, traders engaging in anti-competitive behaviour in the market might render themselves liable to prosecution under the Competition Ordinance (Cap. 619) when it came into operation.

Other choices of beef

51. While noting that the Administration's earlier attempt to introduce Mainland chilled beef to the local market was not successful, Mr Tommy CHEUNG and Dr Helena WONG remained of the view that consideration could be given to promoting chilled beef to supplement consumers' demand for fresh beef. They considered that such arrangement not only provided more food choices for the general public, but also helped maintain food prices at a reasonable and stable level. Mr CHEUNG urged the Administration to examine the reasons for the unsuccessful introduction of chilled beef as well as develop more trade facilitation measures to encourage more eligible processing plants to apply for supplying chilled beef to Hong Kong.

52. SFH advised that it was the Administration's responsibility to maintain a stable and adequate supply of foodstuffs from diverse sources. The Administration would explore ways to diversify the sourcing of foodstuffs, including chilled beef, for Hong Kong consumers. He added that, given the strict requirements for processing chilled beef, frozen beef might also be considered as a desirable alternative to fresh beef and chilled beef.

Other concerns

53. Mr CHAN Chi-chuen expressed support for the opening of live cattle market. He also expressed concern that certain food products, e.g. beef balls, were falsely described and they contained no beef. Mr CHAN enquired about the Administration's enforcement actions. SFH advised that the sale of falsely described food was an offence under the Trade Descriptions Ordinance (Cap. 362) and the Public Health and Municipal Services Ordinance (Cap. 132). Following the media reports on the sale of falsely described food, the Centre for Food Safety ("CFS") and C&ED had raided the restaurant which was alleged to be selling "beef meat balls" which did not contain any beef ingredients, with a view to taking appropriate enforcement actions. CFS would continue to follow up on the issue and conduct targeted food surveillance on falsely described food.

Motion proposed by member

54 Mr WONG Kwok-hing moved the following motion which was seconded by Mr Vincent FANG -

"促請政府早日開放活牛進口市場，並儘快定出實施時間表。"

(Translation)

"That this Panel urges the Government to expeditiously open up the market of imported live cattle, and draw up an implementation timetable as soon as possible."

55. The Chairman put Mr WONG Kwok-hing's motion to vote. The results were: five members voted in favour of the motion; no member voted against it; and no member abstained. The Chairman declared that the motion was carried.

56. At the suggestion of Mr WONG Kwok-hing, members agreed to receive views from deputations on the supply of live cattle in Hong Kong at a future meeting.

**V. Any other business**

57. There being no other business, the meeting ended at 6:41 pm.