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ASB BIODIESEL (HONG KONG) LIMITED

NOTES FOR PRESENTATION
PANEL ON FOOD SAFETY AND ENVIRONMENTAL HYGIENE
SPECIAL MEETING ON 25TH OF SEPTEMBER 2014

FINAL

ASB has built a biodiesel plant in the SAR of Hong Kong, with a capacity of 100,000 tons per year. The plant can produce biodiesel using, among other feedstock, used cooking oil (UCO), grease trap waste (GTW) and animal fats of any kind.

The capacity of the plant is enough to treat all the UCO, GTW and animal fats produced in Hong Kong, and, at the same time, replace 10% of the on road diesel demand with a renewable, clean and low carbon biofuel.

UCO AND ANIMAL FATS

Though of commercial value, legislations worldwide consider these products, UCO, GTW and animal fats, as potentially hazardous and its use is subject to proper control. Sufficient monitoring is required to guarantee a high standard of health and safety throughout the food chain.

In ASB's opinion, a first step would be to define clearly the possible uses of these three wastes. In this respect, Hong Kong can use as reference European legislation on residual oils and animal fats¹. Following the food crises of the 1990s, such as the bovine spongiform encephalopathy (BSE) epidemic, the role of these by-products in propagating diseases was brought to light. As a result of new Directives, in the case of animal fats, only certain applications are possible, depending on the origin of the animal byproduct used to produce the animal fat. UCO and GTW are always considered high risk and its use is limited to incineration, technical applications (including biodiesel) or landfill.

Regulation is required to ensure the safe:

- Collection, transport, storage, handling, processing and use or disposal of UCO, GTW and animal by-products
- Placement on the market and, in certain specific cases, the export and transit of these products.

Control has to start at the point of origin of the waste, (i.e. restaurants, catering facilities, food processing sites, waste water treatment plants and animal fat rendering plants), to make sure that all waste is properly disposed and finally reaches authorized treatment facilities. We understand that proper records, accessible to public authorities, should be kept by the companies operating these facilities. Amounts of used oil produced and disposed have to be consistent with the type and the size of the restaurant.

Regarding the collectors, clear regulation is needed to ensure that they are properly licensed and that waste is transferred from the waste producer to the treatment facility.

Finally, regarding treatment facilities, Hong Kong has three authorized biodiesel manufacturing facilities, being ASB Biodiesel one of them. There is enough treatment capacity for all the lipid waste produced in Hong Kong.

¹ Regulation (EC) No 1774/2002 of the European Parliament and of the Council of 3 October 2002 laying down health rules concerning animal by-products not intended for human consumption



The whole system has to allow full traceability from point of origin to treatment facilities through properly established waste transfer records. These records should be monitored by the related public authorities to ensure authenticity and consistency along the supply chain.

Key is also proper segregation between wastes, ensuring that high risk material is not handled together with product intended for human consumption or animal feed. Referring again to European legislation on the matter, establishments authorized to treat lower risk material cannot handle higher risk material in the same facility.

Some collectors are not delivering the products directly to processing plants, but consolidate product in storage facilities. Storage of UCO and animal fats should be properly licensed to ensure segregation, traceability and compliance with good health and environmental practices. Storage facilities should not be allowed to do any processing, and must be able to show that all outbound material has been sent to a properly licensed facility, keeping records of all incoming and outgoing material, together with a consistent mass balance, accessible to public authorities.

ILLEGAL USE

Illegal use typically implies bleaching the oil to improve colour and eliminate some impurities. This bleached oil is then diluted into fresh cooking oil. As a result of the low cost of processing and the high value of the finished product (cooking oil), prices of UCO are artificially high, making it difficult for local biodiesel producers to source the material.

The promotion of biodiesel within Hong Kong can also help to establish a safe way of dealing with these products.

IMPORT AND EXPORT

Regarding the Merchandise Trade Statistics, government should take action to ensure that proper Harmonized Codes (HS Codes) are used when importing and exporting these products. Imports should only be authorized when the importer can ensure that the product will be eventually treated in an authorized processing facility. Hong Kong is also responsible of making sure that its own waste is properly handled. Therefore exports should only be allowed when the final destination is an authorized treatment plant in the country of destination and traceability can be ensured. Our Association will elaborate further on this point.