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Information Technology Industry Council (ITI) Comments on Hong Kong's Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Ordinance 2015

May 4th, 2015

Hong Kong Legislative Council,

Thanks again for keeping us apprised on the development of this important Bill and sharing this commenting opportunity with ITI. Following up the previous exchange, we would like to take the opportunity to provide further recommendations on behalf of our members.

ITI highly recommends adoption of a self-declaration approach that provides a robust reporting and tracking system for used products due to a number of challenges associated with the label-purchasing approach. Please find more specific comments below.

- Logistic Challenges Associated with Labels

Division 3, 35 and 36. of the Bill mandates the supplier to provide a recycling label to a consumer when distribute any piece of regulated electrical equipment. This mandatory requirement raises a number of concerns to ITI member companies.

This requirement will cause many logistic challenges associated with a recycling label– attach to or accompany a product. First, products are fully packaged before shipping. It is very difficult for registered suppliers to provide separate labels to customers in various channels after shipment. Customers who receive a label in accompany of each product may not be aware the value or usage of such a label therefore discard or abandon it, despite registered suppliers' effort in delivering it throughout the supply chain.

Second, implementation of such requirements also add considerable administrative burden to registered sellers. Many sellers maintain multiple sales channels such as brand-own retail stores, online sales, direct sales from brand owner's Original Design Manufacturers (ODM) and sales through other retail stores. Each channel needs a separate logistic plan to ensure the delivery of such label. For instance, if products are shipped to consumers from ODM, registered sellers would have to coordinated with ODM on sales logistics, ship labels to consumers with the products or separately, then double-confirm the arrival of labels with consumers, assuming consumers know how to properly keep and use these labels from that point on.

We understand the intention of using labels to track the flow of E-waste. However, the industry would like to present self-declaration data as the better tool to reach the policy goal of record keeping and collection monitoring. Providing the significant challenges associated with labels, we respectfully urge the Hong Kong Government to seriously consider alternatives to the label-purchasing approach. This mechanism simplifies the processes at both the government side and business side. With the business filing/registration, the government can trace the distributors accordingly. As such data is sensitive market information, we request the government to keep these reports confidential.

In replacement of the label requirement, ITI members would like to offer the option of displaying a recycling mark online or printing a recycling label on products' user manuals to demonstrate the fulfillment of the environmental obligation.

We appreciate you taking time to consider our recommendations and would like to have further exchange on this subject with you at your convenience. If you have any questions, please feel free to contact Xiaomeng Lu at xlu@itic.org.