

立法會

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Panel on Environmental Affairs

Meeting on 27 June 2016

Background brief on import and export control of recyclables prepared by the Legislative Council Secretariat

Purpose

This paper provides background information on the import and export control of recyclables in Hong Kong. It also gives a brief account of the major views and concerns expressed by Members when related issues were discussed by the relevant committees of the Legislative Council ("LegCo") in the 2012-2013 to 2015-2016 legislative sessions.

Background

Import and export control of recyclables in Hong Kong

2. It is the Government's objective to maximize recycling and avoid disposal of waste in Hong Kong. In line with international practices, Hong Kong prohibits the disposal of imported waste (including foreign domestic waste) locally under the Waste Disposal Ordinance (Cap. 354), whereas the import and export of non-hazardous recyclables for recycling and recovery purposes are allowed. Currently, plastic recyclables constitutes the major proportion of recyclables imported and exported in Hong Kong. Other types of recyclables include metals and papers.
3. To monitor and prevent the disposal of imported recyclables locally, the Environmental Protection Department ("EPD") inspects waste delivered to the

local landfills and refuse transfer stations.¹ EPD and the Customs and Excise Department ("C&ED") also conduct random checks on containers of imported recyclables. Importers are required to provide, through customs declarations, information on the contents of containers and their transshipment or export arrangements.

Estimation of the quantities of recyclables

4. At present, there is no legislation mandating the recording and declaration of the quantities of recyclables collected and processed by the recycling businesses. EPD compiles the relevant statistics based on the domestic export figures collated by the Census and Statistics Department ("C&SD") from the information contained in customs declaration forms submitted by exporters to C&ED,² and the data obtained from Waste Recovery Surveys which measure the quantities of locally generated wastes recycled locally into recycled products.

5. In view of the unusual substantial fluctuation in the domestic export figures on waste plastics between 2005 and 2010, EPD commissioned an independent consultant in late 2012 to conduct a study on the generation, recovery and disposal of waste plastics, and to examine whether the method used then to estimate the quantity of waste recovered was appropriate ("the Consultancy Study"). The Consultancy Study pointed out that there was in general a substantial difference in the interpretation of domestic export of waste plastics among practitioners who were engaged in recovering or handling waste plastics or were conducting trading of related goods. Waste plastics belonging to the "re-export" category might have been mixed up with those of the "domestic export" category in customs declaration, thereby affecting the accuracy of estimating the quantity of waste plastics recovered in Hong Kong.³

¹ All vehicles entering a waste disposal facility in Hong Kong must stop at a weighbridge for weighing and inspection at the entrance of the facility. EPD officers and contractors will require the drivers to open the hood covers of their vehicles to facilitate inspection by site staff and recording through the closed circuit television system of information such as the type of waste, weight of the load and the vehicle registration number.

² Under the trade declaration system of Hong Kong, "domestic exports" refer to (a) goods manufactured in Hong Kong; or (b) products of a manufacturing process in Hong Kong which has changed permanently the shape, nature, form or use of their basic materials. Domestic export recyclables comprise locally generated recyclables for export and imported recyclables processed in Hong Kong for export.

³ Under the trade declaration system, imported plastic recyclables for export which have not undergone any processing in Hong Kong should be declared as re-exports.

Enhancement measures in the collection of data of recyclables for export

6. In the light of the recommendations of the Consultancy Study, EPD implemented enhancement measures in the collection of data of recyclables for export. These measures include:

- (a) issuing guidelines and organizing training workshops to help recyclers and export trade declarants better understand the customs declaration requirements for recyclables;⁴
- (b) strengthening checking of export declarations and collecting additional information from export trade declarants on the source of plastic recyclables declared as domestic exports on a sample basis; and
- (c) reinforcing the audit of relevant statistical figures.

Director of Audit's Report No. 65

7. In October 2015, the Director of Audit completed a review to examine the Government's efforts in managing municipal solid waste ("MSW") and a relevant report was published in the Director of Audit's Report No. 65 ("the Audit Report"). The Audit Report pointed out that MSW generation quantities and MSW recovery rates had incorrectly subsumed unknown quantities of imported recyclables because EPD had made use of statistics on domestic export recyclables compiled by C&SD in estimating the quantities on locally generated recyclables recovered for export, and the statistics did not distinguish between export recyclables that were generated locally and those imported from overseas. As a result, the locally generated MSW quantities and MSW recovery rates had been over-estimated.

Major views and concerns expressed by Members

8. The Public Accounts Committee of LegCo held two public hearings on issues related to MSW management on 7 and 29 December 2015. The Panel on Environmental Affairs ("the Panel") was briefed on Hong Kong's MSW recovery

⁴ For instance, six thematic workshops were arranged during April 2014 to November 2015 for traders or recyclers of waste plastics. During the workshops, guidelines on export declaration requirements of waste plastics were provided to the participants (over 70 representatives from over 60 traders and recyclers).

rate and the handling of imported waste at its meetings on 26 July 2013 and 24 March 2014. Issues relating to waste disposal and recovery were raised by Members during examination of the Estimates of Expenditure in recent years. The major views and concerns expressed by Members are summarized in the ensuing paragraphs.

Estimation of quantities of locally generated recyclables

9. Anomalies found in the statistics of recyclables between 2005 and 2010 had given rise to concerns about the reliability of the Administration's computation of MSW generation quantities and MSW recovery rates, and assessment of the performance of MSW recovery and recycling in Hong Kong. Members criticized the Environment Bureau and EPD for their negligence and urged them to improve the accuracy of statistics collected for evaluating the effectiveness of MSW-related programmes, and closely monitor the trend of important estimations relating to MSW.

10. The Administration advised that it agreed with the Audit Report's recommendations and would take measures to obtain accurate statistics (e.g. quantities of locally generated recyclables recovered for export) for estimating MSW generation quantities and MSW recovery rates. The Administration would vigilantly monitor significant fluctuations in these data and ascertain the causes as soon as possible in future. EPD in collaboration with C&SD and C&ED would continue to implement measures to facilitate export trade declarants to understand and comply with the customs declaration requirements.

11. On Members' enquiries about how the Administration could ensure that exporters would understand and comply with the customs declaration requirements for recyclables, the Administration explained that the existing customs declaration requirements adopted by Hong Kong were in line with international practices. C&SD had enhanced the verification of domestic export declarations for plastic recyclables in particular and contacted the declarants on a sample basis to ensure that they clearly understood the definitions of relevant export categories for customs declarations, and used the correct codes of the Hong Kong Harmonised System.⁵ The Administration noted that the situation of misreporting had improved after enhancement of the verification mechanism.

⁵ The Harmonized System was designed by the World Customs Organization to serve as a multi-purpose classification suitable for use by customs and statistical authorities, traders, carriers and others concerned with international trade.

12. As regards Members' suggestion of adding a new classification category of "waste plastics" in Hong Kong's import and export trade statistics, the Administration advised that a comprehensive multi-purpose classification, including six codes covering different types of waste plastics, was in place for use by the customs and statistical authorities, traders, carriers and others concerned with international trade. As such, the Administration considered it unnecessary to add the suggested category of "waste plastics".

Disposal of imported recyclables at landfills

13. Members noted that the quantity of imported plastic recyclables had exceeded that of exported plastic recyclables by a significant amount during the years from 2009 to 2011. They were concerned that imported plastic recyclables might have been disposed of at the local landfills. Some Members called on the Administration to put in place a system for tracking and monitoring recyclable materials. There was also a suggestion that Hong Kong should take measures to strengthen its control of imported recyclables.

14. The Administration explained that imported plastic recyclables might be re-exported under another classification category and there might be a time lapse between the import and export of such plastic recyclables. Hence, the total amount of imported plastic recyclables could exceed that of exported plastic recyclables. The Administration pointed out that since the launching of the Operation Green Fence in the Mainland,⁶ EPD had strengthened its monitoring efforts at landfills and refuse transfer stations; and EPD had not found large loads of imported plastic recyclables being transported to these facilities for disposal. As observed, despite the rise in the quantities of declared imported recyclables particularly those of plastic recyclables, the annual disposal quantity of waste plastics at landfills had remained relatively stable.

15. The Administration further advised that since June 2013, EPD had launched a trip ticket system on the "Disposal Arrangement of Locally Generated Waste Plastics". Under this system, EPD would carry out inspections at the waste recycling sites as well as obtain relevant documents and information from the recyclers to ascertain the origin of the plastic recyclables and whether any

⁶ Operation Green Fence was a dedicated project launched by the Mainland between February and November 2013 to tighten the inspection of imported waste and recyclables at all ports across the country. During the implementation of the project, there were cases in which recyclables generated locally in Hong Kong or originated from overseas and re-exported via Hong Kong to the Mainland had been returned for non-compliance with the national standards.

imported materials were involved. As regards the suggestion of putting in place a tracking system, the Administration opined that the cost-effectiveness of such a measure in preventing imported waste from being stranded in Hong Kong should be taken into consideration. The Administration further pointed out that since recyclables were commodities with market value, it was unlikely that recyclers would import recyclables for disposal in Hong Kong.

Latest development

16. At the meeting on 27 June 2016, the Administration will update the Panel on the import and export control of recyclables.

Relevant papers

17. A list of relevant papers is set out in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
21 June 2016

Control of import and export of recyclables

List of relevant papers

Date of meeting	Event	Papers
26 July 2013	Special meeting of the Panel on Environmental Affairs	<p>Administration's paper on "Matters on Hong Kong's municipal solid waste recycling rate and handling of imported waste" (LC Paper No. CB(1)1620/12-13(01))</p> <p>Fact sheet entitled "A summary of media reports on issues relating to handling of imported recyclable materials" prepared by the Legislative Council Secretariat (Chinese version only) (LC Paper No. FS32/12-13)</p> <p>Minutes of special meeting (LC Paper No. CB(1)53/13-14)</p>
24 March 2014	Meeting of the Panel on Environmental Affairs	<p>Administration's paper on "Matters on Hong Kong's municipal solid waste recovery rate and handling of imported waste" (LC Paper No. CB(1)1104/13-14(03))</p> <p>Follow-up paper arising from the meeting (LC Paper No. CB(1)1503/13-14(01))</p> <p>Background brief on "Hong Kong's municipal solid waste recovery rate and handling of imported waste" prepared by the Legislative Council Secretariat (LC Paper No. CB(1)1104/13-14(04))</p> <p>Minutes of meeting (LC Paper No. CB(1)1654/13-14)</p>

Date of meeting	Event	Papers
6 April 2016	Special meeting of Finance Committee for examination of Estimates of Expenditure 2016-2017	Written questions raised by Members and Administration's replies (Reply serial numbers: ENB052, 054, 259, and 265)

Letters from Members of the Legislative Council addressed to the Chairman of the Panel on Environmental Affairs ("the Panel") on the subject

Date of letter	Letters
10 March 2014	Letter from Mr WU Chi-wai suggesting the Administration to put in place a tracking system for recyclable materials (Chinese version only) (LC Paper No. CB(1)1104/13-14(05))
5 January 2015	Letter from Dr Elizabeth QUAT requesting the Panel to discuss the subject of handling of imported waste (Chinese version only) (LC Paper No. CB(1)473/14-15(01))

Hyperlinks to Director of Audit's Report No. 65 and Public Accounts Committee report:

Date	Reports
27 October 2015	Director of Audit's Report No. 65 Chapter 1 on "Government's efforts in managing municipal solid wastes"
17 February 2016	Public Accounts Committee Report No. 65 Chapter 1 of Part 8 on " Government's efforts in managing municipal solid wastes "

Hyperlinks to relevant Council Questions:

Date	Council Questions
5 June 2013	Press release on Council question (written) raised by Mr Tony TSE
20 November 2013	Press release on Council question (oral) raised by Mr CHAN Hak-kan
25 March 2015	Press release on Council question (oral) raised by Mr CHAN Hak-kan
16 December 2015	Press release on Council question (written) raised by Mr CHAN Hak-kan