

Food and Environmental Hygiene Department

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**Minutes of a Technical Meeting with Trade on
the Labelling Scheme on Nutrition Information (Manufacturers' Subgroup)
held on 16 June 2004 at 10:00 a.m.
in Room 4333, 43rd Floor, Queensway Government Offices**

PRESENT:

Government Representatives

Dr HO Yuk-yin	Consultant (Community Medicine), FEHD	(Chairman)
Ms SHEA Wing-man	Assistant Secretary, HWFB	
Dr Priscilla KWOK	Senior Medical Officer (Risk Assessment), FEHD	
Dr LEUNG Ka-sing	Senior Chemist (Food Research Laboratory), FEHD	
Mr YIP Ming-bor	Superintendent (Risk Assessment), FEHD	
Mr LI Ka-kei	Chief Health Inspector, FEHD	
Ms Jacqueline FUNG	Scientific Officer (Risk Assessment), FEHD	(Secretary)

Trade Representatives

Mr Peter HUNG	Vice President The Chinese Manufacturers' Association of Hong Kong Hop Hing Holdings Ltd.
Mr Charlie LEE	General Committee Member The Chinese Manufacturers' Association of Hong Kong Lee Kum Kee International Holdings Ltd.
Miss Linda HO	Director of Corporate Brand Lee Kum Kee International Holdings Ltd.
Dr WONG Chi-ho, Jimmy	Member The Chinese Manufacturers' Association of Hong Kong Tung Chun Company Ltd.
Ms Maria LAU	Deputy Secretary-General The Chinese Manufacturers' Association of Hong Kong

Welcoming Remarks

Action

1. The Chairman opened the meeting by welcoming the trade representatives and explaining the purposes of the meeting.

Agenda Item 1

Adopting of the Agenda

2. The proposed agenda for this meeting was tabled. The Chairman invited comments from the participants. The proposed agenda was adopted.

Agenda Item 2

Progress of the Regulatory Impact Assessment (RIA)

3. Dr KWOK tabled an information sheet on RIA (Annex 1) and briefed the participants on the progress. She stressed that the purpose of the RIA was to evaluate the overall costs and benefits on the introduction of the Labelling Scheme on Nutrition Information.

4. Mr HUNG indicated the RIA was not discussed in their pre-meeting with members of the Chinese Manufacturers' Association of Hong Kong (CMA) the day before, thus views regarding RIA were expressed on a personal basis. He pointed out that in order to avoid arguments on the results of the RIA, the government should involve the trade in the process of preparing the consultancy brief and selecting the contractor.

5. The Chairman emphasized that the consultant would gather data from various channels, including the trade. He then explained that the tendering approach/procedures were more or less standardized. In fact, the RIA tender was issued by the Economic Analysis and Business Facilitation Unit (EABFU) under the Financial Secretary's Office.

6. Mr HUNG remarked the government formulated the Labelling Scheme based primarily on science and there was no doubt that nutrition

labelling would have positive impacts on health. However, he commented that the government should also consider the potential economic impact of the proposal. He also suggested the government to invite trade's participation in steering the work of the RIA contractor.

[Post-meeting note: Dr KWOK confirmed with EABFU that it was not their standard practice to involve non-government body in the RIA steering committee. However, the RIA contractor should involve all relevant stakeholders in the process of data collection.]

Agenda Item 3

Discussion on the Proposed Labelling Scheme on Nutrition Information

i) Phase I – Mandatory Nutrition Labelling for Prepackaged Food Products with Nutrient-related Claims

7. The Chairman invited views on the proposed approach for Phase-I (i.e., mandatory nutrition labelling for prepackaged foods with claims). He pointed out that any prepackaged foods with nutrition labelling would need to be complied with the proposed labelling requirements in this stage as well.

8. Mr HUNG, on behalf of CMA and the Hong Kong Food Council Ltd. agreed with the principle of providing nutrition label when making nutrient-related claim on prepackaged foods and claimed that the major local manufacturers would probably experience no difficulty in complying with the requirements. However, members of CMA were concerned about whether the same nutrition labelling requirements would be applied on both importers and local manufacturers. He stated if the requirements for importers were looser than those for local manufacturers, some local SMEs expressed in the pre-meeting that they would consider relocating their factory to the Mainland.

9. The Chairman clarified that there should be only one set of nutrition labelling requirements for both importers and local manufacturers.

10. Follow up on Mr HUNG's question, Dr WONG enquired about the control of prepackaged foods – a) if the regulations would also apply to catering establishments; b) if so, would there be compliance and

enforcement on the food items served. Mr LI explained that under the current regulations, all prepackaged foods provided for restaurants should have food labelling as the restaurant operators had the right to know the information about the food, such as name and weight of the product, durability indication, condition for storage, etc. However, prepackaged foods provided to ultimate consumers by the restaurant were exempted from food labelling. Mr YIP supplemented that this exemption only applied to prepackaged foods sold at catering establishments for immediate consumption.

11. The Chairman then asked the trade representatives their views on standardizing the format of all nutrition labels in Phase I, including those provided by the trade voluntarily. He elaborated that the focus of the discussion was on the format, rather than the content (i.e., no. of core nutrients), since the purpose of standardizing all nutrition labels was to increase the comprehensibility of nutrition labels.

[Ms SHEA left the meeting at this juncture.]

12. As the issue was not discussed at the pre-meeting, Mr HUNG could only comment on behalf of his company that they would have no problem in providing nutrition labels in accordance with the format prescribed by the government. He speculated local manufacturers would be able to re-label their products and be willing to do so provided that both imported and locally manufactured products were subject to the same regulations.

ii) Phase II – Mandatory Nutrition Labelling for All Prepackaged Food Products

13. With regard to Phase II of the Labelling Scheme, Mr HUNG opined that the development of Hong Kong food regulations should not be ahead of other countries because rather than as a food producing country, Hong Kong is a food consumption place with only about 6 million people.

14. Subsequently, he indicated most of the local manufacturers sourced ingredients globally and not all ingredient providers would be able

to provide the nutrition information as required in the proposed labelling scheme. In turn, local manufacturers would experience great difficulty in providing nutrition labels for prepackaged foods.

15. The Chairman suggested local manufacturers could analyze the final products and make use of the information to generate nutrition labels. Mr HUNG explained that manufacturers, especially SMEs, changed their ingredient providers from time to time, thus testing the final products each time they switched the source of ingredient would be very costly. Mr LEE supplemented that the increase in costs would probably be transferred to consumers.

16. The Chairman indicated the costs issue would be examined by the RIA. He added that the government was considering granting exemption from nutrition labelling to front shop-back factory operators who primarily produced and sold their prepackaged food products at the same location.

[Mr HUNG left the meeting at this juncture.]

Agenda Item 4

Discussion on other specific technical issues

i) Laboratory analysis of nutrients

17. Mr LEE raised that the trade was very concerned about the testing costs as they estimated commercial laboratories would charge approximately HK\$10,000 for testing the proposed core parameters (energy and 9 core nutrients), whilst setting up a new in-house laboratory would cost more than HK\$1,000,000, just for the hardware. Furthermore, he mentioned the accreditation issue was another concern.

18. Dr LEUNG revealed that nutrient analysis was not a main area of work in the majority of the commercial laboratories in Hong Kong. However, he anticipated more laboratories would perform nutrient testing and the costs would decrease as the demand increases. In fact, he noticed some of the laboratories listed in the directory of the Hong Kong Laboratory Accreditation Scheme (HOKLAS) offered nutrient analysis for selected food commodities.

ii) Indirect analysis

19. The Chairman informed the trade representatives that the government was considering the feasibility of allowing the use of food composition tables for indirect analysis for the purpose of nutrition labelling.

20. Although this issue was not discussed at the pre-meeting, Ms HO pointed out that since the quantities of ingredients purchased by SMEs were relatively small, they might have to source ingredients from different companies in order to control the costs. Due to the fact that not all companies would be able to provide the required information and food composition tables would not cover all food ingredients, they again would experience difficulty in formulating the nutrition labels. But anyhow she indicated the trade would appreciate this option.

[Dr WONG left the meeting at this juncture.]

iii) Exemption list

21. The Chairman referred to the consultation document on the current proposed exemptions. Ms FUNG clarified that single ingredient food commodities were exempted from ingredient listing under the current Food and Drugs (Composition and Labelling) Regulations, but they were not included in the exemption list under the proposed Labelling Scheme on Nutrition Information.

22. Ms HO noted the proposal laid down some format requirements for nutrition labelling. With reference to nutrition labelling regulations in other countries, she suggested that the government should allow some flexibility in the labelling format, particularly for food products with only one or two core nutrients.

23. The Chairman welcomed this suggestion and agreed to explore the feasibility of having various nutrition labelling formats, including a simplified format.

Agenda Item 5

Any Other Business

24. On behalf of CMA, Mr LEE tendered a position statement on the proposed Labelling Scheme on Nutrition Information (Annex 2).

25. The Chairman shared with the trade representatives the government's stand on nutrition labelling. Similar to other developed countries, Hong Kong should have a Labelling Scheme on Nutrition Information that would assist consumers in making healthy food choices, which in turn might benefit public health. The government welcomed suggestions from the trade as the approach of the scheme was still open.

26. Ms LAU volunteered to assist the government in holding seminars or focus groups to further collect views and comments from the trade.

27. There being no further business, the meeting was adjourned at 11:30 AM.

[Post-meeting note: Ms LAU forwarded a list of CMA members who have attended the pre-meeting held by CMA on 15 June 2004 to FEHD. (Annex 3)]