

Food and Environmental Hygiene Department

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Minutes of a Technical Meeting with Trade on the Labelling Scheme on Nutrition Information (Importers/Suppliers' Subgroup) held on 6 August 2004 at 2:30 p.m. in Room 4331, 43rd Floor, Queensway Government Offices

PRESENT:

Government Representatives

Dr HO Yuk-yin	Consultant (Community Medicine), FEHD	(Chairman)
Ms Vivian KO	Principle Assistant Secretary, HWFB	
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 KAM Man-shing	Health Inspector (Food Labelling), FEHD	
Ms Jacqueline FUNG	Scientific Officer (Risk Assessment), FEHD	(Note-taker)

Trade Representatives

Mr Lee Kwong-lam	Vice President, The Hong Kong Food Council	
Mr Albert TANG	Vice Chairman, Hong Kong Suppliers Association Ltd.	
Ms Frenda WONG	Committee Member, Hong Kong Suppliers Association Ltd.	
Mr Jacky YU	Committee Member, Hong Kong Suppliers Association Ltd.	
Ms Vivien LEUNG	Executive Officer/Trading and Investment Promotion, The Chinese Manufacturers' Association of Hong Kong	
Mr HO Kwok-ying	Alternated Director & Senior Manager, The Asia Provisions Co. Ltd.	
Mr LAI Tak-wong	Warehouse Manager, Champion Fair Ltd.	
Mr Michael LIU	Marketing and Development Manager, Dah Chong Hong Ltd.	
Ms Virginia CHENG	Marketing Executive, Dah Chong Hong Ltd.	

Mr Victor PANG	Consumer Product Division Manager, Friesland Foods Ltd.
Mr LEE Kwok-hung	Director Manager, Lee Tong Kee (Sea Hoy) Co., Ltd. / Ever Time Food & Grocery Co., Ltd. / Four Sea Food Co.
Ms Maria LI	R&D Manager/Cakes & Bakery Division, Maxim's Caterers Ltd.
Mr Jacky H.F. FU	Asst. Plant Manager/Cakes & Bakery Division, Maxim's Caterers Ltd.
Ms Eleanor CHAN	Deputy Legal Counsel, Nestlé Hong Kong Ltd.
Ms Elisa C.F. TANG	Managing Director, Sino Jet International Ltd.
Ms Belinda SO	Q.A. Manager, Unilever Bestfoods Hong Kong Ltd.
Mr LI Kin-ming	Deputy General Manager, Yuen Tai Trading Co., Ltd.

Welcoming Remarks

1. The Chairman opened the meeting by welcoming the trade representatives and explaining the purposes of the meeting. He said that a similar meeting had been held with the local food manufacturers.

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

International Development on Nutrition Information on Food Labels

3. Ms FUNG provided the participants with an overview of the international development on nutrition information on food labels (Annex 1).

4. The Chairman emphasized that most of the nutrition labelling programmes set up by other countries were based on the Codex Guidelines with some modifications so as to meet the needs of individual countries. He further said that increasing number of countries

had already adopted nutrition labelling schemes. The labelling scheme proposed by the Government also basically followed the Codex guidelines, though the Phase II proposals made reference to that of some developed countries, notably USA, Canada, Australia and New Zealand.

Agenda Item 3

Progress of the Regulatory Impact Assessment

5. Dr KWOK briefed the participants on the progress of the Regulatory Impact Assessment (RIA) (Annex 1). 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. The impact on small and medium enterprises would be assessed via individual case studies.

6. Mr A TANG enquired about the implementation schedule, whether the RIA study would include the estimation of the proportion of imported foods and locally produced foods in Hong Kong, the prevalence of nutrient-related claims in the market, and the increase in retail price due to the proposed scheme.

7. The Chairman remarked that the Consultant would gather data from various channels to assess the overall impact of the proposed scheme, which would include interviewing trade representatives, contacting overseas food authorities and conducting a market survey. To facilitate the Consultant in conducting the RIA, the Government had provided the Consultant a list of companies/organizations which submitted comments during the public consultation period. It was likely that the Consultant would approach some of the representatives present in the meeting.

Agenda Item 4

Discussion on the Proposed Labelling Scheme on Nutrition Information

8. The Chairman and Ms KO explained the proposed timeframe stated in the consultation paper. They remarked that according to the proposal, the 2-year grace period would begin after the enactment of the regulations. Before an amendment regulation would be submitted to the LegCo for negative vetting, the Government had to complete the RIA, revise the proposal taking into consideration comments received in the consultation exercise and the results of the RIA, report the results of the consultation and the RIA to the Advisory Council on Food and Environmental Hygiene (ACFEH) and the relevant LegCo Panel.

9. Mr TANG inquired about the purpose of adopting a phased approach in the implementation of the scheme. Ms KO explained that the Government was aware of the difficulties that might be faced by the trade, and thus it proposed to implement the scheme by phases with a view to alleviate the burden on the trade.

10. According to the Consultation Paper, the use of nutrient-related claim must be accompanied by the amount of the claimed nutrient in the nutrition label. Mr TANG opined that there would be a great difference between the cost for declaring the content of the claimed nutrient and the cost for declaring the contents of the claimed nutrient together with that of energy and the core nutrients on the nutrition label. He then enquired about the possibility of declaring only the nutrient content of the claimed nutrient in Phase I. The Chairman remarked that claims were provided on a voluntary basis; therefore the trade had the responsibility to fulfill the labelling requirements if they chose to include claims in their products. The approach was in line with nutrition labelling practices in other countries.

11. Mr YU indicated that declaration of nutrient-related claims was an international trend and therefore, he anticipated that the impact of Phase I would be quite substantial.

12. In general, trade representatives considered Phase I of the proposed scheme feasible provided that adequate budget would be made available and the increase in cost could be contained. Besides, as time and money would be required to promote new products in the market, importers might be reluctant to introduce new products as they had to bear the risk that consumers might not accept the new products. Hence, the variety of foods available in the market would be decreased. In regard to Phase II, similar issues would come up but they would be of greater concern to the trade as all prepackaged foods would be subject to regulation in Phase II, except those granted with exemptions.

Agenda Item 5(i)

Laboratory Analysis of Nutrients

13. With regard to the laboratory service, Mr TANG shared with the participants that the laboratory testings cost for energy and the nine proposed core nutrients was approximately HKD 7,000. He then queried the capacity of commercial laboratories in nutritional analyses. Dr LEUNG responded that several commercial laboratories were already equipped for nutritional analyses and based on his observation they had considerable capacity in expanding the service.

14. The Chairman pointed out that some imported prepackaged food products already had nutrition labelling; thus, these items might not need to be tested.

Agenda Item 5(ii)

Indirect Analysis

15. Ms WONG asked whether the Government could provide a food composition database, which was similar to the one provided by the USDA, for the trade to perform indirect analysis (i.e., calculating the nutrient content of food products). Dr LEUNG remarked that data in the USDA database was not generated solely from results of the nutrient testings conducted by the agency. In fact, the database included good quality data provided by manufacturers.

16. Ms CHAN indicated that they relied on the nutrient information provided by their ingredient suppliers to perform indirect analysis.

17. Ms FUNG stressed that individuals had to have good knowledge on the ingredients used, such as the sources of the ingredients, the amounts used, the yield factors, etc., in order to determine the nutrient content of a food product by indirect analysis. The Chairman supplemented that nutrient data furnished by ingredient suppliers might be of better use than data in the public domain when carrying out indirect analysis as the raw materials might have come from different sources. It was unlikely that the nutrient database would have nutrient data on all kinds of raw materials.

Agenda Item 5(iii)

Re-packing / Re-labelling

18. Mr TANG said that generally overseas manufacturers would not specifically package food products with sales volume less than 100,000 units per year for the Hong Kong market. The re-packing/re-labelling cost for each food product consisted of a fixed cost covering the production cost of the printing cylinder (~HKD 10,000) and a variable cost covering the labour and sticker costs (~HKD 0.7/package).

19. Trade representatives indicated that the extent of increase in retail price would be much greater than the increase in labelling cost. Broadly speaking there would be a two to three dollar increase in the retail price for each dollar increase in cost.

Agenda Item 5(iv)

Exemption List

20. The Chairman invited the trade to suggest additional food items that should be exempted. Trade representatives enquired about the definition of small packages in nutrition labelling programmes in other countries and whether the Government could relax the 100-cm² limit. Ms FUNG said that most of the other nutrition labelling programmes had the same or very similar criteria.

21. Trade representatives suggested the Government to consider exempting festive foods, bulk prepackaged food supplied for catering services and fresh milk from nutrition labelling. The Chairman agreed to look into these suggestions.

22. Ms KO expressed that the Government had studied the feasibility of exempting products with very low sales volume and products that were newly introduced to Hong Kong for market testing purpose. However, there might be practical enforcement difficulties in exempting these products. She welcomed any suggestions from the trade that were practicable in this regard.

Agenda Item 6

Any Other Business

23. Trade representatives enquired about the language for nutrition labelling. Ms KO told the participants that in accordance with the current regulations, either Chinese or English would be acceptable.

24. Ms TANG enquired about the tolerance limits for each nutrient under the proposed scheme. Ms FUNG answered that the tolerance limits adopted by overseas nutrition labelling programmes ranged from 10% to 20%. The Chairman pointed out that after finalizing the details of the proposed scheme (e.g., timeframe, number and types of core nutrients, etc.), the Government would look more closely into the issue of tolerance limits, and would discuss with the trade and laboratory representatives.

25. Trade representatives urged the Government to consider subsidizing SMEs in implementing the proposed scheme.

26. There being no further business, the meeting was adjourned at 5:45 PM.