

**Thirtieth Meeting of
the Business Facilitation Advisory Committee**

***Agenda Item 3(a) : Report on the work of the
Wholesale and Retail Task Force***

Purpose

This paper reports on the work of the Wholesale and Retail Task Force (WRTF) since the last Business Facilitation Advisory Committee meeting held on 20 July 2015.

Work progress of WRTF

***Legislative proposals on regulation of edible fats and oils and recycling of
“waste cooking oils” (WCO)***

2. The Food and Health Bureau, Food and Environmental Hygiene Department and Environmental Protection Department have jointly briefed WRTF on the proposed regulatory controls with particular relevance to the wholesale and retail sectors. At the invitation of WRTF, Mr Anthony Lock, Convenor of the Food Business and Related Services Task Force, and three other trade representatives from edible oil industry attended the meeting to express their views.

3. WRTF supports in principle the regulation of edible fats and oils for food safety purposes. However, WRTF has great reservation on the proposed certification requirement. It is noted that most of the governments in supplying countries will not provide certification for their export of fats and oils. The alternative will be for importers to test the fats and oils by an accredited laboratory, the cost of which is estimated at \$3,600 per sample. The compliance costs to business will be phenomenal and the effect on SMEs will be terminal. WRTF suggests the Government should consider other alternatives to facilitate business compliance, such as granting exemption to fats and oils that have been certified to be fit for sale in the country of origin or are produced by manufacturers with a GMP/HACCP certification.

4. WRTF questions on how the Government has arrived at the proposed safety standards for edible fats and oils. Some of the standards are taken from international standards, while others are taken from other countries such as Singapore or made up by the Government. This unique set of standards will lead to compliance difficulties and high compliance costs.

5. WRTF also urges the Government to ensure that there will be enough WCO collectors in the market such that competition will be maintained among them by keeping the registration requirements of WCO collectors reasonable and the registration costs low.

6. Lastly, WRTF cautions the Government that Hong Kong is a very small market and our traders do not have much bargaining power with overseas suppliers. If the requirements for regulating edible fats and oils are too stringent and not possible for the trade to comply with, the supply of fats and oils will be adversely affected and the prices will go up which will not be conducive to good business environment. WRTF suggests the Government should conduct a business impact assessment before finalizing the proposals.

Report of the Task Force on External Lighting

7. In October 2013, the Task Force on External Lighting (Task Force) consulted WRTF on the appropriate strategy and measures to tackle nuisance and energy wastage problems caused by external lighting. The Environment Bureau has briefed WRTF on the recommendations of the Task Force and the Government's response.

8. It is noted that the Task Force accepted WRTF's views and suggestions, viz. a balance should be struck between providing an appropriate nighttime environment conducive to residents' sleep and maintaining a vibrant local economy, festive lighting should be given a longer exemption period, and a voluntary charter scheme should be implemented before considering regulation by legislation. The Government is now making preparation for the implementation of the charter scheme.

9. Regarding the promotion of the charter scheme on external lighting, WRTF suggests the Government should publish the scheme on the newsletters of trade associations such as the Hong Kong Retail Management Association.

Progress report on Code of Practice for Holder of Wholesale Dealer Licence

10. In July 2014, WRTF made a written submission to the Pharmacy and Poisons Board (PPB) on its views on the draft Code of Practice for Wholesale Poison Licence (CoP). The Wholesale Poison Licence was replaced by the Wholesale Dealer Licence in February 2015. In the submission, WRTF suggested that measures should be put in place to facilitate wholesalers, especially SMEs, to comply with the requirement of reporting of defective drugs and adverse drug reactions and the requirement of written order. WRTF also suggested the setting up of a common electronic platform for all buyers to place orders with their respective suppliers as a long-term solution to the written order requirement.

11. PPB has endorsed the CoP which has come into effect on 1 October 2015. The Pharmaceutical Products Recall Guidelines, which sets out detailed procedures on the reporting of problems and recall of pharmaceutical products to facilitate SME's compliance, has been issued. On the written order requirement, orders in paper format or by means of an electronic message placed by a representative of the purchaser can be accepted. Some members of the Hong Kong Association of the Pharmaceutical Industry are trying to develop a common electronic ordering platform to further facilitate the written order implementation.

12. WRTF appreciates that PPB and the Department of Health (DH) have taken on board its suggestions, and requests DH to conduct a review six months after the implementation of the CoP to identify and iron out any implementation problems.

Way forward

13. Members are invited to note the work progress of WRTF. WRTF will continue to monitor the development of the above issues.