### 立法會 Legislative Council

LC Paper No. CB(2) 2314/00-01 (These minutes have been seen by the Administration)

Ref: CB2/PL/FE

#### LegCo Panel on Food Safety and Environmental Hygiene

### Minutes of Meeting held on Monday, 28 May 2001 at 8:30 am in Conference Room A of the Legislative Council Building

**Members**: Hon Fred LI Wah-ming, JP (Chairman)

**Present** Hon Tommy CHEUNG Yu-yan, JP (Deputy Chairman)

Hon David CHU Yu-lin Hon Albert HO Chun-yan

Hon SIN Chung-kai Hon CHAN Yuen-han Hon WONG Yung-kan Dr Hon YEUNG Sum Hon YEUNG Yiu-chung

Hon Jasper TSANG Yok-sing, JP

Hon LAU Kong-wah Hon SZETO Wah

Hon LAW Chi-kwong, JP Hon TAM Yiu-chung, GBS, JP Hon Abraham SHEK Lai-him, JP Hon Michael MAK Kwok-fung

Dr Hon LO Wing-lok Hon IP Kwok-him, JP

Members : Hon Cyd HO Sau-lan Attending Hon LEE Cheuk-yan

Hon LI Fung-ying, JP

Hon LEUNG Fu-wah, MH, JP

Members : Hon James TO Kun-sun Absent Hon WONG Sing-chi Public Officers : Item IV
Attending

Mrs Stella HUNG

Deputy Secretary for the Environment and Food (A)

Miss Sarah WU

Deputy Director of Food and Environmental Hygiene (Environmental Hygiene)

Mr W H CHEUK

Assistant Director (Headquarters)

Food and Environmental Hygiene Department

Mr David LAU

Principal Assistant Secretary for the Environment and Food (A) 2

Item V

Mrs Stella HUNG

Deputy Secretary for the Environment and Food (A)

Miss Elizabeth TSE

Deputy Secretary for the Treasury

Mrs Rita LAU

Director of Food and Environmental Hygiene

Mr LO Fu-wai

Assistant Director (Grade Management and Development)

Food and Environmental Hygiene Department

Mr David LAU

Principal Assistant Secretary for the Environment and Food (A) 2

Item VI

Mrs Stella HUNG

Deputy Secretary for the Environment and Food (A)

Dr P Y LEUNG

Deputy Director (Food and Public Health)

Food and Environmental Hygiene Department

Dr Y Y HO

Consultant (Community Medicine) (Risk Assessment Communication)

Food and Environmental Hygiene Department

Mrs Ingrid YEUNG

Principal Assistant Secretary for the Environment and Food (A) 1

**Clerk in** : Mrs Constance LI

**Attendance** Chief Assistant Secretary (2)5

**Staff in**: Miss Irene MAN

**Attendance** Senior Assistant Secretary (2)9

Action

#### I. Confirmation of minutes of meeting

(LC Paper No. CB(2)1567/00-01)

The minutes of the meeting held on 26 March 2001 were confirmed.

#### II. Date of next meeting and items for discussion

(LC Paper Nos. CB(2) 1642/00-01(01) and (02))

- 2. <u>Members</u> agreed to discuss the following items at the next meeting scheduled for 18 June 2001:
  - (a) Policy on the control of hawking activities;
  - (b) Re-opening of poultry stalls and monitoring measures to prevent recurrence of avian flu, and
  - (c) Upgrading the ventilation systems in public markets and improving market management.
- 3. As item (c) involved also markets managed by the Housing Authority, the Chairman advised that it would be more appropriate to hold a joint meeting with the Panel on Housing to discuss the matter. Members agreed.

[Post-meeting note: At the request of the Administration, the Chairman subsequently agreed to defer discussion of item (a) to the Panel meeting of 17 July 2001, and to

include the item on "Consultancy findings on non-restaurant licensing" in the agenda for the meeting of 18 June 2001.]

## III. Information paper(s) issued since last meeting (LC Paper No. CB(2) 1584/00-01)

4. <u>Members</u> noted that the Administration had provided an information paper on "Identifying a site for flower farmers to sell flowers before the Lunar New Year".

### IV. Rental policy for public market stalls (LC Paper No. CB(2) 1642/00-01(03))

- 5. Deputy Secretary for the Environment and Food (A) (DS(EF)A) said that having considered the views put forward by different sectors, the Administration had decided to continue to freeze the rental for public market stalls until the end of 2001. DS(EF)A also said that the Administration had undertaken to align the various fees and charges of the two former Provisional Municipal Councils (PMCs) when reorganising the provision of municipal services at the end of 1999. connection, the Administration had now completed a review to align the different market rental adjustment mechanisms for stalls in the urban areas and in the New Territories (NT) and had drawn up some preliminary recommendations. The Administration would welcome Members' views on these recommendations. Administration would consult affected parties in the coming two months, such as the stall tenants, Market Management Consultative Committees, trade associations and District Councils, before finalising the proposal. DS(EF)A said that the Administration would report the consultation findings to the Panel.
- 6. <u>Assistant Director (Headquarters) of Food and Environmental Hygiene Department (AD(HQ))</u> gave a powerpoint presentation on the Administration's proposed market rental adjustment mechanism. He also explained the different systems adopted by the former Provisional Urban Council (PUC) and the Provisional Regional Council (ProRC). <u>AD(HQ)</u> said that there were 81 public markets and 24 cooked food centres managed by the two former PMCs; about 56 % of them were in the urban area and 44% in the NT. He further said that out of a total of 15,000 public market stalls, 13,100 stalls had been rented out and the ratio was roughly 6:4 for stalls in the urban area and in the NT. The estimated revenue and expenditure in 2001-02 in relation to public market stalls were about \$340 million and \$440 million respectively.
- 7. <u>AD(HQ)</u> went through the Administration's paper and explained the previous market rental adjustment mechanisms of the PUC and ProRC and the differences of the two systems. He said that PUC adopted a relatively complicated system for adjustment of market rental upon tenancy renewal, which took both the Open Market Rental (OMR) and the Consumer Price Index movements into account in making the adjustments, as described in Annex A of the paper. However, under the ProRC's system, adjustments were based on certain target percentages of the OMR.

- 8. <u>AD(HQ)</u> further said that after the reorganisation, an inter-departmental working group had been set up under FEHD in July 2000 to review and align the different market rental adjustment mechanisms. The working group considered that the letting and operation of market stalls were basically commercial activities. As a general principle, rental should be set at an open market level. Referring to Annex B of the paper, <u>AD(HQ)</u> said that the working group recommended that for existing tenants who were paying a rental higher than the OMR, the new rental upon tenancy renewal would be the OMR. However, if the existing rental was lower than the OMR, the rent would only be increased by phases so that it would reach a "target percentage" of the OMR by the last year of each tenancy. The purpose was to minimize the impact on the tenants.
- 9. As regards the impact on tenants, <u>AD(HQ)</u> said that according to the findings of a sample of about 2 307 stalls (1 894 stalls in the urban area and 413 stalls in the NT), about 70% would have an annual increase of under \$200 or even a decrease in rent. The average annual rental increase would be about \$180 per stall. He added that about 47.2% of the market stalls would take about nine years to reach OMR if an annual increase of 10% increase was adopted.
- 10. <u>AD(HQ)</u> said that the working group had also made other recommendations to simplify/rationalise the duration of tenancy, rental deposit, recovery of rates, management fees and air-conditioning charges, etc. He said that the Administration would report to the Panel after consulting the concerned parties on the various recommendations.

[Post-meeting note: The presentation materials were circulated to members vide LC Paper No. CB(2)1683/00-01(01) on 30 May 2001.]

- 11. Mr LAU Kong-wah commented that it would be unfair to tenants of some old market stalls if the proposed adjustment mechanism was based solely on the OMR. He said that the design and facilities of the markets built in 1980s were outdated and could not compare with those in the newly built markets. He considered that the Administration should upgrade the facilities, such as providing air-conditioning, in these old markets, in order to improve their competitiveness. He asked whether the Administration had any plans in this regard.
- 12. Deputy Director of Food and Environmental Hygiene (Environmental Hygiene) (DD(EH)) explained that Rating and Valuation Department (R&VD) would assess the rent of individual stalls based on the facilities, the goods sold and the locations of the public markets concerned. As such, the OMR for stalls of the same size selling the same goods in different markets might be different.
- 13. Mr LAU Kong-wah remarked that the current rent for most of the public market stalls was lower than the OMR. He was worried that any significant rental increase would make it even more difficult for existing stalls to continue operation.

<u>DD(EH)</u> advised that the proposed rental would be based on the OMR as well as other considerations as reflected in the "target percentages" and the formula in Annex B of the paper. She pointed out that some tenants had started their business in public markets by paying only a few hundred dollars for stall rental, which was the same as their hawker licence fee before resiting to the market. For the lowest current rent which was \$180 at present, the maximum increase would be only 20%. She added that the proposed adjustment formula had already balanced the different interests.

- 14. Mr TAM Yiu-chung appreciated that the Administration had planned to consult the trade. However, he pointed out that the accuracy of the assessment of OMR was crucial in the proposed adjustment mechanism. As far as he was aware, many public market stalls in the NT had difficulties in continuing their business because of ageing of the districts and competition from supermarkets. Any rental increase would therefore have adverse impact on their business. He enquired whether there were any objective yardsticks in assessing the OMR.
- 15. <u>AD(HQ)</u> advised that R&VD would assess the OMR based on objective data and a number of factors such as the rental of different markets of similar nature, the type of goods for sale, and the locations and patronage of the markets concerned. For example, stalls located near the elevator would have a higher OMR than the other stalls in the same market even though other factors might be the same. If the tenants considered that the OMR was too high, they could appeal to FEHD and R&VD by providing another professional assessment. Re-assessments had been made in some of these cases. If the tenants were still not satisfied with the outcome, they could make further appeal to the Municipal Services Appeal Board.
- 16. Mr TAM Yiu-chung expressed concern that the OMR might be unduly inflated by the unreasonably high rental paid by those tenants who obtained their stalls by open auction. He said that these tenants had offered to pay a much higher rent because they were over-optimistic about the business prospects when they bided for the stalls. DS(EF)A said that she would discuss with R&VD to ensure that a fair and objective standard would be applied in assessing the OMR.
- 17. <u>Dr YEUNG Sum</u> said that Members belonging to the Democratic Party would not support the Administration's paper. He pointed out that the Administration's proposal was less favourable than that of the PMCs. He was worried that if the future rental adjustment mechanism was to be based on the OMR, it would add pressure on the tenants and they would have difficulty in continuing their business due to competition from superstores. <u>AD(HQ)</u> responded that the Administration's proposal was only to align the differences of the systems adopted by the two former PMCs. He pointed out that under the PUC system, about 72% of the market stalls in the urban area would have an annual rent increase of less than \$200, whereas under the proposed mechanism, about 67% of such stalls would have an increase of less than \$200. He considered that the Administration's proposal did not compare unfavourably with the existing systems.

- 18. Mr David CHU said that he did not support increasing the rent of public market stalls. He considered that the Administration should assist the tenants by improving their business environment, such as upgrading the hygiene conditions of public markets, before considering any rent increases. He considered that the community might have to assess whether traditional wet markets should still exist or be replaced by private superstores. In his opinion, traditional fresh food shops and stalls should continue to exist as many advanced countries also started to open fresh food markets to attract tourists.
- 19. Mr Tommy CHEUNG said that Members belonging to the Liberal Party agreed to the alignment of rent adjustment mechanisms but had reservation about the proposed rent increase. He also expressed concern about the basis for assessing the OMR. He suggested that in assessing the OMR, the Administration should look at the stall rentals in big supermarkets in addition to those in small markets. He considered that the Administration should also address the management problems in public markets which faced very keen competition from private superstores. In this connection, he asked whether a limit should be imposed on the number of stalls for certain trades in each public market so as to enhance their competitiveness.
- 20. <u>DD(EH)</u> explained that the proposed mechanism aimed to strike a balance between the practices of the two PMCs and it would not be harsher than the ProRC practice. She said that under the ProRC system, stalls paying a rent equal to or higher than 50% of the OMR were required to pay the OMR in the fourth year of the tenancy. However, under the proposed adjustment system, a limit of 20% would be imposed for the maximum annual rental increase. As regards upgrading the management and hygiene standards of public markets, <u>DD(EH)</u> said that the Administration would discuss with the trades to improve the market environment. She added that the stall tenants should also strive to find ways to attract customers.
- 21. Mr WONG Yung-kan asked whether the Administration would consider lowering the rent for all public market stalls before reviewing the rental adjustment mechanism. DS(EF)A responded that the Administration had decided to freeze the rental until the end of the year, pending consultation with the affected parties. DD(EH) supplemented that any proposed rental increase would be based on the updated information to be obtained by R&VD in the re-assessment of OMR. It was possible that some tenants might already be paying a rent which was very close to the re-assessed OMR.
- 22. Mr LAU Kong-wah asked whether the Administration would follow the example of some shopping malls by offering one year rental waiver to the tenants in order to enhance their competitiveness. DS(EF)A reiterated that the rent of public market stalls would be "frozen" until the end of the year. In the meantime, the Administration would listen to the views of different parties during the consultation period. She said that it would be too early for the Administration to comment on the suggestion of rent reduction. Dr YEUNG Sum emphasised that the Administration should consider rent reduction for stall tenants as a matter of priority.

23. In concluding the discussion, the Chairman said that the Panel had expressed various concerns about the basis for determining the OMR and the rental adjustment. He pointed out that there were far too many poultry stalls in some public markets, such as Yeung Uk Road Market and Tai Sing Street Market, and they faced very keen competition from the stalls in the same market as well as from private supermarkets and shopping malls. As such, any rental increase would only add difficulty to the operation of these stalls. The Chairman further said that the Panel would not support a proposal which would lead to a rental increase for some 90% of the stalls. He added that in assessing the OMR, the Administration should take into account the various restraints imposed on the stall lessees in public markets, such as the types of goods to be sold and other operation limitations. The Administration should consider not only "freezing" the rental, but also other measures to enhance the business environment of He requested the Administration to revert to the Panel in early public markets. October 2001. DS(EF)A agreed to report to the Panel on the consultation regarding the proposed mechanism to align the different market rentals.

Admin

# V. Contracting out of services by the Food and Environmental Hygiene Department

(LC Paper No. CB(2) 1642/00-01(04))

- 24. The Chairman said that he had raised the issue for discussion as he was concerned about reports of reduction of wages and the employment of illegal workers by contractors engaged by FEHD. In response, <u>Director of Food and Environmental</u> Hygiene (D/FEHD) said that the Administration had provided a paper to explain the background of the contracting out of services by FEHD and the new measures to improve the tendering system for contracting out of its services. She stressed that contractors were obliged to observe all the terms and conditions specified in the contract and employment-related ordinances, and the Administration was equally concerned about the reports of alleged breaches of the Employment Ordinance by FEHD contractors. FEHD had recently discussed with Labour Department and taken a joint operation to inspect all public toilets to ascertain whether there had been breaches of the law. The Commissioner for Labour would provide a report on the investigation findings shortly. <u>D/FEHD</u> further said that based on the information obtained in the inspection, the Administration had decided the way forward and introduced improvements to new contracts to protect the rights and benefits of workers employed by the contractors.
- 25. Mr LEUNG Fu-wah noted that improvements would be introduced to the tendering arrangements for contracts which relied heavily on the deployment of non-skilled workers. However, he considered that the "maximum working hours" requirement in the tender submissions too general and that the contract should specify the normal working hours and any overtime payment. Referring to paragraph 7 of the paper, he asked whether the midpoint salary compiled by the Census and Statistics Department (C&SD) on various occupations should be taken as the reference point for

assessing whether the wage level proposed by the tenderers was reasonable. He also asked whether a copy of the employment contracts concerned would be deposited with Labour Department and the trade unions for reference in case of disputes.

- 26. <u>D/FEHD</u> said that detailed performance requirements including the work schedules and maximum working hours (e.g. 26 working days a month and 8 hours a day) would have to be stipulated in the tender submissions. Tenderers would be encouraged to make reference to the midpoint salary published by C&SD in setting the wage level. <u>D/FEHD</u> added that contractors were also required to abide by the relevant employment-related ordinances. She explained that the tender submissions would be evaluated under a point system, and the wage level and working hours would definitely be an integral part of the evaluation. Under the Employment Ordinance, the employer had to provide a copy of the employment contract to the respective employee. It would be up to the employee to provide copies of his/her contract to other persons or trade unions.
- 27. Mr LAU Kong-wah expressed concern that some FEHD contractors had allegedly employed illegal workers who came to Hong Kong on Two-way Permits. He asked about the considerations for the Administration to award a contract other from the cost factor. D/FEHD said that cases involving employment of overstayers or visitors who were not permitted to work in Hong Kong were dealt with by the Immigration Department (ID). However, improvements would be introduced to the contract monitoring mechanism whereby contractors would be required to provide their employees with identification badges with photos in order to facilitate verification against the employment records. This would increase the deterrence against employment of illegal workers. <u>D/FEHD</u> emphasised that cost was not the only consideration in evaluating tender submissions, and that the Administration would evaluate all relevant factors, including quality of services, based on objective standards. A passing mark would also be set for some of these factors. In response to Mr LAU's further enquiry, <u>D/FEHD</u> said that the two cases involving employment of the illegal workers had been referred to the Police and ID.
- 28. Noting that the Administration aimed at contracting out more services by 2003, Mr YEUNG Yiu-chung asked whether FEHD had set a target percentage for services to be contracted out. D/FEHD clarified that FEHD would not contract out all its services lest any faults committed by the contractors in the course of provision of services to the public could not be made up by the Administration. Administration would also ensure that there would be fair competition among contractors to avoid the situation of a few contractors monopolizing the market for providing municipal services. She said that the target percentage for 2003 was only an indicator for contracting out different services with an aim to enhance costeffectiveness and market competition. Given that the Administration was implementing the voluntary retirement scheme, contracting out more services would help make up the reduction of manpower in the department. She added that the target percentage was subject to review from time to time, and that flexibility would have to be provided to ensure the provision of services to the public. D/FEHD further said

that the Administration would invite interested parties to a briefing before the tender, to enable tenderers to clearly understand the required performance standards and other tender conditions.

- 29. Mr YEUNG Yiu-chung asked whether the Administration would consider imposing an upper age limit on the workers employed by contractors. D/FEHD said that there was no age discrimination in the employment of workers. Nevertheless, for jobs requiring physical strengths, the former municipal services departments had required the candidates to pass a simple physical test. For services already contracted out, it would be for the contractor to determine whether the recruit was suitable and capable of performing the duties. The Administration did not consider it appropriate to impose an upper age limit as an employment condition.
- 30. Mr YEUNG Yiu-chung further enquired how the proposed measures could protect the interests of aged workers employed by contractors. D/FEHD responded that it would be for the contractor to decide whether an aged person was physically capable of performing the work, and the contractors could adjust the working hours and provide longer breaks if the job required much physical strength.
- 31. Mr TAM Yiu-chung agreed that it was not appropriate to impose an upper age limit for employment of workers but the contractor should have regard to the physical ability of the worker for performing strenuous jobs. Mr TAM said that he had dealt with a complaint that a 68-year-old toilet-cleansing worker was dismissed due to old age although he could cope with the work without difficulties. Mr TAM requested that FEHD should ensure that its frontline staff were aware of the policy against age discrimination in monitoring and enforcing the contracts. Mr TAM also asked whether it was possible to retain the former contract staff of the defunct municipal services departments as these staff had given very satisfactory service in the past. He said that these staff had lost their jobs after the contracting out of services.
- 32. <u>D/FEHD</u> responded that the Administration had issued a set of guidelines for contractors to conduct a simple assessment of the physical abilities of workers. As regards the retention of contract staff, she explained that these posts were normally created for short-term jobs or when there were insufficient staff for the provision of services. Since it was the Administration's policy to contract out more services, it was no longer possible to retain the contract workers under civil service terms.
- 33. Mr TAM Yiu-chung said that FEHD should have the flexibility to deploy and retain certain long-serving contract staff in the department. D/FEHD explained that with the introduction of the voluntary retirement scheme, FEHD would need to redeploy some existing staff. The department would therefore have to balance the interests of the contract workers and the existing staff requiring re-deployment.
- 34. <u>Ms LI Fung-ying</u> said that paragraph 11 of the paper did not provide clear objective standards in measuring the nature, gravity and frequency of offences. She was concerned that there might not be sufficient deterrence against breaches of the

contract terms or the legislation. <u>D/FEHD</u> replied that the FEHD would take action against any violation of the contractual conditions or breaches of employment-related ordinances. However, sanctions would depend on the nature of offences, and whether the contractor had reasonable explanation and made immediate rectification. It was not possible to have a hard and fast rule for all circumstances. She stressed, however, that repeated offences reflected adversely on the contractor's performance and would be taken into account in evaluating his eligibility for re-tender.

- 35. <u>D/FEHD</u> further said that while FEHD had no legal power to impose a fine on contractors, it could issue a default notice to the contractor and charge about \$2,500 to \$3,000 for each notice issued. Depending on the severity and frequency of offences, FEHD could also give verbal warnings or warning letters, and could suspend the contractor from tendering FEHD's contracts.
- 36. Referring to paragraphs 7 and 8 of the paper, Mr Albert HO asked whether the Administration would set a minimum wage level and the maximum working hours for the contracts. D/FEHD advised that the Administration did not have a minimum wage policy at the moment. However, tenderers would be required to make reference to the midpoint salary published by C&SD in determining the wage level which should be calculated on the basis of 26 days a month with 8 hours a day. A tender submission would have a higher chance of getting a pass mark on wage level if the quoted wages were close to the midpoint salary of C&SD. She said that the purpose was to ensure that the wages and working hours were reasonable and close to the market situation, and that a very high wage level would not attract higher scores in the tender evaluation.
- 37. Mr Albert HO expressed concern that reference to the midpoint salaries might not necessarily protect the interest of workers, if the wage level in the market was unreasonably low, say \$3,000 for 12 hours a day and 7 days a week. D/FEHD responded that according to C&SD's latest report, the midpoint salary was \$5,266. She added that scores would be given to every item in the tender submissions, but if the tenderer failed in the items on human resources, the overall score of the tender submission would be affected.
- 38. Mr LEE Cheuk-yan commented that in the two cases where illegal workers were found employed by the FEHD contractor, the illegal workers were punished, but no prosecution was taken on the contractor because the illegal workers concerned could not identify the employer. He expressed disappointment that no penalty was imposed on the FEHD contractor concerned.
- 39. As regards the wage level, <u>Mr LEE Cheuk-yan</u> said that unless there was a passing mark for every item in the tender submission, the contractor might still get an overall pass even if he failed in the human resources items. In this regard, <u>Mr LEE</u> enquired about the contents of the human resources items and the weighting of each of these items.

- 40. <u>D/FEHD</u> advised that the human resources items represented half of the 30% of the tender evaluation. The other half of the 30% included the tenderer's experience and past performance, and the facilities offered. Under the human resources items, wage level took up 20% and working hours 8%. Thus, about 28% out of the 50% would be directly related to the terms of employment. The remainder of the 50% included the contractor's management strategy, provision of training, and regulatory system of services, etc. <u>D/FEHD</u> said that failing the human resources part would definitely lower the score for overall assessment.
- 41. Mr LEE Cheuk-yan said that if a contractor got 20 points in management strategy, 8 points for working hours but only 10 points for wage level, his overall score would be 38 points and would still be able to get a pass. He was not convinced that the proposed system could ensure that the wage level would not be unreasonable. The Chairman suggested that the Administration might consider setting a tolerance level, for example, a tender submission offering a wage level below 5% of the mid point salary would be disqualified.
- 42. <u>D/FEHD</u> advised that the Administration intended to implement the proposed improvements first to see if they were effective. As the purpose was to provide flexibility for individual tenderers to fully reflect their merits, the Administration would not consider setting a tolerance level for wages for the time being. The major criterion was that the wage level should be as close to the market level as possible. The Administration hoped that the provision of municipal services would be improved through open competition. As regards the suggestion of minimum wage, the Chairman advised that the matter should more appropriately be followed up by the Panel on Manpower.
- 43. <u>Miss CHAN Yuen-han</u> pointed out that the Housing Authority (HA) had implemented a similar point system for tender evaluation but there were still a lot of complaints about the system. She considered that the point system could not provide sufficient deterrence against breaches of contract terms as the contractor could use another name for other tenders. <u>Deputy Secretary for the Treasury (DS for Tsy)</u> reiterated that the Administration would take into account a number of factors including the past performance of the contractors in evaluating a tender submission. She considered that the proposed mechanism would be able to strike a balance of the different factors and address Members' concerns.
- 44. In response to Mr LEUNG Fu-wah, <u>D/FEHD</u> confirmed that FEHD reserved the right to terminate a contract should the contractor be found violating the terms of the contract.
- VI. Consultation paper on "Labelling system for genetically modified food" (LC Paper Nos. CB(2) 920/00-01(05), (06), CB(2) 951/00-01(01) and CB(2) 1642/00-01(05))

- 45. <u>Dr YEUNG Sum</u> said that the Democratic Party (DP) had conducted a survey to gauge public views on the labelling of genetically modified (GM) food, and over 50% of the respondents supported mandatory labelling. While DP had no objection to introducing a voluntary labelling system in the first 18 months, it was of the view that mandatory labelling should be introduced afterwards. The 18 months would enable the Administration to strengthen public education on GM food, and to enable the trade and the public to adapt to the changes.
- 46. The Chairman supplemented that in the survey conducted by DP, more than 49% of respondents supported adopting a threshold of 1% which was the same as that adopted by European countries. He added that Members belonging to DP would not support adopting a threshold of 5% as this could not give sufficient information for consumers to make a choice in making a purchase. He believed that with the advancement of technology, it would not be difficult to detect 1% of GM content in food products. As such, DP supported adopting 1% as the threshold. He further said that over 80% respondents in the survey considered that there had not been adequate public education and publicity on GM food.
- 47. <u>Ms Cyd HO</u> said that she had already given her comments in February 2001. She said that the products of Nestle Company sold in Europe did not contain GM food because there were provisions in law governing GM food. However, the products of the Company sold in Hong Kong and China contained GM elements because there was no legal restriction in this respect. She considered that Hong Kong should introduce legislation to regulate the content of GM food.
- 48. Mr IP Kwok-him said that Members belonging to the Democratic Alliance for the Betterment of Hong Kong supported a mandatory labelling system for GM food and that legislative amendments should be introduced as soon as possible. He added that consumers should have the right to know the GM content of food products in making their choices.
- 49. Mr Tommy CHEUNG supported labelling of GM food but considered that the threshold could be lowered by phases over a period of time. For example, a threshold of 5% could be introduced initially and lowered to 3% gradually. He also suggested that the Administration might make reference to an international labelling system, if any, when introducing a labelling system for GM food in Hong Kong.
- 50. <u>The Chairman</u> concluded that the Panel supported labelling of GM food and that the system could not be entirely voluntary. <u>DS(EF)A</u> noted members' views.

#### VII. Any other business

51. There being no other business, the meeting ended at 10:33 a.m.

<u>Action</u>

Legislative Council Secretariat 19 September 2001