



HONG KONG RETAIL MANAGEMENT ASSOCIATION

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25 May 2006

Mr. Gregory Leung
Director
Food & Environmental Hygiene Department
45/F, Queensway Government Offices
66 Queensway
Hong Kong

Dear Mr. Leung,

Re: Fresh & Chilled Meat Retail Licencing

We refer to the release of the Health Welfare & Food Bureau's paper (LC Paper No. CB(2)2106/05-06(02)) on the above for discussion on the 26 May 2006 with the Legco Panel on Food Safety & Environmental Hygiene.

HKRMA Position

The HKRMA supports the introduction of chilled pork from China as it allows consumers more choice. We are very concerned, however, with the Government's licensing proposal as it effectively forces retailers to sell only fresh "meat" or chilled/frozen "meat", but not both.

We agree that this is not a health issue, and fully support appropriate measures to protect consumers against unscrupulous pork traders who may sell "chilled pork" as "fresh pork". However, we believe that the existing regulations are already robust and make it an offence for these traders to mislead consumers.

We believe that the only way to stop unscrupulous traders is through effective enforcement. In this regard, the HKRMA would support additional resources being made available to the FEHD for enforcement purposes, and our members would cooperate in this process within their own operations.

The proposed new legislation will not stop unscrupulous traders who may sell "chilled" pork as "fresh" pork if they are determined to do so. This can only be achieved through effective enforcement.

Impact on retailers of "one licence for one shop" proposal

We have already given you our views on this in our letter dated 3 May 2006, but now set out below the enormous impact to retailers of the "one licence for one shop" proposal.

If implemented, the proposals would:

- force supermarket operators to **sell either fresh or chilled/frozen “meat”** in each store (because of the physical limitations of most stores and the high compliance costs involved in building separate “premises” within each retail outlet);
- adversely impact **over one million consumers** who would suffer from **reduced choice** as they would no longer be able to buy fresh and chilled/frozen meat in the same retail outlet;.
- cause significant redundancies in the supermarket sector. The HKRMA estimates that **in excess of 1,000 redundancies in the supermarket sector** may result due to the enforced closure of fresh pork counters;
- impose a **restraint of trade** on retail operators resulting in a **lessening of competition** in the fresh meat sector, which is contrary to Hong Kong’s free market ethos; and
- eliminate a **safe and hygienic supply channel** (ie: supermarkets) for consumers in Hong Kong.

Proposed Solution

A similar dilemma arose in relation to the importation of chilled chicken from Mainland China, which commenced in 2002. A solution was found that offered consumers more choice, without affecting consumer protection.

Each mainland chicken now comes from an approved factory and needs to be packed in a bag with a special sticker/mark. The chicken is not allowed to be removed from this bag at any time until the consumer opens it after purchase.

We propose that a similar system for the importation of chilled mainland pork should be adopted.

We propose that **either**:

- (a) **the approved processing plant in mainland China could cut and pack the chilled pork into final retail size packs that could be marked with a special sticker/mark, “Chilled pork imported from China into Hong Kong”. The regulations should prohibit the opening of the pack by anyone until after purchase by the consumer; or**
- (b) **chilled pork could be sold in a pre-packaged and labelled form. The pre-packaged imported mainland pork must be packaged at a different premise (in Hong Kong or mainland China) from the retail outlet or wet market stall.**

On a final note, we understand that the purpose of the proposed regulatory amendment is to protect consumers against unscrupulous traders who may sell “chilled pork” as “fresh pork”.

Accordingly, there is no reason why the proposed regulations should apply to products other than fresh and chilled pork. In particular, the regulations should not apply to “frozen meat” (pork, beef or mutton) or to “chilled beef/mutton”.

We support the Government’s consumer protection initiatives and believe that our proposed solutions achieve the same objective while offering consumers more choice than the proposed legislation would allow.

We trust that you will give our proposed solutions due consideration. We would be pleased to further discuss with you these or other solutions.

Yours sincerely,

Anita Bagaman

Anita Bagaman (Miss)
Executive Director

Copy:

Legco Food Safety & Environmental Hygiene Panel Members
Mr Eddie Chan, Permanent Secretary for Health Welfare & Food
Mr Yu Pang Chun, Convener Retail Task Force
Mr David Hooi, Secretary, Business Facilitation Advisory Committee