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**Panel on Environmental Affairs**

**Meeting on 24 February 2025**

**Background brief on Producer Responsibility Scheme on  
Plastic Beverage Containers and Beverage Cartons**

**Purpose**

This paper provides background information on the producer responsibility scheme (“PRS”) on Plastic Beverage Containers and Beverage Cartons. It also gives a brief account of the major views and concerns expressed by Members when related issues were discussed by relevant committees of the Legislative Council (“LegCo”) in recent years.

**Background**

Disposal amount of waste plastics

2. In Hong Kong, around 2 120 tonnes of waste plastics were disposed of at landfills daily in 2023, accounting for 19.5% of total municipal solid waste. Out of these waste plastics, 4% to 5% were plastic beverage containers of which over 90% were made of polyethylene terephthalate (PET). This type of mono-material plastic beverage containers is relatively easy to handle and has a higher recycling value. They can be turned into useful resources more effectively if they are properly separated at source for collection and treatment after their service life.

3. The Administration released the Waste Blueprint for Hong Kong 2035 in 2021, setting out the vision of “Waste Reduction • Resources Circulation • Zero Landfill”. It outlines the strategies, goals and measures to tackle the challenge of waste management up to 2035, by leading the advancement of various policies and measures as well as promoting circular economy and

sustainable living environment. As one of the key initiatives on “Waste Reduction”, the Administration proposed to put forward the introduction of the PRS on plastic beverage containers, and conducted a public consultation between February and May 2021.<sup>1</sup>

#### Establishment of a common legislative framework for Producer Responsibility Schemes

4. Since the passage of the Product Eco-responsibility Ordinance (Cap. 603) (“the Ordinance”) by LegCo in July 2008, the Administration has fully implemented PRSs for three types of products, including plastic shopping bags, waste electrical and electronic equipment and glass beverage containers. Previously, in order to implement each of the aforementioned PRSs, various details were prescribed individually in the Ordinance, rendering the legislative process relatively time-consuming. In fact, there are many common elements among PRSs. In view of this, the Chief Executive stated in his 2023 Policy Address that the Administration will introduce a bill<sup>2</sup> to establish a common legislative framework applicable to different products for PRSs and formulate relevant subsidiary legislation.

5. The Administration has advised that new PRSs will be implemented based on a “market-led approach” as far as possible, under which the role of the Government is to formulate the legislative framework, determine the qualifications and responsibilities of relevant stakeholders, monitor the effectiveness of the operations of the schemes, and ensure compliance with legal requirements by relevant parties, as detailed in [Appendix 1](#). Unless necessary, the Government will not collect recycling levy from stakeholders or proactively engage service providers. Stakeholders can fulfil their relevant legal responsibilities through different market-led arrangements, such as engaging qualified service providers in the market for the recycling service.

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<sup>1</sup> Please refer to the [Consultation Paper](#) issued by the Environmental Protection Department in February 2021 for details. The key elements of the PRS on plastic beverage containers proposed by the Administration at that time were as follows: (a) application of Reverse Vending Machines, as appropriate, to enhance the recovery efficiency and facilitate the provision of rebate; (b) certain retail stores selling pre-packaged beverages to serve as designated return points; (c) a rebate arrangement to be set up to encourage the public to return plastic beverage containers; (d) a levy to be imposed on the beverage supplier level to fund the operations of the schemes; and (e) licensing control on the operation of recycling facilities to ensure proper recycling and treatment of waste plastic beverage containers.

<sup>2</sup> The Administration plans to introduce the Product Eco-responsibility (Amendment) Bill 2025, which covers the establishment of a common legislative framework applicable to different products for PRSs, into LegCo in the first half of 2025.

6. On 28 November 2023, the Administration consulted the Panel on Environmental Affairs on the aforesaid common legislative framework, and advised that the PRS on plastic beverage containers and beverage cartons would be implemented first under the common legislative framework. The scope and operational details of the scheme are set out in [Appendix 2](#).

### **Major views and concerns expressed by Members**

7. Members' major views and concerns are summarized in the ensuing paragraphs.

#### Market-led approach for new producer responsibility schemes

8. Members **supported the general direction of establishing a common legislative framework for new PRSs, and adopting a “market-led approach” for the schemes**. Members noted that under this approach, the Administration would set recovery targets for individual regulated products as necessary. Registered suppliers could choose to arrange for recovery of waste products by themselves, or engage registered scheme operators (i.e. service providers for recovery of waste regulated products) for meeting the recovery targets.

9. Members raised the following concerns and suggestions regarding the market-led approach:

- (a) suppliers might **shift the costs** arising from PRSs **to consumers** by raising product prices;
- (b) **whether the recovery targets would be set at levels high enough** to achieve the objectives of promoting waste reduction and recycling; and
- (c) **penalties** for failing to meet the recovery targets should be **heavy enough** to ensure compliance by suppliers and registered scheme operators.

10. The Administration responded that:

- (a) under the market-led approach, it would be up to suppliers to decide whether to raise product prices to cover the costs arising from PRSs, taking into account commercial considerations such as price competitiveness of their products;

- (b) recovery targets would be key indicators to evaluate the performance of registered scheme operators (or suppliers who would recover waste regulated products by themselves) and the effectiveness of a PRS. The Administration would endeavour to strike a balance between promoting waste reduction/recycling and the capacity of market participants. The recovery targets in the initial phase of a PRS's implementation would be set at more easily attainable levels. This would allow suppliers and registered scheme operators to establish step-by-step their recycling networks and increase their operational efficiency. Afterwards, the recovery targets would be raised progressively within short time frames (say two to five years) to levels comparable to other places that had implemented similar PRSs. The initial and subsequent recovery targets would be prescribed in the relevant subsidiary legislation; and
- (c) the Administration was studying the appropriate penalty levels for different offences under the new PRSs for relevant stakeholders. It would endeavour to ensure that the penalties could create sufficient deterrence.

11. Members noted that **a registered scheme operator would be required to fulfil the obligations to recover waste regulated products on behalf of the registered supplier(s) who engaged it**, including meeting the recovery target(s). If the registered scheme operator handled the recovered products improperly, the legal liability would fall on the registered scheme operator but not the registered supplier(s). Members expressed concern about the accountability of suppliers, and suggested that **certain legal obligations should be imposed on registered suppliers to monitor the performance of the registered scheme operators they engaged**. The Administration took note of Members' views.

#### Monitoring mechanism

12. Members stressed the importance for **the Administration to play a gatekeeping role** in the operation of market-led PRSs. They asked about the mechanism adopted for **monitoring** compliance of **registered suppliers and registered scheme operators** with PRSs' requirements.

13. The Administration advised that its roles in a market-led PRS would be to formulate the scheme's framework, clearly define the responsibilities of and eligibility criteria for different parties in the scheme, ensure these parties' compliance with the scheme's requirements, monitor the scheme's operation, etc. The Administration would consider stakeholders' views when formulating the detailed implementation proposal for each PRS.

14. The Administration also advised that with reference to the relevant requirements in the PRS on glass beverage containers, it was proposed that a registered supplier of a new PRS would be required to submit periodic returns to the Environmental Protection Department (“EPD”) with detailed information on regulated products distributed, and appoint an independent auditor to conduct annual audit to ensure the accuracy of information submitted. Registered scheme operators, or registered suppliers that would recover waste regulated products by themselves, would be required to submit periodic returns to EPD on the quantities of waste regulated products recovered, as well as annual audit reports with information on, among others, the recovery rates.

#### Support for registered scheme operators/recyclers

15. Members enquired how the Administration would assist interested parties in setting up recycling businesses for regulated products and registering as registered scheme operators, so as to **ensure that there would be sufficient market participants to support PRSs’ operation**. Members also expressed concern about **whether not-for-profit organizations would have sufficient resources to participate** in the new PRSs as registered scheme operators.

16. The Administration advised that it had been supporting projects relating to resources recovery and recycling through the Recycling Fund and the Environment and Conservation Fund, and would continue to provide affordable land for recycling operations in EcoPark. There were existing local recyclers for certain proposed regulated products, such as lead-acid batteries. These recyclers might apply to EPD to become registered scheme operators under the new PRSs. In addition, a modern pulping facility under construction in EcoPark would provide a recycling outlet for used beverage cartons. Existing operators of facilities under the community recycling network GREEN@COMMUNITY, which were not-for-profit organizations, might also consider participating in the new PRSs as registered scheme operators having regard to their own circumstances and resources.

#### Legislative and implementation timetables for various producer responsibility schemes

17. Members expressed the view that the Administration **should further expedite the implementation of the PRS on plastic beverage containers and beverage cartons**, given that extensive public consultation was conducted for the scheme in 2021. Members also asked about the Administration’s current position on **implementing a PRS to reduce excessive packaging**, and **how it would promote the use of simpler or less packaging**.

18. The Administration advised that:
- (a) the time frames for implementing new PRSs hinged on the capability of local market participants in recovering and recycling the products concerned, financial viability of the recycling businesses, etc. As the modern pulping facility in EcoPark would provide recycling capacity for beverage cartons, the Administration considered it more appropriate to implement the relevant PRS after the facility had commenced operation; and
  - (b) as there was a wide variety of materials used for packaging, and most products distributed in Hong Kong were imported, a mandatory scheme to control packaging materials would involve very complex issues. The Administration had published practical guides on packaging reduction and management for various sectors, with a view to reducing waste at source. It would continue to promote the use of simpler or less packaging through publicity and public education efforts, as well as monitor market situations and study the need for and feasibility of controlling packaging materials.

19. Members suggested that **during LegCo's scrutiny of the amendment bill for establishing the common legislative framework**, the Administration should provide the draft content of the subsidiary legislation for individual PRSs for Members' reference. The Administration agreed.

Operational details of the producer responsibility scheme on plastic beverage containers and beverage cartons

*Minimum rebate level for containers*

20. Members queried **whether the minimum rebate of not less than \$0.1** per plastic beverage container or beverage carton proposed by the Administration **could create sufficient incentive for the public to return used plastic beverage containers and beverage cartons**. The Administration explained that its policy intention was to incorporate a rebate element in the PRS on plastic beverage containers and beverage cartons to encourage the public to return used containers. While the Administration would set a minimum rebate level, suppliers or registered scheme operators might choose to offer rebates at a higher level, with a view to collecting sufficient used plastic beverage containers and beverage cartons to meet the recovery targets set by the Administration. The Administration also pointed out that a rebate of \$0.1 per plastic beverage container was currently offered under the Reverse Vending Machine Pilot Scheme. Over 70 million used

plastic beverage containers had been recovered since the launch of the pilot scheme in 2021, indicating a certain degree of public acceptance of the rebate level.

### *Reporting requirements*

21. Members asked about **the proposed reporting requirements** for registered suppliers and registered scheme operators in relation to the plastic beverage containers or beverage cartons distributed and recovered, including **whether a breakdown of the figures by supplier and beverage product would be required** in the periodic returns and audit reports to be submitted to EPD.

22. The Administration advised that its current plan was to require a registered supplier (if it would recover used containers by itself) or a registered scheme operator to provide the total number of regulated products it recovered during the period covered by a periodic return and audit report. If a registered scheme operator was engaged by two or more registered suppliers, the recovery targets to be met by the registered scheme operator would be the sum of the recovery targets applicable to all those registered suppliers. There would not be a need to provide a breakdown of the recovered regulated products by supplier or beverage product.

### *Designated return points*

23. Members enquired **whether the Administration would consider mandating the setting up of designated return points for plastic beverage containers and beverage cartons in convenient locations such as shopping malls and MTR stations**. The Administration advised that the proposed PRS would require retailers selling beverages in plastic containers and cartons with certain operation scale to serve as designated return points and provide takeback and rebate services. Recognizing the space constraints of smaller stores, the Administration proposed to only require retailers with reasonable floor areas, say a minimum of 200 m<sup>2</sup>, to be designated return points. Where beverage products were sold at various stores in the same shopping mall, the Administration planned to allow these retailers to jointly set up designated return points outside their shops but within the shopping mall, so as to economize the use of resources.

### **Council questions**

24. Members raised a number of questions related to promoting waste reduction and recycling (including the recycling of plastic beverage containers and beverage cartons) at Council meetings in recent years. The questions and the Administration's replies are hyperlinked in [Appendix 3](#).

## **Relevant papers**

25. A list of relevant papers is set out in [Appendix 3](#).

Council Business Divisions  
Legislative Council Secretariat  
18 February 2025



### **General operation of Producer Responsibility Schemes and responsibilities of stakeholders under the common legislative framework**

#### Suppliers

Suppliers generally refer to manufacturers and importers who engage in the business of distributing regulated products in Hong Kong. Save for suppliers who fulfil exemption provisions, any supplier must register as a “registered supplier” before distributing regulated products in Hong Kong. A registered supplier is required to submit periodic returns to the Environmental Protection Department (“EPD”) with detailed information on regulated products distributed. A registered supplier is also required to appoint an independent auditor to conduct annual audit so as to ensure the accuracy of the information submitted. Relevant information and records must also be properly kept for future inspection.

2. The Government will set recovery targets for individual regulated products as necessary. Under the “market-led approach”, suppliers can choose to arrange self-recovery by themselves to recycle waste regulated products in order to meet the recovery target (including setting up return point network, collecting waste regulated products and arranging for proper recycling), or to engage registered scheme operators from the market at their own costs for carrying out recovery services and meeting recovery target on their behalf. Suppliers who carry out self-recovery and registered scheme operators are required to submit periodic returns to EPD with detailed information on the quantities of waste regulated products recovered. They are required to submit annual audit reports with the information and calculation of recovery rate for recycling waste regulated products in the year. They should appoint independent auditors to conduct annual audits in order to ensure that the accuracy of the information submitted. Relevant information and records must also be properly kept to facilitate future inspection. The Government will stipulate the requirements of returns and audit reports in the subsidiary legislation on each regulated product.

#### Exemptions

3. In relation to individual regulated products, the Government may stipulate exemptions in the corresponding subsidiary legislation. Considerations for exemption include, but are not limited to, exempting registration requirement for some exhibitors who only distribute a small amount of regulated products for business promotion purpose, and exempting the requirement of submitting producer responsibility plans for small suppliers in order to avoid increasing their operational burden.

### Registered scheme operators

4. Under the “market-led approach”, a company or an organization (be they a supplier, recycler, non-profit organization, etc.) that is interested in providing recovery service for waste regulated products can apply to EPD for being a registered scheme operator based on its own business strategy and commercial consideration. At the same time, the applicant is required to submit a producer responsibility plan to EPD for approval. A registered scheme operator must fulfil the obligations on behalf of the suppliers who engage them, including meeting the recovery target, as well as submitting to EPD periodic returns and annual audit reports on the recovery of waste regulated products. If a registered scheme operator fails to comply with the relevant conditions of the approved producer responsibility plan, or is convicted of contravening the relevant parts of the Product Eco-responsibility Ordinance (Cap. 603) (e.g. failure to provide the appropriate number of return points in accordance with the plan, failure to arrange for proper recycling of collected waste, etc.), the Director of Environmental Protection may consider revoking its registration.

### Producer responsibility plan

5. A producer responsibility plan is a document to be prepared by an organization interested in providing recovery services for waste regulated products. It sets out the detailed plan and operational arrangement for the recovery of waste regulated products, including waste collection and disposal arrangement, the related budget, the calculation of recycling fees, etc. A person interested in becoming a registered scheme operator is required to submit a producer responsibility plan to EPD for approval. In addition, suppliers who carry out self-recovery of waste regulated products are also required to submit a producer responsibility plan to EPD for approval unless they are exempted, and can only distribute regulated products upon approval of his producer responsibility plan. The Director of Environmental Protection may impose terms and conditions on an approved producer responsibility plan. A registered scheme operator or supplier who carries out self-recovery of waste regulated products is required to comply with the terms and conditions.

### The Secretary for Environment and Ecology may amend the schedule of regulated products

6. Apart from plastic beverage containers, beverage cartons, EV batteries, vehicle tyres and lead-acid batteries, the Government will review from time to time the need for implementing PRSs for other products. In general, the Government will take into account necessity, the recycling situation for such product, outlets of recycled materials, its priority of recycling, and in particular, whether the local recycling trade is readily equipped with the technology and capacity for transforming the waste into materials with market value, as well as the environmental impacts caused by the product and its burden on landfills in

assessing the implementation of PRS for a specific product. The Government proposes that, under the common legislative framework, the Secretary for Environment and Ecology, in consultation with the Advisory Council on the Environment and with the approval of the Legislative Council, may amend the Schedule of regulated products by notice published in the Gazette to add, delete or revise the regulated products.

[Source: Adapted from the [Discussion Paper](#) entitled “Establishment of a common legislative framework for producer responsibility schemes” provided by the Administration for the meeting of the Panel on Environmental Affairs held on 28 November 2023.]

### **Scope and Operational Details of the Producer Responsibility Scheme on Plastic Beverage Containers and Beverage Cartons**

The Producer Responsibility Scheme on Plastic Beverage Containers and Beverage Cartons will cover beverage products with volume ranging from 100 millilitres to 2 litres that are carried in plastic beverage containers or beverage cartons, but does not cover refillable plastic containers (e.g. carboys), beverages that are filled and sealed immediately before sale for takeaway at retail outlets (e.g. bubble tea packaged in plastic cup sealed with a plastic film) and drink pouches.

2. The recovery services of plastic beverage containers and beverage cartons (including the setting up of return point network, collection of plastic beverage containers and beverage cartons, provision of rebates and proper recycling arrangement) will be provided by the market. Registered beverage suppliers have to meet the statutory recovery target set by the Government. To this end, registered beverage suppliers will have to either carry out the recovery of plastic beverage containers and beverage cartons for proper recycling by themselves, or engage registered scheme operators with recovery services from the market by paying them a recycling fee (with rebates included). Any persons (be they a supplier, recycler or non-profit organization, etc.) interested in providing the relevant services in the market can apply to the Government for registration as registered scheme operators, based on their own business strategy and commercial consideration.

3. The operational details of the scheme, to be prescribed in the subsidiary legislation as proposed by the Government, are mainly as follows:

- (a) the Government will set statutory recovery targets for plastic beverage containers and beverage cartons;
- (b) registered suppliers have to meet the recovery targets set by the Government;
- (c) registered suppliers may arrange recovery on their own, or engage registered scheme operators with recovery services from the market and pay them a recycling fee;
- (d) registered suppliers or registered scheme operators are required to provide rebates to incentivise the public to return used plastic beverage containers and beverage cartons to designated return points to increase recovery rate; and

- (e) retailers selling beverages in plastic containers and cartons with certain operation scale (e.g. those retail stores with a retail floor area of 200 m<sup>2</sup> or above) must serve as designated return points and provide takeback and rebate services.

4. To encourage the public to return their used plastic beverage containers and beverage cartons for recycling, the Government will set a minimum rebate level on a per-container basis (proposed to be \$0.1), and the public can receive rebate at designated return points. Apart from providing cash rebate, registered scheme operators may provide rebate in other forms (e.g. cash coupon of supermarkets or shopping centres) for the public, or provide higher level of rebate to the public to boost the recovery rate when necessary.

5. In addition, the Government proposes introducing licensing control on disposal facilities for plastic waste and liquid carton waste, and import and export control on liquid carton waste so as to ensure that the plastic beverage containers and beverage cartons collected under the scheme can be properly treated.

[Source: Adapted from the [Discussion Paper](#) entitled “Establishment of a common legislative framework for producer responsibility schemes” provided by the Administration for the meeting of the Panel on Environmental Affairs held on 28 November 2023.]

**Producer Responsibility Scheme on  
Plastic Beverage Containers and Beverage Cartons**

**List of relevant papers**

| <b>Committee</b>               | <b>Date of Meeting</b> | <b>Paper</b>  |
|--------------------------------|------------------------|---|
| Panel on Environmental Affairs | 22 March 2021          | <a href="#">Agenda</a> Item IV: Public consultation on a producer responsibility scheme on plastic beverage containers<br><a href="#">Minutes</a>   |
|                                | 25 April 2022          | <a href="#">Agenda</a> Item IV: Progress of the implementation of Waste Blueprint for Hong Kong 2035<br><a href="#">Minutes</a>   |
|                                | 28 November 2023       | <a href="#">Agenda</a> Item III: Establishment of a common legislative framework for producer responsibility schemes<br><a href="#">Minutes</a>   |
| Finance Committee              | 13 April 2023          | <a href="#">Administration's written replies to Members' initial questions on the Estimates of Expenditure 2023-2024</a><br>(Reply serial numbers: EEB(E)049, 065, 066, 088, 095, 112 and 113)      |
|                                | 17 April 2024          | <a href="#">Administration's written replies to Members' initial questions on the Estimates of Expenditure 2024-2025</a><br>(Reply serial numbers: EEB(E)029, 052, 071, 076, 087, 135, 138 and 142) |

| <b>Government bureau</b>       | <b>Document</b>   |
|--------------------------------|---|
| Environment and Ecology Bureau | <a href="#">Consultation paper on the Producer Responsibility Scheme on Plastic Beverage Containers</a> |

| <b>Council meeting</b> | <b>Paper</b>   |
|------------------------|--|
| 8 June 2022            | <a href="#">Council question 16</a> : Waste reduction and recycling programmes implemented in public housing estates |
| 22 February 2023       | <a href="#">Council question 12</a> : Treatment of recyclables   |
| 15 March 2023          | <a href="#">Council question 9</a> : The monitoring of outsourced recycling services                                 |
| 28 February 2024       | <a href="#">Council question 17</a> : Promoting waste reduction and recycling  |