

## Speech by the Hon Mrs Selina Chow Liang Shuk-ye, GBS, JP Motion Debate on Labelling scheme on nutrition information, 17 December 2003

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Selina Chow:

Madam President, I move that Mr Fred LI's motion be amended as printed on the Agenda.

Madam President, the numerous legislative control measures introduced in recent years have in fact imposed a very heavy burden on the food industry. Having said that, I must first make it very clear that if the industry is thinking about operating long term in Hong Kong, it is most important for it to look after the long-term interests of consumers (that is, their bosses, so to speak). And, the interests of the industry and those of consumers are never mutually exclusive, never conflicting, because customers will after all have to pay, not to speak of the fact that looking after consumers' interests as well as publicity on product functions are a means of market promotion, which, if properly used, will help boost sales.

What then does the industry oppose? It opposes the Government's attempt to rush to the forefront of the world without first adequately understanding the realistic situation and the limitations faced by us in the industry, and without assessing what price has to be paid. Such an attempt will probably impose an unnecessary burden on the market and the economy without benefiting consumers as desired.

To begin with, one must realize that Hong Kong has to import 90% of its foods — 18% from the Mainland and 72% from the rest of the world. To the countries and places supplying us with foods, Hong Kong is just an extremely tiny market. That is why it is unlikely that their manufacturers will make any special adaptations to satisfy the laws of Hong Kong. In that case, local importers, wholesalers and retailers will have to assume the responsibility of fulfilling all the labelling requirements under the law. And what we are discussing now, the printing of nutrient labels, for example, will have to be carried out by the various business sectors I have just mentioned.

Some constituents of mine have told me that a medium-sized company, for example, which imports roughly 400 types of products will have to spend \$1.2 million on labelling all the 400 types of products to meet the proposed nutrient labelling requirement. In the case of a large supermarket chain, it will have to label roughly 30 000 types of products. So, we must assess, first, the pressure exerted by labelling on operating costs and, second, by how much the prices paid by consumers will increase in the end. I am not saying that they will definitely be reluctant to pay, but the problem is, the most important point is, that they must find it worthwhile. They must be able to see the benefits before they find it worthwhile to pay.

The problem now is that there is simply no commonly accepted nutrient labelling system in the world, as was mentioned clearly by Mr Fred LI when quoting product examples. The United Kingdom, for example, is a developed country having very advanced systems, but its product labelling system is still different from that adopted by the United States. Actually, as we all know, different systems exist in the world. In the European Union and China, both being so vast, there has so far been no legislative requirement on nutrient labelling, nor is there any in Singapore. All of them simply advise suppliers and retailers to provide such labelling on a voluntary basis.

I am sure that Mr Fred LI will immediately try to refute my point, arguing that there are such requirements in the United States and Canada. But the point here is that in every different market, there will be different legislative requirements on the provision of such labelling, and there is simply no commonly accepted system. We in Hong Kong have to import 90% of our foods, and all these come from many different places with different systems. So, are Members in fact saying that local merchants should themselves arrange laboratory tests or do other highly expensive work for all these products coming from different markets, so as to meet the requirements of this nutrient labelling scheme, this nutrient labelling scheme established by ourselves?

The problem is that it will not be easy to satisfy many of the requirements proposed by the Government, one example being the labelling of the 10 specified items of nutrition information. And, what worries the industry even more is the question of "nutrition claims". This is about what Mr Fred LI has just talked about — the definition of "low fat", of sugar (he talked about that too), of "high calcium", of "low calcium", and so on. It seems that the Government is proposing an approach of setting down rigid indicators; for example, any food product containing less than 3% fat in its content will be classified as "low fat", and those with more than 3% will be classified as "high fat". The problem here is that the "low fat" foodstuffs that we import, such as butter and margarine, all contain 40% fat. Does this mean that we should forbid people to describe these so-called "low fat" foodstuffs as "low fat". If not, what are we going to do? To cover up the word "low" on the package? Or, to require them to be repackaged before sale? And, is the Government going to ban their sale altogether, or to allow their sale all the same but forbid any reference to "low fat"?

Another example is that the food product concerned may indeed be "low fat", because "full fat" butter contains 80% fat. This means that butter containing just 40% fat can already be considered "low fat" butter. This example can enable us to realize the crux of the problem. When it comes to milk containing fat, full milk contains 3.2% fat, but the proposal now is that milk containing 3% fat should be considered "low fat". Do Members thus agree that full milk is actually more or less able to fulfil the "low fat" requirement? This is simply impossible, downright ridiculous.

Therefore, a rigid approach can never work. And, Members must also be very careful in

this respect, because claims are themselves very important. In the sales process, claims can tell consumers what types of products they are looking at, so that they can make their choices accordingly. But if no claims are allowed, how can we set down any rigid indicators to ensure that consumers are not prevented from getting the true information? All these are problems which we should look at.

Besides, there is also the question of whether or not the provision of all such information can really help consumers. As mentioned just now, there is just so much information on nutrients, ingredients, and so on, particularly on protein, fat and various others. Mr Fred LI even expressed the hope that our food can help us prevent diseases (presumably believing that a proper diet will bring us better health and fewer diseases). But the problem here is that all this will have to depend entirely on whether consumers in society can know what amounts of nutrient are beneficial and proper to themselves. This then involves not only the question of nutrition claims, but also wider education, or precisely, a small part of wider education. As long as consumers know the benefit of all these nutrients, they will certainly know how to make their own choices. If the opposite is the case, all will just become nothing but just a bunch of figures. They may not necessarily derive any benefit, because such information will not help them make their choices unless they know the direct connection of these nutrients with their health.

To sum up, all in fact boils down to whether it is sensible to set down any rigid indicators, or whether or not the Government should set down a timetable deemed to be acceptable to all only after it has conducted negotiations, studied the development of other countries in this respect, made sufficient education efforts and allayed anxieties. In fact, this is the only way to really ensure that business operation will not be adversely affected while also protecting consumer choice and avoiding any increase in their burden. Only this can benefit society and the public.

Thank you, Madam President.