



**Positions on the Extension of the Environmental Levy Scheme
on Plastic Shopping Bags
of the Hong Kong Retail Management Association**

June 2013

1. The Hong Kong Retail Management Association (HKRMA) supports any environmental protection initiatives with the ultimate objective of achieving sustainable development for Hong Kong. To this end, we encourage consumers to minimize the use of plastic shopping bags (PSBs), and welcome the Government's proposal to extend the PSB levy scheme to cover all retailers.
2. We support the proposal that the PSB levy should be retained by retailers instead of remitted to the Government. We see this as the most effective and simplest way to ease unnecessary administrative burden and to help minimize compliance cost on the part of retailers, especially SMEs under the levy scheme. With the increasing social awareness on environmental protection and corporate social responsibility, it is envisaged that retailers are willing to utilize the levy they collected to support green initiatives on a voluntary basis.
3. We welcome the Government's proposal to exempt the levy on PSBs used for food hygiene reasons. However, deliberating from the perspective of food hygiene, we have the following concerns and opinions on details of the proposed exemptions:
 - (a) As the proposed exemption on PSB levy does not cover "securely packed frozen/chilled food", we hope the Government could clarify the meaning of "securely packed", and consider the case that some food that believed to be "securely packed" may eventually found to have leakages.
 - (b) On the proposal that PSB levy will also apply to flat-top plastic bags, it is worthwhile to note that there will be condensation on the surface of pre-packed frozen/chilled foods once they are taken out from the refrigerator. There is the possibility that packaging of the frozen/chilled foods might come into contact with some non-hygienic external sources, contaminating the condensation and in turn other food items in contact with the frozen/chilled foods. Furthermore, condensation may dampen paper packaging of other food items and contaminate their contents, thus creating hygiene problems. As the use of flat-top plastic bags can effectively prevent such problems, we suggest that flat-top plastic bags be continued to exempt from the PSB levy.



4. To prevent retailers from offering free PSBs to customers, it is proposed that retailers must not offer any rebate or discount to the customer with the effect of directly offsetting the PSB levy. However, it should be noted that many retailers operate loyalty programmes which allow customers to accumulate “reward dollars” that can be used to offset part of their shopping bills. As in practice the PSB levy is charged under the total shopping bill, it will be absurd to understand that in such situations the “reward dollars” are used to offset the PSB levy. We believe that the levy scheme should not hinder the smooth and effective operations of these loyalty programmes, which are popular marketing initiatives well received by customers. Therefore we urge the Government to explicitly clarify that the use of “reward dollars” is not regarded as offering rebate or discount to offset the PSB levy.

Ends