

**Hong Kong Retail Management Association
Submissions on Product Eco-Responsibility (Amendment) Bill 2023**

28 April 2023

The Hong Kong Retail Management Association (HKRMA) supports the Government's initiatives to build a greener Hong Kong. Over the years, the community has achieved significant success in this regard. The HKRMA would like to present members' views on the Government's proposed Regulation of Disposable Plastic Tableware, Regulation of Other Plastic Products and the Producer Responsibility Scheme on Waste Electrical and Electronic Equipment (WPRS).

A. Regulation of Disposable Plastic Tableware and Regulation of Other Plastic Products

I. Need for Buffer Time

1. We believe that any new legislation, along with further public education efforts, has an impact on retailers in terms of business and operation logistics. The key concerns of retailers regarding the proposed ban on plastics include the lead time, financial considerations and alternatives for the banned products, among others.
2. We are now in the middle of Q2 2023 (April-June), while the earliest implementation date for the new legislations will be pushed forward from 2025 to Q4 2023 (Oct-Dec), meaning that the new legislations will be implemented in less than two quarters. This puts a rush on retailers logistically.
3. The retail sourcing, purchasing, and procurement process usually takes at least two calendar quarters before proper implementation. How to process the goods in storage and in stores are our key challenges. The correlation between demand-and-supply in the market and the value chain (e.g. price inflation in certain products) are also our concerns. The tight schedule for the ban on the sales of products with plastic packaging by Q4 2023 appears to be unfeasible, given that there is no financial incentive to support the ban.
4. As such, we believe the retailers should be given logistically reasonable buffer time (a minimum of 3 quarters from the implementation of the regulations), as well as viable alternatives and support from the Government, such as a clear

timeline within phase-to-phase implementation, to further assist the industry amid the transitional period.

II. Phase-to-phase Implementation with Clear Timelines and Instructions

5. We call on the Government to consider working out the overall timeline for the scheme with clear and detailed instructions for retailers so that the industry can accomplish collectively achievable transitions.
6. We urge the Government to identify alternatives and define identification of oxo-degradable and other “degradable” plastic products more clearly.

III. Alternatives to the Banned Materials

7. The Government might consider promoting alternatives of single-use plastic products through public education.

IV. Challenge with Earlier Deadline (Q4 2023 instead of 2025)

8. It will be a challenge for retailers regarding the stocks in hand and the order already placed. Taking overseas countries such as the European Union as examples, they adopted a two-phase approach in this regard, e.g. the ban on the import and manufacturing of such items will be effective on 1 Oct 2023 while the full ban on sales will take effect from 1 January 2024.
9. The Environmental Protection Department might consider putting forward proposals on how to manage the stocks in hand.

V. Products in Scope

10. We believe the products covered in the various phases of the regulations should be easily replaceable, probably at some additional costs. It is technically feasible and there are already alternatives available in the market.
11. However, there is no suitable packaging alternative for:
 - (a) liquids (hot soup, soup noodle, drink, etc) and hot food. Even though paper containers can be used, the paper materials still carry plastic coating, which will be regulated;

- (b) Sushi boxes, sashimi sets, salad bowls, etc. The customers normally need to observe the quality of these products before making their purchase. Therefore, transparent plastic cover is normally used in the packaging;
- (c) Disposable tableware and paper cups for hot liquids still carry inner plastic coating materials; and
- (d) There is no substitute product in the market for plastic disposable gloves (medical gloves are not suitable for food preparation) and plastic dental floss picks.

B. Producer Responsibility Scheme on Waste Electrical and Electronic Equipment (WPRS)

- 12. As the proposed amendments include the expansion of the coverage of WPRS, the Government might consider clarifying the classification of the equipment covered.
- 13. We suggest the Government reducing the recycling levy for items that cost under \$2,000, as the levy of \$125 amounts to a high ratio of the average selling price.
- 14. We are supportive for the proposed removal of the requirements in relation to the provision of recycling labels in the distribution of regulated electrical equipment (REE). This will enable smoother operations of retailers, particularly warehouses.
- 15. We are supportive for the use of electronic means for services relating to payment and assessment notices from the Environmental Protection Department. This will simplify and streamline all related administrative work, from application to payment settlement.

It would be highly appreciated if the LegCo could consider retailers' circumstances and operational realities, before the implementation of the above regulations to create a triple-win situation for the retailers, the consumers, and the society.

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