

5 October 2015

Waste Reduction and Recycling Group
Environmental Protection Department
28/F, Southorn Centre, 130 Hennessy Road,
Wan Chai, Hong Kong

Dear Sir/Madam,

**Response to the Consultation Document
on Legislative Proposals on Regulation of Edible Fats and Oils and
Recycling of “Waste Cooking Oils” (the “Consultation Document”)**

**Views from Business Environment Council Limited
商界環保協會有限公司**

Over the last two decades, Business Environment Council Limited 商界環保協會有限公司 (“BEC”) has taken a leading role in advocating the business case for environmental excellence in Hong Kong. Our members are committed to actively engaging with the Hong Kong SAR Government on a range of issues relating to the environment and sustainability.

BEC is an independent charitable membership organisation comprised of approximately 200 company members ranging from major listed holdings to small and medium-sized enterprises in Hong Kong. For more information on BEC, please visit www.bec.org.hk.

BEC has carefully reviewed and discussed the Consultation Document with the BEC Waste Management Advisory Group. Views expressed in this submission are those of BEC, and may not necessarily correlate with the positions of each individual member.

Response to the Legislative Proposal

BEC’s Policy Position

BEC strongly supports the proposal to regulate the use and disposal of edible fats and oils and shares the Government’s views on the importance of high food safety standards in relation to locally produced fats and oils as well as imported products. BEC supports the proposed ban on the use of waste cooking oils as ingredients for edible fats and oils, whether manufactured locally or imported into Hong Kong.

BEC welcomes the legislative measures proposed. We trust that the Government will develop the details further in due course, to ensure the proposed regulatory measures are effective and give consumers confidence. The detailed provisions should provide clarity and not be overly burdensome leading to unnecessary costs for business. We have some suggestions in respect of the detailed provisions on the import and export of edible fats and oils.

In regard to the recycling of waste cooking oils, BEC considers there is an opportunity for obtaining greater consumer value. This is through including a requirement as to the use of waste cooking oils for biodiesel, as explained below.

Comments on Regulation of Recycling of Waste Cooking Oils

The Consultation Document focuses on regulating the collection and disposal of waste cooking oils through issuance of a license to waste cooking oils collectors and disposers to ensure its proper disposal. There is an opportunity to strengthen the incentives for the proper use of waste cooking oils by imposing a requirement for diesel suppliers to blend biodiesel into their fuel. This would create market opportunities for recycled waste cooking oils and fats consistent with the circular economy



principle. In the European Union ("EU") and the USA, there is an obligation on fuel suppliers to use biofuels including biodiesel¹.

In the light of the above, BEC recommends that the Government engages with business on: (a) facilitating biodiesel manufacturers or suppliers of those manufacturers to collect and handle waste cooking oils and fats; and (b) imposing a requirement of at least 5% mandatory blending with biodiesel in respect of diesel supplied in Hong Kong and such biodiesel should be made from waste cooking oils, so as to ensure that a sufficient proportion of waste cooking oils is used locally². BEC recognises the complexity of this issue and that this may require further consideration and introduction at a later stage.

Comments on Regulation on the Import and Export of Edible Fats and Oils

There are a few points we would like to suggest on the details of the proposed provisions.

The Consultation Document, in paragraphs 4.11 and 4.12 propose that edible fats and oils manufactured in Hong Kong (for export or domestic sale) should be accompanied by an official certificate or a certificate issued by an officially recognised testing institution. BEC supports the Government enhancing product testing on edible fats and oils so as to ensure food safety. In the Consultation Document, there is limited information about the product test frequency and sampling method such as whether a test is required for each batch of the product or at certain intervals, say every 6 months. BEC recommends that the Government develops these requirements in conjunction with stakeholders and with reference to overseas schemes.

In paragraphs 4.11 and 4.12 of the Consultation Document, the term "certificate" may cause confusion. In similar licensing and inspection systems, a test would ordinarily give rise to a "test report" not a certificate. Product certification is generally issued through a Hong Kong certification body accreditation scheme while product tests are carried out under Hong Kong laboratory accreditation scheme. Accordingly, we recommend that the terminology be reviewed during development of the detailed provisions.

BEC looks forward to working constructively with the Government in taking our policy recommendations forward. If there are any questions or concerns in regards to the content of this submission, please contact our Chief Executive Officer, Ms. Agnes Li, at agnesn@bec.org.hk or 2784 3950.

Yours sincerely,



Prof John Chai
Chairman
Business Environment Council Limited
商界環保協會有限公司
c.c. Ms Agnes Li, CEO, Business Environment Council

¹ Biofuels Directive 2009/28/EC, See Article 3 and Article 17
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:140:0016:0062:EN:PDF>
USA: Energy Independence and Security Act 2007
<http://www.gpo.gov/fdsys/pkg/BILLS-110hr6enr/pdf/BILLS-110hr6enr.pdf>

² Considering issues about the carbon intensity of agriculturally produced biodiesel, we suggest 5% blending of biodiesel from waste cooking oils, not biofuel from other sources such as corn and palm oil.

