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**ACE Paper 4/2022**

***For discussion on 16 May 2022***

## **Enhancement of the Plastic Shopping Bag Charging Scheme and the Plan on the Control of Single-use Plastics**

### **PURPOSE**

This paper seeks Members' views on the proposals for enhancing the Plastic Shopping Bag (PSB) Charging Scheme and our plan on the control of single-use plastics further to the report and recommendations of the Council for Sustainable Development (SDC) on the subject.

### **SDC'S RECOMMENDATIONS**

2. Upon the Government's invitation, the SDC conducted a public engagement from September to December 2021 on control of single-use plastics. It aims to provide members of the public with information on the subject of single-use plastics and initiate the discussion on relevant issues with a view to exploring ways to gradually control non-essential and hard-to-recycle single-use plastic items. On 14 April 2022, the SDC submitted the report to the Government, including 24 recommendations in five key areas, namely general principles on prioritising the control of single-use plastics, new control measures, enhancing the PSB Charging Scheme, publicity and public education, and green merchandise. The SDC recommended the Government to implement suitable control measures based on the characteristics of different single-use plastic products, including:

- (a) to ban the sale of single-use plastic products with readily available alternatives or products that are not essential, such as disposable plastic tableware sold at retail outlets, plastic stemmed cotton buds, cheer sticks and balloon sticks for parties / celebrations, etc.;
- (b) to ban the free distribution of single-use plastic products that are currently distributed to the public for free, such as umbrella bag and hotel toiletries, etc.; and

- (c) to ban the manufacture, sale and distribution of certain single-use plastic products, such as oxo-degradable plastic products and certain polyfoam products, etc.

3. The SDC also recommended that the Government should, in consultation with the business and trade concerned, explore administrative and legislative measures to reduce the use of plastic (especially polyfoam) packaging. Furthermore, on top of those single-use plastic products mentioned in the public engagement, the Government should explore the possibility of regulating other single-use plastic products more proactively. It was recommended that publicity and public education should be stepped up, green information should be made available to the trade and the public, and research and development on plastic alternatives should be supported.

4. Public opinion on enhancement of the PSB Charging Scheme in place was also collected in the public engagement. The PSB Charging Scheme, first launched in 2009 and extended to cover the entire retail sector in 2015, requires all retailers in Hong Kong, save for exemptions<sup>1</sup>, to charge at least 50 cents for each PSB provided to customers. As estimated from the landfill disposal survey, the total number of PSB disposed of in 2015 (i.e. within the first year of full implementation of the Scheme) reduced by 25%. However, a rebound of PSB disposal rate (PSB disposal data after full implementation detailed at **Annex A**) was observed in the following years, which calls for enhancement of the Scheme in order to keep up its effectiveness. The SDC public engagement reflected that the general public generally considered the Government should:

- (a) increase the present charging level of 50 cents per PSB, and the charging level of \$1 or \$2 is considered useful in driving behavioural change;
- (b) remove the present exemptions for PSBs carrying frozen/ chilled foodstuff item and foodstuff item fully wrapped by non-airtight packaging; and
- (c) limit the number of PSB to be distributed under exemption to one.

5. The SDC's recommendations are detailed at **Annex B**.

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<sup>1</sup> Exemptions are provided for PSBs used for food hygiene reasons, plastic bags used for packaging, and plastic bags provided with services.

## WORK PLAN ON THE CONTROL OF SINGLE-USE PLASTICS

6. The Environment Bureau announced the Waste Blueprint in February 2021. Setting out the vision of “Waste Reduction·Resources Circulation·Zero Landfill”, the blueprint outlines the strategies, goals and measures to tackle the challenge of waste management up to 2035. On waste plastics, the Government has been promoting “plastic-free” culture and exploring ways to expedite the control on single-use plastics. The Government welcomed the SDC’s recommendations and formulated a work plan to follow up on the recommendations, covering the following key measures:

### Enhancement of the PSB Charging Scheme

*(a) Increase the charging level to \$1 per PSB*

7. The current minimum charge of 50 cents has not been adjusted since the commencement of the voluntary scheme in 2006, which preceded the first phase of the PSB Charging Scheme introduced in 2009. It is apparent that the Scheme’s disincentive effect has been diminishing as time goes by. Taking into account SDC’s recommendations and the practice of other places in recent years (say, Macao has been charging around \$1 per PSB, save for exemptions, since November 2019), we **recommend increasing the charging level from 50 cents to \$1 per PSB**, as a start.

*(b) Remove the present exemption for PSBs carrying frozen / chilled foodstuff item*

8. Currently, PSBs carrying frozen or chilled foodstuff items can be exempted from the PSB charge. The exemption was given in the extended phase of the Scheme to address concerns on temperature-controlled food. It was considered then that PSBs could safeguard food hygiene by keeping the temperature of frozen or chilled foodstuff item and preventing potential leakage or spillage, as temperature-controlled food may change its physical state due to temperature change in the course of its conveyance, and the foodstuff item or part of it may leak from its packaging. To keep the Scheme simple, and to avoid conflicts between customers and retailers during the initial stage of implementing the Scheme, an “across-the-board” approach was adopted to provide blanket exemption for PSBs used for carrying all types of frozen or chilled foodstuff items irrespective of their packaging.

9. Over the years, it is observed that most frozen or chilled foodstuff items are in fact contained in airtight packaging that can effectively prevent the leakage of its content. Besides, the effect of using PSB in maintaining the temperature of frozen or chilled foodstuff items is also limited in general. The SDC’s public engagement also reflected that the public support the removal of this exemption for the good cause of reducing the use of PSBs. As such, we **propose to remove the exemption for PSBs carrying frozen or chilled foodstuff items**, which will bring

the Scheme in line with similar schemes in other places (e.g. Macao, Taiwan and England). We also expect that the proposal can significantly reduce the number of flat-top plastic bags<sup>2</sup> that are now mainly used for carrying frozen or chilled foodstuff items.

*(c) Tighten the present exemption for PSBs carrying foodstuff items in non-airtight packaging and limiting the number of exempted PSBs to one per sale transaction*

10. Under the current Scheme, PSBs carrying foodstuff items in non-airtight packaging can be exempted from the PSB charge. The exemption was intended to address the need to use PSBs to prevent potential leakage or spillage. That said, in practice, many non-airtight packaging can already perform the same function effectively. Some examples include bakery in unsealed plastic bags, fresh eggs in carton packs, blueberries contained in plastic boxes with air holes, and vegetables fully or partially wrapped by cling film wrapping and contained in a foam tray, potatoes in net packaging, mango wrapped in polyfoam fruit net and raw meat wrapped with cling paper. We therefore **propose to remove the exemption for PSBs carrying foodstuff items that are fully wrapped by any non-airtight packaging**, as the packaging can already serve the hygiene purposes by (i) reasonably protecting the foodstuff items from exposing to the outside environment, and (ii) minimising the risk of potential leakage or spillage. A foodstuff item is to be regarded as “fully wrapped” if the item is fully contained, wrapped, covered or enclosed in the packaging of whatever materials, notwithstanding any air holes in such packaging.

11. For foodstuff items that are not wrapped nor fully wrapped by any packaging, for example, unpacked fruits, vegetables, fresh meat and seafood sold at the wet markets, or breads that are partially wrapped in paper wrapping, we see the continued need to carry them in PSBs for food hygiene reasons. Yet, under the current Scheme, there is no limit on the number of free PSBs that can be given to carry such foodstuff items. In line with the overall objective of minimising the use of PSBs as far as possible, we **propose to limit the number of free PSB, under exemption, to one per sale transaction of such foodstuff item(s)**, subject to the following conditions:

- (i) if a free PSB has already been fully filled with the foodstuff item(s) or its loading capacity cannot reasonably carry further foodstuff item(s) in addition to the item(s) in the PSB, additional free PSBs can be provided to carry the remaining foodstuff item(s) effectively<sup>3</sup>; and

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<sup>2</sup> Under the present PSB Charging Scheme, flat-top plastic bag is also a PSB, hence subject to the 50 cents PSB charge, save for exemptions. As flat-top plastic bags are commonly used to carry exempted items under the Scheme, say, frozen / chilled foodstuff items and items without packaging, it is observed that most flat-top plastic bags are currently exempted from PSB charge.

<sup>3</sup> For the avoidance of doubt, more than one additional bag may be provided if the previous additional bag has already been fully filled with the items.

- (ii) additional free PSB(s) may be given, if the quality or hygiene of the foodstuff items (in the same sale transaction) would be affected when the items are put, even with reasonable care, into the same PSB. For example, while fresh crab and fish can be contained in the same PSB, from merchandise quality or hygiene angle it is undesirable to do so.

12. Furthermore, most food and beverage (F&B) takeaway items are contained in non-airtight packaging. Unlike general foodstuff items that are fully wrapped in non-airtight packaging, there is a practical need to provide PSBs to customers for carrying F&B takeaway items, in particular when more than one item (e.g. one lunchbox plus one drink) is purchased. It is also necessary to provide PSBs to a person delivering a large quantity of F&B takeaway items. We therefore **propose to continue exempting PSBs used for carrying F&B takeaway items in non-airtight packaging** (no matter whether the takeaway item is fully wrapped or not) from the PSB charge. However, there is currently no limitation on the number of free PSBs for carrying such items. Similarly, the **“one free PSB per sale transaction” arrangement illustrated under paragraph 11 above applies**, and additional free PSB(s) may only be provided if one PSB is unable to carry all items in the same transaction effectively, or the quality or hygiene of the items will be affected if the items are put, even with reasonable care, into the same PSB.

13. The above are largely in line with other places’ practice, where plastic bags carrying “properly packaged” foodstuff items in non-airtight packaging are normally not exempted. In Macao, free plastic bags are only allowed for “unpacked food items”, and the test is whether the packaging (if any) can “serve as proper packaging”. In Taiwan, no free plastic bag is allowed for carrying “packaged foodstuff item”, for example, cooked food in plastic container or cling film wrapping. The same goes for England’s scheme where free plastic bag can only be provided for carrying “unwrapped items” like loose seeds and raw meat without packaging.

14. In accordance with sections 21 and 29 of the Product Eco-responsibility Ordinance (Cap. 603) (PERO), for introducing the enhancement measures above, the Secretary for the Environment has to amend Schedules 2 (on scope of exemption) and 3 (on charging level) to PERO, as well as Forms 1 (fixed penalty notice) and 4 (evidentiary certificate) in the Schedule to the Product Eco-responsibility (Plastic Shopping Bags) Regulation (PERO(PSB) Regulation) (Cap. 603A) after consultation with the ACE. We plan to submit the subsidiary legislation in May / June to amend Schedule 2 and the forms for positive vetting by the Legislative Council (LegCo) and another one to amend Schedule 3 for LegCo’s negative vetting. To facilitate a smooth transition, we will allow some time for the trade to get prepared for the implementation of the enhanced Scheme after the passage of the legislation. We will also provide guidelines to the trade. Subject to the progress of LegCo’s scrutiny, the enhancement measures would be implemented in late 2022 the earliest.

15. Taking the opportunity, we also propose to make a technical amendment to change the postal address designated for postal remittance of payment of fixed penalty, i.e. P.O. Box No. 28000, Gloucester Road, Hong Kong, in view of the planned closure of the Gloucester Road Post Office tentatively in 2023. The said postal address is currently stated in the Payment Instructions in Form 1 and Form 2 in the Schedule to the PERO(PSB) Regulation. We propose to change the address to a statement referring to a hotline and a web address where the fixed penalty ticket holder may check the latest postal address in service then. Pursuant to section 29 of the PERO, such amendment requires consultation with the ACE. We will submit the subsidiary regulation for LegCo’s approval (via the positive vetting procedure) together with the one for amending Schedule 2 to PERO as mentioned in paragraph 14 above.

**Proposed Control Measures on Hard-to-recycle and Non-essential Single-use Plastic Products**

16. The SDC’s recommended strategy of prioritising control measures targeting hard-to-recycle and non-essential single-use plastic products is in line with the Government’s direction of going “plastic-free” all along. With reference to the single-use plastic products recommended by the SDC to be put under control and the three recommended control measures (i.e. banning the manufacture, sale, distribution or free distribution), we plan to introduce a mandatory control scheme covering 20 single-use plastic products as shown below.

<b>Proposed control measure</b>	<b>Single-use plastic products to be controlled</b>
Ban on sale	<ol style="list-style-type: none"> <li>1. Disposable tableware sold at retail outlets</li> <li>2. Plastic stemmed cotton buds</li> <li>3. Inflatable cheer sticks</li> <li>4. Balloon sticks for parties / celebrations</li> <li>5. Tablecloth</li> <li>6. Food stick</li> <li>7. Plastic stemmed dental floss</li> <li>8. Non-medical gloves (same item also included under “ban on free distribution” below)</li> <li>9. Glow stick</li> <li>10. Party hat</li> <li>11. Ear plugs</li> </ol>
Ban on free distribution	<ol style="list-style-type: none"> <li>12. Umbrella bag</li> <li>13. Hotel toiletries</li> <li>14. Cake-cutting knife</li> <li>15. Bubble wrap</li> <li>16. Cake topper</li> <li>17. Tissue paper packs with plastic packaging primarily for promotion purpose</li> </ol>

	18. Non-medical gloves (same item also included under “ban on sale” above)
Ban on manufacture / sale / distribution	19. Oxo-degradable plastic products 20. Certain polyfoam add-on packaging, say, polyfoam food tray and fruit web packaging 21. Multi-pack ring

17. For introducing the mandatory control scheme on the products mentioned above, we are preparing a Bill (tentatively named as “Promotion of Eco-responsibility (Miscellaneous Amendments) Bill”) to amend PERO and plan to introduce it to LegCo in the second half of 2022 the earliest.

## **OTHER KEY MEASURES ON THE CONTROL OF SINGLE-USE PLASTICS**

18. The Government is committed to tackling the plastic challenge. The Government has, prior to the SDC’s public engagement, conducted public consultations on the Producer Responsibility Scheme on Plastic Beverage Containers (PPRS) from February to May 2021 and the Scheme on Regulation of Disposable Plastic Tableware from July to September 2021.

19. On plastic beverage containers, the community responded positively to the proposals in general. We are now refining the suitable regulatory framework for the PPRS, examining the necessary legislative amendments, and consulting the relevant trades further on the regulatory details of the PPRS. We will take into account the overall waste management development in finalising the proposal with a view to utilising the synergy with other waste management initiatives.

20. Meanwhile, to pave way for the implementation of the PPRS, the Environmental Protection Department (EPD) rolled out a one-year pilot scheme in 2021 to test out the application of reverse vending machines (RVMs) in Hong Kong. Positive responses have been received regarding the 60 RVMs set up across the territory. As at the end of April 2022, the pilot scheme has recovered over 20 million plastic beverage containers, equivalent to around 500 tonnes of waste plastics, which were sent to local recyclers for recycling. Stage 2 of the pilot scheme is expected to be rolled out in phases in the second quarter of 2022 with the number of RVMs increased from the current 60 to 120 progressively.

21. On disposable plastic tableware distributed by catering premises, the EPD received over 8 000 submissions during the consultation period, amongst which over 90% of the responses supported in principle the introduction of legislation to regulate disposable plastic tableware in phases. As regards the implementation timetable of the scheme, there were quite some views that many places have already been strengthening the regulation of disposable plastic tableware through legislation or other measures in recent years. Also, during the epidemic, local citizens tend to use food delivery / takeaway services more frequently, resulting in an increase in

the use of disposable plastic tableware. Therefore, there were suggestions that there should be room to advance the implementation of the first phase of the regulation before 2025 as suggested in the consultation document. We understand that, at present, different suppliers in the market are already able to provide various types of non-plastic alternatives to the types of takeaway disposable plastic tableware that are covered by the first phase of the regulation. Having considered the urgency of the problem arising from disposable plastic tableware and the overall positive feedbacks from the community on the proposed scheme, EPD is actively considering advancing the implementation of the first phase of regulation so as to reduce the disposal of disposable plastic tableware at source as soon as possible and help ease the burden on the environment.

### **ADVICE SOUGHT**

22. Members are invited to provide comments on the Government's proposals to enhance the PSB Charging Scheme and the plan on the control of single-use plastics.

**Environmental Protection Department**  
**May 2022**