

Experience in Selected Jurisdictions

We have studied the experience of the Mainland, Taiwan and Ireland, which have also imposed PSB levy at the retail level. Their implementation details are similar to the current Levy Scheme in Hong Kong, as can be seen from the below brief comparison –

	Hong Kong	Taiwan	Mainland	Ireland
1. Definition of plastic shopping bags	<ul style="list-style-type: none"> Bags that are made of plastic and equipped with a carrying device (e.g. handle) 	<ul style="list-style-type: none"> Bags that are made of plastic for the purpose of carrying goods by customers 	<ul style="list-style-type: none"> Bags that are made of plastic and have carrying functions 	<ul style="list-style-type: none"> Bags that are made of plastic and are provided to customers at point of sale for carrying goods
2. Plastic shopping bags not subject to levy or charge	<ul style="list-style-type: none"> Bags sold individually or in a pre-packaged pack at HKD 5 or above 	<ul style="list-style-type: none"> Bags solely used for carrying fish, meats, vegetables, fruits and other raw merchandise or foods Bags sold as pre-packaged goods Packaging bags for medicine in a medicare hospital 	<ul style="list-style-type: none"> Bags for carrying fresh food, cooked food, noodles etc. for hygiene or food safety reasons 	<ul style="list-style-type: none"> Plastic bags solely used to contain <ul style="list-style-type: none"> fresh fish and fresh fish products, fresh meat and fresh meat products, or fresh poultry and fresh poultry products, or such products that are contained in packaging (including a bag) Plastic bags solely used to contain <ul style="list-style-type: none"> fruit, nuts or vegetables, confectionery, dairy products, cooked food, whether cold or hot, or ice
3. Amount of levy or charge	<ul style="list-style-type: none"> Not less than HKD 0.5 each 	<ul style="list-style-type: none"> Determined by retailers 	<ul style="list-style-type: none"> Determined by retailers, subject to certain requirements (e.g. not less than cost, clearly priced and no discount or rebate, etc) 	<ul style="list-style-type: none"> EUR 0.15 each as at 2002
4. Use of levy or charge	<ul style="list-style-type: none"> Remitted to Government for depositing into the General Revenue 	<ul style="list-style-type: none"> Retained by retailers 	<ul style="list-style-type: none"> Retained by retailers 	<ul style="list-style-type: none"> Remitted to Government for depositing into a dedicated environment fund
5. Retail outlets subject to the scheme	<ul style="list-style-type: none"> Chain or large supermarkets, convenience stores, personal health and beauty stores, drug stores, department stores, etc. 	<ul style="list-style-type: none"> Government departments or agencies, schools and public hospitals Department stores, shopping malls, warehouse stores, supermarkets and convenience stores 	<ul style="list-style-type: none"> All retail outlets in supermarkets, shops and malls as well as commodity trading markets (irrespective of size and nature of business) 	<ul style="list-style-type: none"> At any shop, supermarket, service station or other sales outlet

Save money Save the environment



Public Consultation on the Extension of the Environmental Levy Scheme on Plastic Shopping Bags

Consultation Period until August 16



A Remarkably Effective Scheme

Since the launch of the Environmental Levy Scheme on Plastic Shopping Bags (the Levy Scheme) on 7 July 2009, we estimated that there has been a 90% reduction in the number of plastic shopping bags (PSBs) distributed by the registered retailers.

Not only that the Levy Scheme has successfully cut down the indiscriminate use of PSBs, majority of the population supported the Levy Scheme by putting green living into practice. They now use fewer PSBs and bring their own shopping bags. Given the successful results in the first phase, it is time to move ahead and further expand this producer responsibility scheme (PRS) by extending the Levy Scheme to covering all retailers.

Full Extension for Enhanced Environmental Benefits

The Levy Scheme now covers some 3 100 retail outlets where customers have to pay 50 cents as an environmental levy for each PSB collected. Do you wish to do more for the environment? At present, PSBs are subject to a charge if they are distributed in supermarkets, convenience stores, medicare and cosmetics stores registered under the Levy Scheme. Could we further cut down the indiscriminate use of PSBs if the same measure is applied to all retailers?

To sustain the momentum in reducing the indiscriminate use of PSBs, we propose that the Levy Scheme be fully extended to cover all retailers. We propose that under the extended Scheme, free distribution of PSBs is banned (save for limited exemption), and a charge of 50 cents per PSB is mandatory as an economic disincentive to inculcate further behavioural change against the indiscriminate use of PSBs.



Full Extension as Long-term Direction

- **Extend the Levy Scheme to cover all retailers regardless of their business scale.** This will broaden the coverage from the current some 3 000 retail outlets to a total of about 60 000 retail outlets in Hong Kong
- **Ban free distribution of PSBs by retailers** who should instead impose a mandatory charge on their customers for each PSB distributed
- **Maintain 50 cents-per-bag charge at the current levy level** as an economic disincentive to encourage 'Bring Your Own Bag'
- **PSBs used for containing food be exempted**, i.e. those directly and solely carrying fresh food for hygienic reason
- Except for those used on food hygiene grounds, **include "flat-top" bags (i.e. bags without handles) into the definition of PSBs** thereby putting them under regulation
- **Adopt the 'retention by retailers' approach**, so that retailers, most of whom being small and medium-sized enterprises (SMEs), may retain the charge collected by which we might minimize their administrative burdens and costs

Different Types of Bags and the Applicability of the Mandatory PRS

				
	Plastic Shopping Bags	Non-woven Bags	Paper Bags with Plastic Lamination	Flat-top Bags
Covered under the Current Scheme?	Yes	Yes	Yes	No
Covered under the Mainstream Proposals of the Next Phase?	Yes	Yes	Yes	Yes



Advice Sought

From now till **16 August 2011**, we welcome submissions from stakeholders and members of the public on the extension of the PRS with regards to PSBs, particularly on the following aspects –

1. The Government proposes to extend the levy scheme on PSBs to cover all retailers. Do you agree with this direction?
2. Should you agree with the Government's proposal in extending the coverage of the Levy Scheme to all retailers, do you agree that all retailers, regardless of their business scale, should be covered?
3. Should exemption be granted to PSBs that are directly and solely used for food hygiene purposes? Are there other circumstances where the use of PSBs is also justifiable on the grounds of food hygiene?
4. Apart from those PSBs used on food hygiene grounds, should we also include flat-top bags (those bags without handles) into the definition of PSBs and be regulated?
5. When extending the scope of the PRS to all retailers, our analysis revealed that requiring retailers to remit the charge collected to the Government would add cost to the operation of the retailers (in particular SMEs). Given that the purpose of the PRS is not to raise government revenues but to deter indiscriminate use of PSBs through economic disincentive, should we adopt the Government's proposed approach to reduce indiscriminate PSB use by introducing legislation on a mandatory charge by retailers where the charges collected need not be remitted to the Government as the practice already adopted in the Mainland and Taiwan?

How to Respond

Send us your feedback by post, email or facsimile. Details are as follow –

By Post:	Environmental Protection Department Waste Management Policy Division Room 4522, 45 th floor, Revenue Tower 5 Gloucester Road, Wanchai, Hong Kong
By Email:	psbprs@epd.gov.hk
By Facsimile:	2318 1877

For more details, please visit: www.epd.gov.hk