Business Facilitation Advisory Committee Wholesale and Retail Task Force

Enhancing the Monitoring and Surveillance of Food Trading and Imports

Purpose

This paper aims to brief members on the Government's effort to step up the monitoring and surveillance of food trading and imports, including the measures taken to enhance the surveillance of food imports by sea and the monitoring of online food business.

Background

2. Hong Kong is an open economy with very limited crop yields and livestock production. Over 90% of local foods are imported. The objectives of the Government's food policies are to maintain an open market and ensure food safety and a stable food supply. The Food Surveillance Programme (FSP) operated by the Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department (FEHD)¹ monitors food on sale to ensure its compliance with legal requirements and fitness for human consumption. Our policy objective is to ensure that food sold in Hong Kong is safe and fit for consumption through tripartite collaboration among the Government, the trade and consumers.

services, including licensing matters relating to food business, management of public markets, public cemeteries, columbaria and crematoria, hawker control and overseeing the joint office with Buildings Department on water seepage. CFS and EHB discharge the respective powers conferred by law on the Director of Food and Environmental Hygiene. The two sides maintain close communication and cooperation to protect public health and food safety.

¹ FEHD includes CFS and the Environmental Hygiene Branch (EHB). CFS is responsible for the implementation of food safety control, while the EHB is responsible for the provision of environmental hygiene

Food Surveillance Programme

3. FSP is designed to prevent and control food incidents. It is a key component of CFS' assurance programme and aims to monitor the safety of our food supply. Under FSP, CFS officers conduct risk assessments on food by taking samples at various levels for microbiological, chemical and radiation testing. Microbiological testing covers both bacteria and viruses, while chemical testing includes food additives, contaminants and other harmful residues and toxins. To promote public awareness of food risks, CFS promulgates surveillance results regularly for public information. In line with the international trend of putting more focus on target-based surveillance, CFS implements a diversified food surveillance strategy comprising routine food surveillance, targeted food surveillance and seasonal food surveillance.

Import Control Measures

- 4. Under FSP, CFS collects food samples at import, wholesale and retail CFS adopts a risk-based principle in determining the types of samples to be collected, the frequency and number of samples taken for testing, and the types of laboratory analysis to be conducted, regardless of the import means. The sampling programme is under regular review by CFS, taking into account such factors as past food surveillance results, local and overseas food incidents and relevant risk analysis. The present monitoring mechanism of CFS at the import level covers food imported by sea, land and air, as well as food sold online. The risk-based principle is adopted for inspection of food products imported by sea, land and air. The Man Kam To Food Control Office and the Airport Offices of CFS are responsible for the inspection of fresh foodstuffs imported from Mainland China by land and the inspection of food imports by air respectively. As for food imports by sea, previously CFS did not have a food inspection checkpoint at Kwai Chung Container Terminals (KCCT). food inspections were usually conducted at the warehouses or cold stores of the food importer concerned.
- 5. The sheer diversity of food from around the world due to globalisation of the food trade, advancement in information technology, rapid information flow and heightening of consumers' expectations have posed challenges to food safety testing. The Government reviews the inspection measures from time to time with a view to enhancing the regulatory arrangements of food safety.

- 6. CFS has reviewed the present food monitoring mechanism at the import level. Despite differences in infrastructure and modes of operation among sea, air and land checkpoints, in order to align the monitoring measures for food imports by sea with those being applied to food imports by air and land at the borders, CFS has decided, after discussion with the Customs and Excise Department (C&ED), to set up a food inspection checkpoint at Kwai Chung Customhouse (KCCH) to strengthen the monitoring of food imported by sea and enhance the food control regime of Hong Kong. The checkpoint has commenced operation since end-October 2015.
- 7. Consistent with the surveillance on food imports by land and air, CFS adopts the risk-based principle in selecting containers conveying food via the sea route for inspection, taking into account such factors as intelligence, food safety incidents in different places, types of food subject to specific import control, whether the importer concerned has previously disregarded instructions to contact CFS for food inspections and whether cargo manifests were submitted to C&ED prior to container arrival or whether the cargo manifests contain all the required information. Food products that may be selected for CFS inspection include:
 - (a) Food imports affected by food incidents CFS monitors daily food incidents occurring in overseas countries and neighbouring areas and collects updated information available from international food safety information networks. If intelligence reveals that problem food is being shipped to Hong Kong, CFS will take action to intercept such food products.

(b) Food subject to import control

- (i) Import requirements are laid down for certain foods for public health reasons. For instance, imported milk, milk products, frozen confections, game, meat and poultry are subject to regulatory control under the subsidiary legislation of the Public Health and Municipal Services Ordinance (PHMSO)(Cap. 132). Prior to importing these foods into Hong Kong, the importer has to submit relevant information to CFS for approval.
- (ii) To better protect Hong Kong from the threat of Avian Influenza, the Government has stepped up control on

imported poultry eggs through legislation. The relevant legislation has come into effect on 5 December 2015. In the year of 2014, over 2.2 billion poultry eggs were imported into Hong Kong, with nearly 66 % (over 1.5 billion) by water. The enhanced control measures on food imports by sea tie in with the statutory control policy on the import of poultry eggs.

- Following the Fukushima nuclear plant incident in 2011, (iii) FEHD issued an order under Section 78B of the PHMSO on 24 March 2011 to prohibit the import of vegetables and fruits, milk, milk beverages and milk powder from the five most affected prefectures of Japan, namely Fukushima, Ibaraki, Tochigi, Chiba and Gunma. The import of all chilled or frozen game, meat and poultry, all poultry eggs and all live, chilled or frozen aquatic products from the five prefectures is also forbidden, unless they are accompanied by a certificate issued by the competent authority of Japan certifying that the radiation levels do not exceed the guideline levels. The order is still in force. Moreover, following the substandard lard incident in Taiwan, CFS took precautionary measures last year, including the issuance of three food safety orders and a directive on a total ban on the import into and sale within Hong Kong of all edible oils produced in Taiwan. Such measures remain in effect.
- 8. With respect to food subject to import control, after the container is loaded onto the vessel at the exporting end, and prior to its arrival in Hong Kong, the food importer should take the initiative to notify the CFS of the shipment as early as possible, along with the submission of relevant import documents including bills of lading, packing lists, invoices, import licences, official certificates, health certificates, written permission from a health officer of FEHD, certificates of radiation levels from places of origin (if applicable), etc.. The import documents required to be submitted are no different from those currently required, except that the importer must submit the documents before arrival of the food container.
- 9. Containers of food shipped to Hong Kong by importers are inspected at the KCCH checkpoint if selected by CFS. Before the container arrives in Hong Kong, CFS issues a notice to the importer concerned requiring that the container, after arrival, to be transferred to the above checkpoint for inspection on the date and at the time specified on the notice.

- 10. The seal of the selected container should not be opened until the container has been delivered to the KCCH checkpoint and it is confirmed to be intact by CFS officers, who then inspects the consignment and if circumstances warrant, collect samples for chemical analysis by the Government Laboratory before release of consignment. Where necessary, CFS may detain the container pending the testing results.
- 11. For food products (e.g. chilled/ frozen foods) that cannot be inspected at the above checkpoint due to practical constraints, CFS conducts food inspections at the warehouses or cold stores of the importer concerned, although the seal of the container must be confirmed to be intact by CFS officers before it can be opened. If a container of food shipped to Hong Kong by an importer is selected for inspection at a cold store of the importer concerned, where necessary, CFS may collect samples for chemical analysis / microbiological examination by the Government Laboratory before release of consignment, or mark and seal the consignment until testing results are known. Depending on risk assessment, containers not selected for inspection but containing food subjects to specific import control will continue to be inspected at the warehouses or cold stores of the importer concerned in accordance with the standing practice.
- 12. The above enhanced measures have come into force since end-October 2015 and we will closely monitor their implementation. We should point out that ensuring food safety requires the cooperation of the regulatory authorities, trade and consumers. Hence, an effective regulatory system must be complemented by surveillance, self-discipline, education and publicity. CFS has conducted a number of briefing sessions on the enhanced food regulatory measures and arrangements at KCCT to the trade and called on trade members to collaborate with the Government. We believe that these control measures will enhance the effectiveness of inspections of food imports by sea and boost public confidence in their safety, which in turn will benefit the trade.

Regulation of Online Food Shopping

13. With the prevalence of e-commerce, buying and selling of food via the Internet or social media platforms has become more popular in recent years. This facilitates cross-border online shopping, but poses challenges to regulation of food and the food trade. Food items sold online vary in quality and information about their sources may not be known, which may be potentially hazardous to public health, and not conducive to law enforcement and source

traceability. For example, there are people selling homemade food products on the Internet. Such products may come from unlicensed family-run workshops or unregistered food importers. The vendors mostly operate online business without any fixed food premises. Even if they operate within fixed premises, the address may not be listed on the webpage. The above situations have added to the difficulties in conducting inspections and monitoring operations by the regulatory authorities. We are of great concern about the food safety hazards and the law enforcement difficulties brought by online food sale.

- 14. The existing legislation regulates food safety and food trade operations in many aspects, including food operations through electronic or There is a registration scheme for food importers and distributors other means. and statutory requirements to maintain transaction records (Food Safety Ordinance (FSO)(Cap. 612)). In addition, the Food Business Regulation (FBR)(Cap. 132X) is in place to govern the sale of fresh, chilled or frozen meat or poultry, and the preparation of food for sale for human consumption off the premises. Under the FSO, any person who operates a food importation / distribution business shall register with the Director of Food and Environmental Hygiene (the Director). Furthermore, any person who, in the course of business, imports food or acquires or supplies by wholesale food in Hong Kong shall keep the relevant transaction records, so that in the event of a food incident, CFS can trace the sources and points of sale of the food concerned and deal with the incident effectively. The FSO is also applicable to food trading on e-commerce platforms, including online food sale.
- 15. The food trade has the responsibility to ensure that the food sold by them is fit for human consumption, no matter whether business is conducted online or in the traditional manner. Under Section 54 of the PHMSO, all food for sale in Hong Kong, whether locally produced or imported, should be fit for human consumption. Offenders will be prosecuted and liable to a maximum fine of \$50,000 and imprisonment for six months.
- 16. In addition, for online food sale, relevant licences or permits should be obtained from Environmental Hygiene Branch (EHB) of FEHD having regard to modes of operation and food types. Under the FBR, any person who carries on any food business which involves the sale of fresh, chilled or frozen meat or poultry must obtain a fresh provision shop licence from EHB of FEHD. If the business involves the preparation of food (e.g. sashimi, sushi and cakes) for sale for human consumption off the premises, a food factory licence is required. The FBR also stipulates that save with the written permission of the Director, no person shall sell any restricted foods (including sashimi, sushi and

oysters to be eaten in raw state) specified in Schedule 2 of the FBR. Any person who operates an unlicensed food business or sells restricted foods without permission is liable on conviction to a maximum fine of \$50,000 and imprisonment for six months. A daily fine of \$900 may also be imposed.

Monitoring online food sale

- 17. EHB of FEHD has been monitoring online food sale. If any food sold online for human consumption is suspected to be involved with unlicensed food business, or its source is suspicious, EHB of FEHD will conduct investigations and take follow-up action accordingly. Should there be sufficient evidence, prosecution will be initiated. From June 2012 to December 2015, FEHD took out 49 prosecutions against unlicensed food premises selling food online. CFS has also stepped up sampling of food sold online for chemical and microbiological tests. As at end-December 2015, over 1 500 such food samples were taken for testing. The results of all tested samples were satisfactory.
- Recently, it has come to the notice of EHB of FEHD that some online 18. food selling activities involve the sale of restricted foods (chilled meat, sashimi, sushi, oysters to be eaten in raw state, frozen confections, etc.) specified in Schedule 2 of the FBR. Some online operators display these restricted foods on the Internet or online platforms for customers to choose. When an order is received, the operator will acquire the product from the food supplier for resale to the customer. This business pattern, same as that of selling food in traditional shops, is also subject to the written permission of the Director. light of new online food selling activities, EHB of FEHD has prepared a set of licensing conditions for the regulation of internet sales of restricted foods to safeguard food safety. These conditions mainly require that restricted foods must be obtained from lawful sources, that they shall not be tampered with during transportation to prevent cross-contamination, and that the food products shall be stored at a safe and proper temperature at all times. Moreover, the operators shall provide information on their permit such as the permit number, registered address, the restricted foods permitted for sale, etc. so as to provide a reference for the consumers when they purchase online and enable them to verify such information through the FEHD website.
- 19. For operators selling restricted foods online without a physical premises, FEHD has prepared a new set of permit for the trade to apply. Tentatively, we will accept applications in the first quarter of 2016.

- 20. To further protect food safety, FEHD will impose additional licensing conditions on relevant food business licences and restricted foods permits requiring the licensee/permittee to indicate business information including the particulars of the licence/permit and restricted food items approved for sale on their websites if they are engaged in selling food online so as to provide a reference for the consumers when they purchase restricted food online and enable them to verify such information through the FEHD website. The licensing conditions also require that the food products shall not be tampered with during transportation and shall be stored at a safe and proper temperature at all times. The above additional licensing conditions will be imposed by serving notice to relevant existing food licences and food permits starting from the first quarter of 2016, tentatively.
- 21. FEHD will step up public education and publicity through different channels and social media (e.g. CFS website, Facebook page, seminars, etc.) to arouse public awareness of the nature, potential risks and delivery temperature control of foods purchased online, in particular perishable and high-risk foods. CFS and EHB of FEHD will remind members of the trade and the public of the need to apply for a food business licence or a permit under the law for operating a food business, irrespective of its scale and nature. It will also advise the public to buy food from licensed food premises to safeguard consumer rights and their health. In this connection, from 22 December 2015, FEHD has started to broadcast a series of TV and radio Announcements in the Public Interest to draw public attention to the safety issues of purchasing food online and advise them to check whether food suppliers process and deliver food Moreover, they should ask food properly before placing orders online. operators to provide information about their licensing status or registration particulars and verify such information through the FEHD website. In addition, we will call upon food retailers, including online shops, to ensure that their food products are stored and delivered at a safe temperature as directed by food manufacturers or suppliers.
- Considering the globalisation of the food trade, advancement in food technology, rapid information flow, improvements in living standard, changing consumer behaviour and the shift changes of trading platforms, it is necessary to review the regulatory regime including the relevant legislation, control measures and public education from time to time in order to better cope with shifts in the consumption patterns of the public. However, in reality, there are always people who try to break the law and take chances. Only through continuous publicity and education, monitoring, reviewing and improvement can the challenges and inadequacies be turned into opportunities to further optimise the system, so as to progressively enhance Hong Kong's food safety

regulatory mechanism.

Advice Sought

23. Members are invited to note the content of this paper and offer comments, if any.

Food and Health Bureau Food and Environmental Hygiene Department

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