

## **Sixth Meeting of the Economic and Employment Council**

### ***Agenda Item 3 : Report of the Subgroup on Business Facilitation***

#### **Purpose**

This paper reports on the work of the Subgroup on Business Facilitation since the last EEC meeting on 22 February 2005.

#### **Subgroup Meeting**

2. The Subgroup held its fifth meeting on 25 April 2005. The meeting received work reports from the secretariat and the respective task forces on regulatory reviews in hand. The review of cinema licensing has been concluded and the report on findings and recommendations will be presented under Agenda Item 4 of this meeting. The Retail and Pre-construction Task Forces have completed the first phase of their work programme and the conveners of both Task Forces will report on their respective recommendations under Agenda Items 5 and 6. Progress of other work items are set out in the ensuing paragraphs.

#### **Proposed labelling scheme on nutrition information**

3. The Health, Welfare and Food Bureau briefed the Subgroup on the results and recommendations of a Regulatory Impact Assessment study on the proposed nutrition information labelling scheme. The scheme proposed two phases of implementation, i.e. Phase I which required labelling of only those pre-packaged food products with nutrient-related claims and such label would provide information on energy plus 5 core nutrients; Phase II which called for mandatory labelling of all pre-packaged food products, unless exempted, to provide information on energy plus 9 core nutrients.

4. The Subgroup considered that Phase I of the proposal was reasonable and would bring health benefits to the community. The Government should implement Phase I straightaway. Members however had serious concerns on automatic progression of the scheme to Phase II because

it covered a lot more products and it had significant impact on the compliance costs of the trade especially the SMEs. Members urged the Government to consider the proposal with greater caution and there should be an in-depth review having regard to developments in other developed economies and the Mainland, prior to Phase II implementation.

### **Review of the construction stage of the development process**

5. The Chairman of the Task Force to Review the Construction Stage of the Development Process (CTF) reported on the work progress. CTF had spent some time on overseas experience, scope, potential benefits, implementation issues and possible solutions for introducing private certification in the construction stage of the project development process. The Subgroup noted the divergent views of certain building professionals, contractors and developers on the subject. Building professionals in particular had reservations due to their concerns about professional indemnity insurance.

6. Subgroup Members suggested that the Administration try out a pilot with private certification and the existing government approval system running in parallel for about a year. It could then gauge the views of the building professionals and the industry before an educated decision was made on the way forward. CTF deliberated on Members' views at its meeting on 18 May 2005 and agreed to conduct a consultancy study on private certification. The study will commence in August and complete by the end of the year.

7. The Subgroup also noted that the inter-departmental working group of the Buildings Department, Lands Department and Planning Department was reviewing twenty definitions of key development parameters. So far, ten items were considered consistent and no action was required, seven should be aligned and three should not be aligned as they served different purposes. A Joint Practice Note would be issued on the revised definitions after consultation with the industry.

### **Review of licensing regimes for theme parks and family amusement centres**

8. The Efficiency Unit has been commissioned to review the licensing regimes affecting theme parks and centres for family amusement under the Places of Public Entertainment Ordinance and Regulations as well

as related regulations under the purviews of different government departments. The main objective of the review is to enhance the business-friendliness of the environment that the entertainment trade operates in. The study commenced in March 2005 and is scheduled for completion in July. The Subgroup will be briefed on the progress and recommendations at its next meeting.

### **Legislation on volatile organic compounds (VOC)**

9. The Retail Task Force is closely monitoring the progress of the proposed legislation on VOC. The Environment, Transport and Works Bureau is embarking on a further round of public consultation and working groups have been set up with the respective trades to further explore details in devising the most cost-effective and practical control measures for VOC. As far as consumer goods are concerned, the Bureau is considering the narrowing down of the focus and scope of products to be regulated at the initial stage. The Bureau has agreed to provide the Retail Task Force with monthly progress reports on the subject.

### **Other issues**

10. The secretariat is following up with the concerned Bureaux and Departments on the following issues for discussion at coming Subgroup meetings –

- (a) RIA on Vehicle Waste Tyres;
- (b) Height restrictions for private residential care homes for the elderly; and
- (c) Review of the licensing regime for travel agents.

11. In the last quarter, the Subgroup received two referrals on the following subjects, proposing streamlining of the respective licensing regimes for –

- (a) Setting up manufacturing plants in Hong Kong; and
- (b) Operation of temporary BBQ pits and other recreational purposes.