

BY EMAIL (fhbenq@fhd.gov.hk) & BY POST

Food and Health Bureau
(Attn: Consultation on Amendments to Import and Export (General) Regulations)
18/F, East Wing, Central Government Offices,
2 Tim Mei Avenue, Tamar, Hong Kong

SUBMISSION IN RESPONSE TO CONSULTATION OF

Amendments to Import and Export (General) Regulations (Cap. 60, sub. leg. A)

As one of the industry leaders in manufacturing quality milk formula and nutrition products, Wyeth Nutrition is committed to improve the nutrition and wellness for young children, women and adults. The recent situation of the supply of formula milk for infants and young children in Hong Kong market has attracted wide attention from the general public and the media. Admittedly, certain formula milk brands have encountered stock shortages in the past few weeks. However, Wyeth Nutrition would like to reiterate that such shortages do not extend to many brands and that, speaking of the infant formula category generally, there is no 'formula milk scarcity' or shortage in Hong Kong. In the market, many international brands, such as Wyeth Nutrition, are in possession of sufficient supply to satisfy the need of infants and young children in Hong Kong.

As a responsible supplier, it has always been our mission to take steps that ensure sufficient supply of our products to ease parents' worries on buying formula milk. In the face of the recent sharp increase in demand for formula milk in Hong Kong, our stance is that it is a supplier's responsibility to proactively take the necessary steps to avoid the occurrence of shortages and for manufacturers to focus on taking its own measures to ensure sufficient supply.

Wyeth Nutrition understands fully the Government's need to address public concerns and hence to launch multiple measures to tackle the shortage of individual formula milk brands. We welcome the set-up of a special hotline to help parents and ease their worries when they are unable to buy the necessary formula milk at retail stores and fail to contact individual suppliers. We are concerned, however, that imposing limits on the free movement of all powdered formula would likely prove beneficial to manufacturers who have difficulties meeting the increased market demand locally and regionally.

We are of the view that there are other measures which are more effective than this legislative proposal in solving the shortage problem of few brands. Regardless, if legislation is pursued, we hold the view that the proposed amendment on the Import and Export (General) regulations and limits to the amount of formula milk to be carried across border should not disrupt normal business operations and Hong Kong's long earned reputation of a free-trade city. In this regard, we are writing in response to the legislative proposals detailed in the consultation document released on 7 February 2013 and putting forth our position and recommendations as follow:

i) Granting exemption for formula products export to Macau

Under current business model of most multinational milk formula manufacturers, consumption of Macau market relies heavily on the re-export of formula products from Hong Kong. This routine supply to Macau should not be treated the same as the problem of parallel trading activities. We thus propose granting exemption for formula products re-export to Macau.

ii) Follow-on formula for young children aged 6 to 36 months should not be covered

Breastmilk is the best for infant. Where breastfeeding is not feasible, infant formula is an essential alternative for infant aged 0-6 months. However, authorities recommend that young children aged 6 months should start receiving complementary food. Milk formulas for young children aged 6 to 36 months are only supplements to the solid food portion of the children's diet. We therefore suggest that formula milk for young children aged 6 to 36 months should not be included in the proposed amendments of export regulations.

iii) Simplify the export licence application procedures

We welcome the Trade and Industry Department's efforts to provide clarification regarding the application of export licence during the trade consultation session including the actual export units can be less than the granted number of units, more than one export licence can be applied at a time, etc.

To further facilitate the application process, we would also propose

- avoiding quotas or limits for product to be exported for each application;
- only generic category description such as infant formula and export quantity is required, but not information such as batch number.

In the future, Wyeth Nutrition will continue its industry-leading efforts to ensure sufficient supply and stock, and to work with different stakeholders for the optimal nutrition of infants and young children in Hong Kong.

Wyeth (Hong Kong) Holding Company Limited
18 February 2013