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1. Executive Summary

1.1 Background and Objective

1.1.1 The Food and Drugs (Composition and Labelling) (Amendment: Requirements for Nutrition Labelling and Nutrition Claim) Regulation 2008 (the Amendment Regulation) was passed in May 2008 and came into force on 1 July 2010 after a grace period of about two years. The Nutrition Labelling Scheme (NL Scheme) requires all prepackaged food to label the content of energy plus seven nutrients, namely: (i) protein, (ii) carbohydrates, (iii) total fat, (iv) saturated fat, (v) trans fat, (vi) sodium and (vii) sugars, as well as any nutrient for which a claim is made, and regulates nutrition claims. In order to understand the impact of the NL Scheme on food choice of consumers, MVA Hong Kong Limited (MVA) has been commissioned by Food and Environmental Hygiene Department (FEHD) to conduct a market survey (Survey) covering three survey periods to assess the situation of prepackaged food availability before and after the commencement of the NL Scheme.

1.1.2 The Survey aims to:

- estimate the quantity of different types of prepackaged food products available in various retail outlets in Hong Kong before and after the commencement of the NL Scheme and the percentage change over this period;

- estimate the total number and proportion of prepackaged food products in Hong Kong that would comply with the NL Scheme before its commencement on 1 July 2010; and

- analyse the results of the compliance rate by different food groups and country/ area of origin.

1.2 Fieldwork period

1.2.1 A total of three surveys were conducted. The first and the second surveys covered the total number of prepackaged food products in the market and their compliance rate to the NL Scheme before 1 July 2010. The third survey was conducted after the commencement of the NL Scheme, covering only the total number of prepackaged food products in the market.

1.2.2 The first survey was conducted during September 2009 to January 2010 and the second survey was carried out during March to April 2010. In addition, the third survey was held during March to April 2011.

1.2.3 It is anticipated that the number of food products during festival seasons would be different from other time of the year. Hence, in order to minimise such impact, the surveys were mainly conducted in non-festival time period.

1.3 Coverage and sampling design

1.3.1 The Survey covers all kinds of prepackaged food products available in retail shops (e.g. supermarkets, specialty shops (including shops specialising in health foods, organic products and snacks) and ethnic shops (including Filipino, Indonesian, Indian, Thai and Nepalese/ Pakistani)).

1.3.2 All local supermarkets and retail shops selling specialty and ethnic food products were included in this Survey. From the information of yellow-page, MVA internal database and the internet, a shop list was generated for estimation covering a total of 377 shops, including 25 supermarkets, 283 specialty shops (including 115 health food shops, 38 organic shops and 130 snack shops) and 69 ethnic shops. Selection of sampled supermarkets and retail shops was agreed with Association of Green Organic at Living (GO@L) and the Hong Kong Retail Management Association (HKRMA). As a result, a total of 19 shops were selected.

1.4 Survey methodology

1.4.1 On-site photo taking of the price tag and the products itself was carried out to record details of the products. Prepackaged food products that were not covered by the NL Scheme, product exempted from NL Scheme and Small Volume Exemption (SVE) products were also recorded in the survey.

First survey

1.4.2 Two visits were conducted during the first survey. Among the 19 selected shops, photos of the prepackaged food products and their price tags shown on the shelves of 14 shops were taken for recording purpose in the first visit. The remaining 5 shops had provided product lists instead of allowing on-site survey inside the shops.

1.4.3 In addition, Small Volume Exemption (SVE) products, other exempted products and products not covered by the NL scheme were enumerated on-site simultaneously by marking down the name and barcode of products in the log sheet.

1.4.4 For the second visit of NL compliance assessment, photos showing the outer surface (i.e. six faces) of each inspected prepackaged product were taken to record the information of nutrition label, nutrition claim, country/ area of origin and identifier for Hong Kong packaging/ non-Hong Kong packing shown on the products.

Second Survey

1.4.5 Only 13 out of 19 shops covered in first market survey, which could represent their respective retail groups, were enumerated in the second survey.

1.4.6 Besides, the fieldwork arrangement in the second survey was also modified. For the purpose of counting the number of available prepackaged food product, on-site photo of the price tags and the product itself was taken in only one shop. In this shop, SVE products, other exempted products and products not covered by the NL scheme were also recorded on-site simultaneously.

1.4.7 The shop selected for the abovementioned procedures in the second survey was the shop with the highest number of prepackaged food products amongst those 13 selected shops in the second survey.

1.4.8 On-site counting for the total number of prepackaged food products available was conducted for the remaining 12 shops.

1.4.9 In addition, same as the procedure in the first survey, all the selected prepackaged food products were assessed to identify any changes in the compliance status, i.e., photos of the outer-surface (i.e. six faces) were taken and the information of nutrition label, nutrition claim, country/ area of origin and identifier for Hong Kong packaging/non-Hong Kong packaging that shown on the products was recorded.

Third Survey

1.4.10 During the third survey, the NL compliance assessment of selected food products was not conducted. Only the number of prepackaged food product in all of the surveyed shops of the first survey was counted.

1.4.11 Apart from 1 shop which had provided its product list instead of allowing on-site survey, similar to the first survey, on-site photo of the price tags and the product itself were taken in all other selected shops in market survey. In addition, SVE products, other exempted products and products not covered by the NL scheme were also enumerated on-site simultaneously.

1.5 Estimation method

Total number of prepackaged food products in Hong Kong

1.5.1 In order to achieve a more representative estimation, apart from the main market survey which was conducted by MVA, the estimating of the total number of prepackaged food products in Hong Kong included two other sources of data: (i) self-administrated questionnaire by traders and (ii) supplementary survey conducted by FEHD.

1.5.2 For the self-administered questionnaire survey, with the assistance from HKRMA, self-administered questionnaires were distributed to food trader for collecting additional information to assess the impact of the NL scheme.

1.5.3 For the supplementary survey conducted by FEHD, on-site visits were conducted to those selected shops for collecting the number of prepackaged food products and the number of prepackaged food products that are not covered by or exempted from the NL Scheme.

1.5.4 Hence, based on these aforementioned data source, the upper boundary and the lower boundary of the total number of prepackaged food products in the market was estimated.

1.5.5 The best estimate was obtained by averaging the upper boundary and lower boundary of the total number of prepackaged food products estimated.

NL compliance assessment

1.5.6 During the first survey, among the list of non-duplicated prepackaged food products survey 2 358 samples were randomly drawn for compliance inspection.

1.5.7 Among these 2 358 samples enumerated for NL compliance assessment in the first survey, only 1 767 samples were available during the second survey for compliance assessment.

1.5.8 In estimating the compliance rate of all prepackaged food products in the market, the collected data were weighted by 13 different food groups in which the population figures were based on the result of the first survey.

1.6 Key survey findings

Total number of prepackaged food products in Hong Kong

1.6.1 The estimated number of prepackaged food products in Hong Kong, including those not covered by or exempted from the NL scheme, was similar before and after the commencement of the NL Scheme (i.e. two pre-implementation surveys : 90 000 – 91 000; post-implementation survey: 96 000) with some evidence suggesting an increase by 6-7%. Similar survey result was also observed in the number of prepackaged food products in the market that would be regulated by the NL Scheme. According to the results of the first and second surveys, there were around 73 000 prepackaged food products in the market that would be regulated by the NL Scheme before its implementation. After the implementation of the NL Scheme, there was actually a slight increase of 3-6% to around 78 000 prepackaged food products as revealed by the third survey.

1.6.2 For supermarket, the estimated number of prepackaged food products, including those not covered by or exempted from the NL scheme, was relatively stable before the commencement of the regulation (i.e. 63 000), and was similar to the number after the implementation of the NL Scheme (i.e. 66 000). The Market Survey also suggested that there was no significant impact on the number of prepackaged food products that would be regulated by the NL Scheme in supermarkets (two pre-implementation surveys: 49 000 and 53 000 products; post-implementation survey: 49 000 products).

1.6.3 For specialty shops, before the commencement of the NL Scheme, it was noted that there was no obvious change in the total number of prepackaged food products including those items not covered by or exempted from the NL scheme (i.e. 21 000 – 22 000). After the commencement of the NL Scheme, there was an increase in the number of products increased by 20-24% (i.e. 26 000). There was also an increase in the number of prepackaged food products that would be regulated by the NL Scheme sold in specialty shops (two pre-implementation surveys: 19 000 and 17 000 products; post-implementation survey: 25 000 products).

1.6.4 For ethnic shops, it was observed that the total number of prepackaged food products, including items not covered by or exempted from the NL scheme, were found to have reduced by 20-26% after the commencement of the NL Scheme (i.e. two pre-implementation surveys: 5 100 – 5 600 ; post implementation survey: 4 100). The same result was obtained when items not covered by or exempted from the NL scheme were excluded in the analysis (i.e. decreased by 24-25%; before the commencement of the NL Scheme : 4 900 – 5 000; after the commencement of the NL Scheme : 3 700).

1.6.5 All in all, the survey showed that the implementation of the NL Scheme did not have any apparent impact on the total number of prepackaged food products in the market.

Number of SVE products

1.6.6 According to the result of the third market survey, it is estimated that the proportion of SVE products in the market, based on the total number of prepackaged food products needed to fulfil the legal requirement of NL, was 16.1% after the commencement of the NL Scheme.

NL compliance assessment

1.6.7 Among the 2 358 prepackaged food products randomly selected, the first survey found that 47.6% had either already complied with the requirement of the NL Scheme, or had already obtained SVE; and in the second survey this figure further increased to 60.8%.

1.6.8 On the other hand, the proportion of non-NL complying prepackaged food products dropped from 52.4% in the first survey to 39.2% in the second survey.

1.6.9 In addition, supermarket (first survey: 50.8%; second survey: 64.7%) attained the highest compliance rate compared to specialty shops (first survey: 40.5%; second survey: 56.1%) and ethnic shops (first survey: 23.1%; second survey: 27.5%). Besides, among the 13 food groups covered in the survey, “bakery products and Chinese pastry” (first survey: 55.0%; second survey: 74.7%) and “health food and supplement” (first survey: 23.1%; second survey: 37.0%) were the food groups with the highest and lowest compliance rates respectively.

1.7 Conclusion

1.7.1 The estimated number of prepackaged food products in Hong Kong, regardless of whether those not covered by or exempted from the NL Scheme have been included, was similar after the commencement of the regulation with some evidence suggesting an increase. The overall NL compliance rate has increased from 47.6% in the first survey to 60.8% in the second survey.

1.7.2 In conclusion, the NL Scheme did not have any undue impact on consumer food choice in the market as a whole.