

LCQ18: Boosting Mainland consumers' confidence in Hong Kong brands

Following is a question by the Hon Leung Man-kwong and a written reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (November 13):

Question:

It has been reported that while a mooncake brand has been soliciting business on Mainland electronic commerce (e-commerce) platforms in recent months by claiming to be a "Hong Kong top mooncake brand", it has subsequently been revealed that the brand, with factories located in Guangzhou and Foshan, has not sold any of its products in Hong Kong, and it has only registered its trade mark in Hong Kong. There are views that the incident has affected, to some extent, the confidence of Mainland consumers in Hong Kong brands. In this connection, will the Government inform this Council:

(1) whether it will consider launching a certification scheme on e-commerce platforms to provide Mainland consumers with a list of recognised Hong Kong brands which are required to meet certain criteria, such as conforming to product design standards of Hong Kong, being produced or sold in Hong Kong, and having their major consumer market in Hong Kong, so as to prevent the recurrence of the aforesaid incident;

(2) given that there is currently a "Hong Kong Brand i-Directory" under the Hong Kong Brand Development Council, whether the Government will step up the relevant publicity on the Mainland;

(3) whether it will discuss with the Mainland authorities about regulating and pursuing liabilities for false advertisements in relation to Hong Kong brands on live broadcast platforms on the Mainland; and

(4) given that the Governments of Guangdong, Hong Kong and Macao signed a memorandum of understanding last year on jointly promoting the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) Standards to improve product and service quality, whether the Hong Kong Special Administrative Region Government will include more Hong Kong elements in the GBA Standards in the future, so as to boost consumers' confidence in Hong Kong products?

Reply:

President,

In Hong Kong, there is different legislation for protecting consumer rights. Certain legislation is applicable to general consumer goods (such as the Consumer Goods Safety Ordinance (Cap. 456)), whereas some other pieces of

legislation regulate the safety of specific types of products/services (e.g. food, pharmaceutical products and electrical appliances). The Trade Descriptions Ordinance (Cap. 362) (the Ordinance), covering both goods and services, prohibits traders from subjecting consumers to unfair trade practices, including false trade descriptions, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch and wrongly accepting payments. The Ordinance is applicable to the trade practices of both physical and online traders. The Customs and Excise Department is the principal enforcement agency of the Ordinance.

The Ordinance targets unfair trade practices committed by traders who are in Hong Kong or traders with their usual place of business in Hong Kong. Sales activities of traders in markets outside of Hong Kong are regulated by the laws and regulations in the relevant jurisdictions.

We notice that certain organisations have established brand directories to provide the public with the information related to Hong Kong brands. The Government has also been dedicated to supporting enterprises, organisations and groups to promote, and strengthen consumers' awareness of, Hong Kong brands through different measures and channels, including:

(i) The Dedicated Fund on Branding, Upgrading and Domestic Sales provides funding support for non-listed enterprises to develop brands and expand businesses in the Mainland and 38 other economies;

(ii) The Trade and Industrial Organisation Support Fund provides financial support for non-profit-distributing organisations, such as industrial and trade organisations, professional bodies and research institutes, to implement projects for enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors, including the promotion of Hong Kong brands and their strengths;

(iii) The Hong Kong Design Gallery established by the Hong Kong Trade Development Council (HKTDC) has set up 70 physical sales points in 22 Mainland cities, as well as online stores on Mainland electronic commerce (e-commerce) platforms, with a view to promoting creative designs and quality products of Hong Kong to Mainland consumers; and

(iv) With the support of the HKTDC, we organised the inaugural Hong Kong Shopping Festival (HKSF) on the Mainland e-commerce platforms in August this year, attracting the participation of more than 230 brands. The HKSF enables small and medium enterprises (SMEs) to leverage the high visitor traffic and broad customer base of these e-commerce platforms, thereby promoting brand awareness of Hong Kong products. We will continue to organise the HKSF in the next two years to assist SMEs in expanding the Mainland e-commerce sales market.

To further strengthen the awareness and competitiveness of Hong Kong brands in non-local markets, the Chief Executive announced in the 2024 Policy Address that the HKTDC will formulate plans for setting up more Hong Kong Pavilions or brand showcases in the Mainland and overseas exhibitions. The

Trade and Industry Department and the HKTDC will enhance support for SMEs to develop brands and expand e-commerce sales network through organising mentorship schemes and providing consultation services.

Regarding the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) Standards, the Governments of Guangdong, Hong Kong and Macao are actively promoting the development of GBA Standards for different products and services for use by the trade on a voluntary basis, with a view to helping enhance product and service quality and promoting the interconnectivity and integrated development of the three places in the long run. On the formulation of individual GBA Standards, the relevant trade associations, enterprises or organisations of Guangdong, Hong Kong and Macao are welcome to jointly draw up GBA Standards and submit applications to the Standardization Research Center for the GBA. During application vetting, relevant experts will confirm whether the proposed standards are compliant with relevant laws, regulations and mandatory standards of the Mainland, Hong Kong and Macao, and have reached a certain level of quality. GBA Standards can help consumers identify and select quality products and services, thereby encouraging the market to improve the quality of products and services to meet consumer needs. GBA Standards do not set requirements on the location of manufacturing. The Government encourages the trade to actively participate in the formulation of GBA Standards in accordance with the market situation and needs.

The operation mode of brands has kept evolving in the trend of globalisation. As a brand's root could be affected by different factors including its history, place of registration, source of funding, location of production and shareholding of the brand's company, it is difficult to objectively define which brand(s) belong to Hong Kong brands. As such, the Government has no plan to launch any certification scheme on e-commerce platforms to provide Mainland consumers with a list of recognised Hong Kong brands.