

LCQ7: Combating counterfeit wine

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Following is a question by the Hon Tommy Cheung Yu-yan and a written reply by the Secretary for Commerce and Economic Development, Mrs Rita Lau, in the Legislative Council today (February 18):

Question:

The Government is determined to develop Hong Kong into a wine distribution hub of Asia, and since the abolition of duties on alcoholic beverages by the Government last year, there has been significant growth in the import of alcoholic beverages. Yet, some wine traders have recently expressed concern about the inflow of alcoholic beverages with forged trademarks ("counterfeit wine") into Hong Kong, and they are worried that the reputation of Hong Kong's wine industry will be tarnished. In this connection, will the Government inform this Council:

(a) of the quantity of counterfeit wine seized by the Customs and Excise Department ("C&ED") in each of the past three years and its trend;

(b) whether it knows the current number of experts in Hong Kong who can distinguish the authenticity of alcoholic beverage trademarks, and if the current number of experts is sufficient; and

(c) whether C&ED will step up efforts in combating counterfeit wine; what other measures it has adopted to combat the inflow of counterfeit wine into Hong Kong, as well as how it assesses the effectiveness of such measures?

Reply:

President,

How best to effectively prevent the entry of counterfeit wine into Hong Kong's market is a subject of utmost importance to the further development of wine trading and distribution businesses in Hong Kong.

With regard to parts (a) to (c) of the question, our reply is as follows:

(a) In the past three years, the Customs and Excise Department ("C&ED") did not come across any counterfeit wine in the course of carrying out enforcement actions. There is, nonetheless, no room for complacency. We will remain vigilant.

(b) Generally speaking, experienced sommeliers have a good measure of knowledge about wine trademarks. That said, in terms of law enforcement and adducing evidence before the court, the process of authenticating a trademark for alcoholic beverage is no different from that pertaining to trademarks for other goods in general. That is, we count on the authoritative verification of the trademark owner or his agent in order to meet the court's requirement on adduction of evidence. C&ED has been maintaining good relationship with trademark owners and their agents in this respect. They are usually willing and prepared to provide assistance.

(c) To guard against and combat illegal activities related to counterfeit wine, C&ED carries out, on a sustained basis, risk assessments and inspections at all land, sea and air checkpoints. C&ED monitors the situation on the ground, collects intelligence through exchanges with the wine industry and overseas enforcement agencies, and conducts targeted investigation and enforcement operations.

Following the exemption of wine duty in February 2008, wine imports into Hong Kong have increased in volume and wine trading businesses have grown significantly. To enhance its enforcement capability against counterfeit wine, C&ED has taken the following measures:

(i) setting up a specialised investigation team and providing relevant training to the investigators;

(ii) forming an alliance with the wine industry with a view to enhancing co-operation in combating illegal activities involving counterfeit wine; and

(iii) strengthening co-operation with the customs as well as wine regulatory and enforcement agencies of major wine producing regions to facilitate more speedy exchange of intelligence and information on cases.

C&ED will keep the effectiveness of its enforcement efforts under review and adjust the measures for combating and preventing counterfeit wine as and when necessary.

Ends/Wednesday, February 18, 2009