

**Forum on “Fostering Sustainable Consumption
for Consumer Betterment in Asia”
(29 February 2016)**

Speech by the Hon Bernard Chan

Today we come here to address an issue which targets everyone and every sector in the community. Sustainable consumption is the cornerstone of sustainable development. In the last five decades, the global population has consumed more goods and services than the combined total of all past generations. The rise in per capita energy and material consumption has also soared faster than the human population in the last four decades.

We all know that rapid economic development has enhanced our quality of life and satisfied human being's pursuit of consumerism. However, the world is facing serious challenges caused by over-exploitation of natural resources, including biodiversity loss, ecosystem degradation and even climate change. It is therefore vital for us to have a greater sense of urgency. It is when we acknowledge the problem and recognise our vulnerability to the resource-constrained environment that we will have the determination to find insights, and more importantly, to make changes.

Sustainable consumption has indeed become an important issue on the global governance agenda, and the global community has already started tackling the problems by promoting a sustainable consumption pattern. While individual government responds to the pursuit of sustainable consumption with regard to its own local circumstances and constraints, sustainable consumption is mainly about how to use our resources and energy wisely and efficiently.

Hong Kong is a consumption-oriented society. Here, we have easy access to a variety of high quality consumer goods from the regional and global market.

I believe a framework for promoting sustainable consumption for Hong Kong should take account of the developments of global sustainable consumption governance and consistency with international obligations; and to encourage the involvement of all relevant stakeholders and identify action parties.

Understanding our challenges, ability and the constraints we face in Hong Kong are crucial to finding the best way to cultivate sustainable consumption that would best fit our situation. As the Secretary for the Environment mentioned in his keynote speech today, the Hong Kong Government is taking the lead to encourage a “Use Less, Waste Less” culture, and it is pursuing initiatives in green procurement, energy efficiency, waste reduction and biological resources that are all moving in the right direction to promoting the sustainability of our society. Besides, the Consumer Council, green groups and other non-governmental organisations are also pro-actively carrying out educational initiatives to enhance public's awareness of sustainable consumption. I am also delighted to see many business leaders participating in today's forum, which shows that the business sector also places importance in sustainability.

In my previous and current Government's councils and committees which I am honoured to be invited to chair, the issues put forward to me are much related to

sustainability and people's livelihood – to name a few – heritage conservation and revitalisation; sustainable built environment and building energy efficiency; municipal solid waste charging, and less sodium and sugar in food. In these situations, the key question is – how to forge consensus in setting goals, to determine the relative priorities, and to communicate and engage multiple stakeholders for action with a sense of focus and purpose.

Looking at the developments of sustainable consumption elsewhere, one will not underestimate the complexity of the subject involved. Yet, one can also clearly identify the need for concerted efforts from different actors – governments; businesses; voluntary groups and the public to each playing their parts.

In distinguishing ways to promote sustainable consumption in Hong Kong, I think it should comprise two key aspects, which include the fostering of wiser consumption of resources, and the facilitating of behavioural change in consumption practices. In these aspects, the alignment of business and consumer interests is vital to frame the initiatives and actions to be taken. In fact, Hong Kong's heavy reliance on imports – from food, energy to natural resources, means we are exposed to the global volatility of risk in resources supply and the challenge for us to find a long-term sustainable solution.

Businesses and industries are key partners to this important course. By fostering greener businesses and markets, it is itself investment in opportunities that will gain value sustainably in a resource-constrained world. This involves exploring ways on how to creating an eco-friendly market environment; how to embedding green features in our supply chain and procurement systems. This also involves facilitating innovation, and research and developments in green products.

In fact, supply-side and demand-side factors are inter-related. Consumer's choice is a dynamic market force to drive the business sector to adopting more sustainable practices. If consumers prefer purchasing goods and services with sustainability elements, these would then become effective drivers leading to the supply of wider choices of sustainable products and services.

However, driving behavioural change of the community and changing some ingrained consumption habits is never an easy mission. We must accomplish it step by step with increased consumer education and consumer information. We should enhance consumers' understanding over the concept of sustainability development, its significance and consumers' role in it, with a view to changing the consumers' mindset and consumption attitude for further fostering the translation of awareness into solid action.

My point is that we should not simply expect legislation to take the lead in bringing about change. I do not think it is realistic to expect new laws to force people to change their consumption habits, or to force companies to change their business models. At least, not in the short or even medium term.

Maybe at the margins, government can use its power to force change. I would love to see more “producer responsibility schemes” to get industries to take back things like glass drinks bottles and electronic equipment. But even that idea would encounter resistance.

To be honest, I do not see how government in a free society can force people to do some of the things they enjoy and maybe take for granted. For example, citizens and businesses would not accept a law saying that they can buy the latest fashionable clothing only once a year. They would resist a law saying they can upgrade their iPhones only once every two years. It is simply incompatible with our sense of freedom. And measures like special sales taxes would be attacked as unfair on the less well-off.

As some environmentalists have pointed out, our modern economy is in some ways based on over-consumption and waste. In developed economies like Hong Kong, nobody repairs basic consumer equipment any more – people just throw things out and get new ones.

As somebody who works in financial services, I wonder just how much more prosperous we could be if we consumed only what we needed. For example, people complain that they do not have enough saved for their retirement. But how much could they save during their working lives, if they used phones for five years, always got shoes repaired, never threw away leftover food?

Then again, some economists might say this would lead to disaster. Manufacturers and retailers would see sales fall, and people would lose their jobs!

All these clearly call for an enabling environment where the community, the business sector and the Government can play a part as well as the forging of partnership and collaboration in building synergies to achieve shared objectives. Consumer Council's release of its survey on sustainable consumption is very timely in providing further impetus to engaging the public and relevant sectors in an informed discussion that would also arouse more public awareness over this important subject matter.

I do not claim to know a quick and easy solution to this. Maybe slower economic growth will persuade people to be smarter consumers. Maybe demographic changes, like an aging population, will have an impact. Or – worst-case scenario – climate change and overflowing landfills will shock people into accepting change.

If you want to see some signs of hope, I would recommend that you take a look at what some of the younger generation are starting to do. There are all sorts of grassroots groups in Hong Kong involved in making it fun and trendy to reuse and recycle all sorts of items.

In some cases, they rescue household items and pass them on to poorer families who need them. Some of them are refurbishing things like furniture for use in restaurants and other locations. And there is a growing interest in finding and even trading second-hand clothes – turning forgotten fashions from the past into exciting and unique looks for today.

If you want to look further afield, we can see this movement in other developed societies. In Western countries, for example, younger people are using private cars less than their parents and using public transport more. In Japan, groups of young people involved in start-ups and small creative businesses are moving into depopulated villages rather than driving new development in urban areas.

New business models are allowing people to own things temporarily – like Milan Station here in Hong Kong, where several women will take it in turns to rent one luxury handbag. And Internet apps are encouraging pooling and sharing of transport, accommodation and even things like peer-to-peer rental of musical instruments, kitchen equipment and other items.

The “sharing economy” is probably going to evolve gradually. Some older versions of it – like time-shares for holiday homes – had a mixed record, so not all of these new ideas will work. As we see with services like Uber and AirBnB, there are potential legal problems to do with things like insurance and other regulatory issues. I would guess that some of these small-scale business activities might also attract the interest of tax authorities.

And for some of us, “sharing” is not a comfortable thing to do. Not everyone would like the idea of a stranger renting their car. Not all of us would want to stay in a stranger’s apartment.

But to the younger generation, this approach to consuming less through collaboration is not so strange. The logic is clear. Manufacturers won’t like it. But it means less waste of limited resources, reduced impact on the environment and a more sustainable future.

The young are also leading the way in fighting such things as ivory trading, the consumption of shark’s fin, and sustainable sourcing of food.

My hunch is that a less materialistic younger generation will show us the way forward. Unlike the older generations, they were brought up with all they want, and they do not see ownership of items as a big deal. They do not view wasteful behaviour as a status symbol.

Perhaps all of us here today can play a small part in following their example. I am trying my best not to get the latest electronic gizmo all the time! This is the sort of change that will be from the bottom up.

Inducing behavioral change towards sustainability is a continual process. We need unity for a common cause and commitment for mindset change. The conference today provides an effective platform for distinguished speakers and panelists to share experiences and insights on exploring novel and practical ideas to fostering the integration of sustainable consumption into our everyday life. It is only with a common goal and public commitment that each one of us is contributing to a concerted effort, that we will have the confidence to act together to make changes possible.

Thank you.