

# GLOBAL E-COMMERCE PERSPECTIVE

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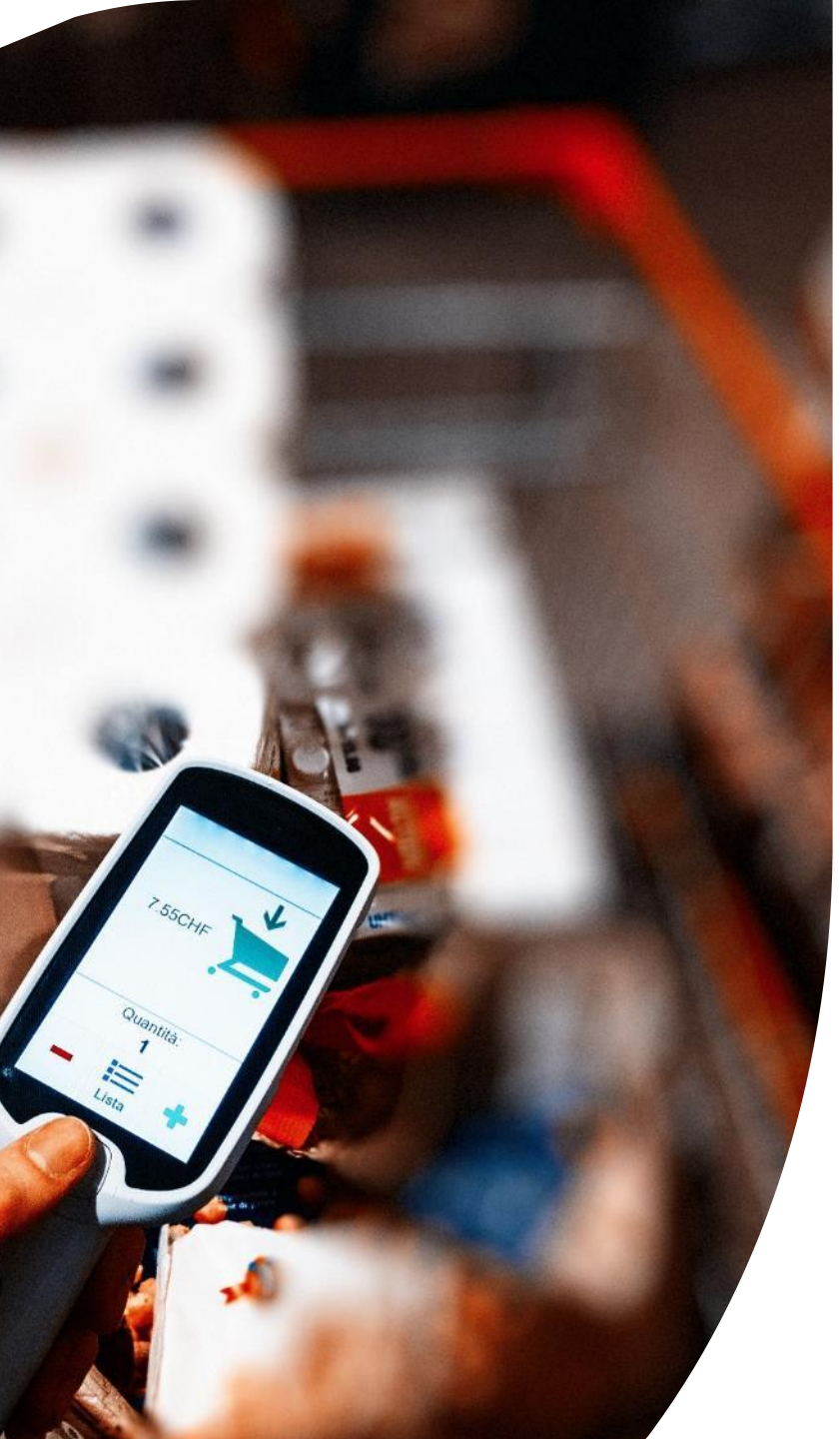
# VISION

To build a vibrant food and beverage industry for a healthy and prosperous Asia.

# MISSION

To represent the food and beverage industry in Asia – promoting a climate for sustainable growth and serving as a regional knowledge hub for science-based advocacy.





# OVERVIEW OF FOOD E-COMMERCE REGULATORY FRAMEWORK

# FOOD E-COMMERCE IN ASIA



● **E-commerce** is growing at an unprecedented rate, with expectations to hit USD 95 billion by 2023 and an expected CAGR of 10.4%.

● **Food e-commerce** is riding on the same wave with Asia leading the way – expected to take **more than half** of estimate global food e-commerce revenue by 2023.

● However, Asian markets have **varying market maturities** when it comes to food e-commerce adoption today, e.g. market outlook, infrastructure maturity, consumer openness to food e-commerce.

● This presents an exciting time ahead for the Asian markets as **consumers, businesses (brands and retailers) and regulators** alike try to navigate their way through e-commerce, capitalising on this new opportunity which had only surfaced in the last couple of years.

# FOOD E-COMMERCE RELATED REGULATIONS

**INDIA** FSSAI implemented (1) Guidelines for the Operation of e-Commerce FBOs in 2017 and (2) Food Safety and Standards (Licensing and Registration of Food Business) Amendment Regulations, 2018.

**CHINA** issued regulatory Order 27 (Measures of the Investigation and Punishment of Illegal Conducts Concerning Online Food Safety) and Measures for Supervision of Food Safety for Online Catering Service. Besides, a few amendments were made to the national food safety law and regulations to address concerns in regards to food e-commerce.

**SOUTH KOREA**

**JAPAN**

In **Japan**, the e-commerce activities are regulated under the Act of Specified Commercial Transaction and e-commerce is categorised as mail order sales.

**Korea** issued the Act on the Consumer Protection in the Electronic Commerce Transactions, which aims to protect interest of consumers while promoting fair trade

## STATUS SUMMARY

**SPECIFIC FOOD E-COMMERCE REGULATION:** China, India

**OTHER REGULATORY APPROACH:** Other Countries

**INTERNATIONAL DISCUSSION:**

Codex

**C O D E X**  
ALIMENTARIUS

**CODEX:** the Codex Committee on Food Labelling has started a new work on the labelling of foods sold online

**INDIA**

In **Thailand**, electronic transaction is subject under Direct Sales and Direct Marketing Act, and Consumer Protection Act.

In **Taiwan**, online shopping is categorised under distance sales of Consumer Protection Act 2005

**CHINA**

**TAIWAN**

In **Vietnam**, the Law on E-commerce aims to regulate the developments of e-commerce and it requires goods selling online to be compliance with relevant laws and regulation.

**THAILAND**

**VIETNAM**

**PHILIPPINES**

In **Malaysia**, the Consumer Protection (Electronic Trade Transactions) Regulations 2012, comes into operation on 1 July 2013, sets out the requirements in regards to consumer protection in e-commerce related activities.

**MALAYSIA**

**SINGAPORE**

In **Philippines**, a circular on consumer protection for e-commerce transaction was issued. All food products shall comply with respective product regulations enforced.

**INDONESIA**

**AUSTRALIA**

In **Indonesia**, the National Drug and Food Control Agency (BPOM) is in the mid of drafting regulation for governing the circulation of drug and food sold online. Draft regulation is estimated to be ready by end of 2019

In **Singapore**, food e-commerce is recognised as an alternative mode of sales of food, and the authority is looking at ways to address the relevant challenges; including regulatory framework and increasing public outreach on risks of food sold online.

In **Australia**, the Australian Consumer Law applies to the online businesses that selling goods and services online

# FOOD E-COMMERCE REGULATIONS



## CHINA

Regulations in governing **food e-commerce**:

- Measures for Investigation and Punishment of Illegal Conducts Regarding Online Food Safety
- Food Safety Law of the People's Republic of China
- Regulation on the Implementation of the Food Safety Law
- Measures for Supervision on Food Safety of Online Catering Service

Under these regulations, the key elements stipulated are :

- Controls on safety of food traded online (product compliance with relevant law and regulations, display of business license, no misleading information & false claims)
- The responsibilities of third-party platform (verification on business information, retain trading records)
- Liability framework (Business are responsible for any issues; however, platform provider shall bear the responsibilities if he/she couldn't provide business information)



## INDIA

Regulation in governing **food e-commerce**:

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation

Under this regulation, the key elements stipulated are :

- Controls on safety of food traded online (product compliance with FSS Act, display of business license, no misleading information & false claims, requirement of principal display panel of prepackaged food & indicative image for fresh produce, minimum requirement of shelf life (30%/45days at point of delivery)
- Liability on food e-commerce (all e-commerce FBOs shall bear responsibilities)

In addition, it is noticed that due to the prohibition of alcohol consumption in some states and variation of legal drinking ages among different states, in India, e-commerce FBOs are only allowed to sell alcoholic beverages, provided the permission/ No Objection Certificate (NOC) is given from the Excise department of the relevant state(s).



# ADDRESSING INDUSTRY CONCERNS

# FIA ACTIVITIES

01

- Report **Food E-Commerce Across Asia - Risks and Opportunities** (2018)



02

- **Monitor development of food e-commerce regulatory framework/** guidelines at national and international levels.
- Participate in **Codex Committee on Food Labelling (CCFL)** to provide comments on the development of guidelines for the **labelling of food products sold via internet/e-commerce**



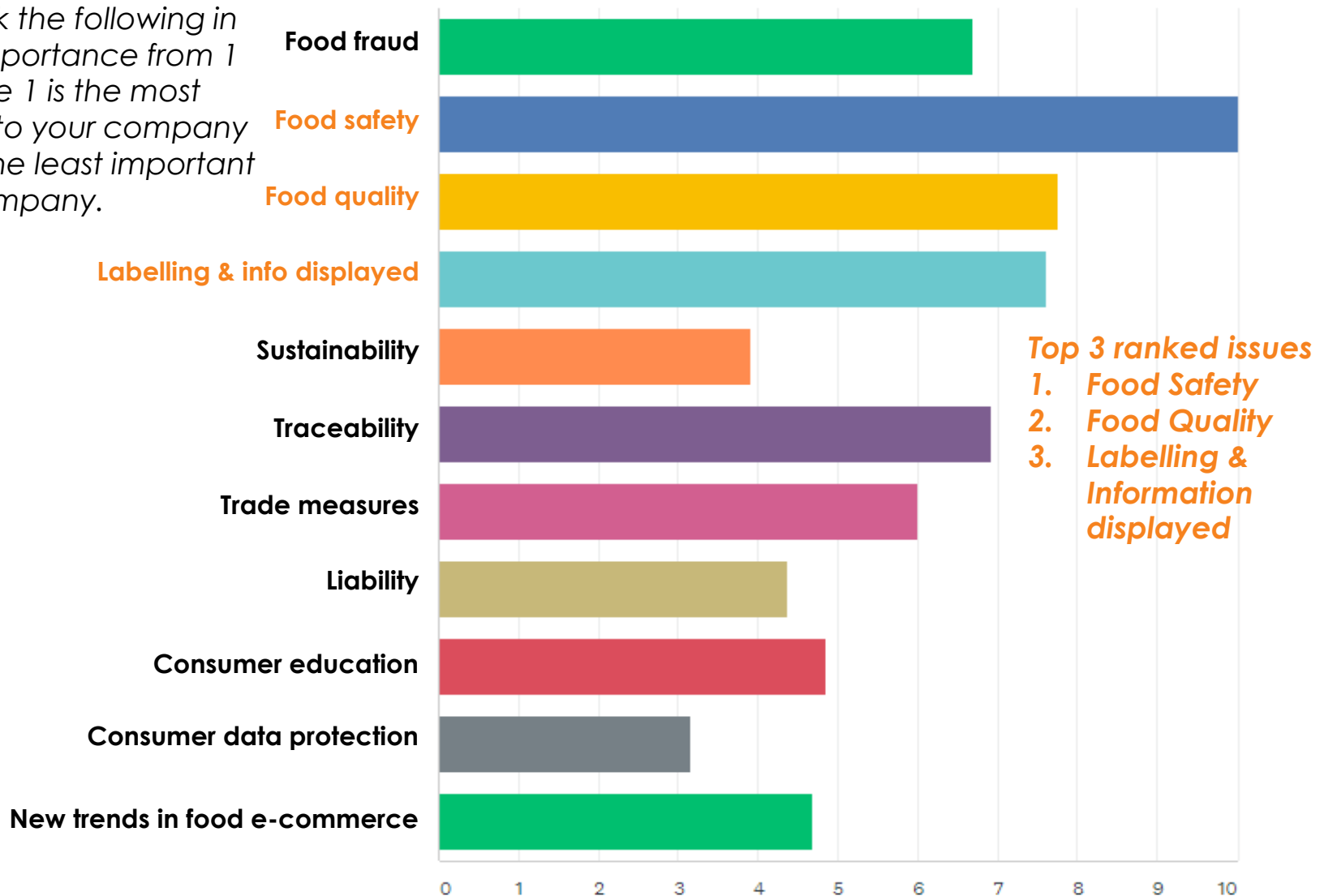
03

- Established **FIA E-Commerce Working Group** (2019)



# INDUSTRY CONCERNS ON FOOD E-COMMERCE

Please rank the following in order of importance from 1 to 11 where 1 is the most important to your company and 11 is the least important to your company.





# REGULATORY GAPS vs. INDUSTRY CONCERNS

# REGULATORY GAPS



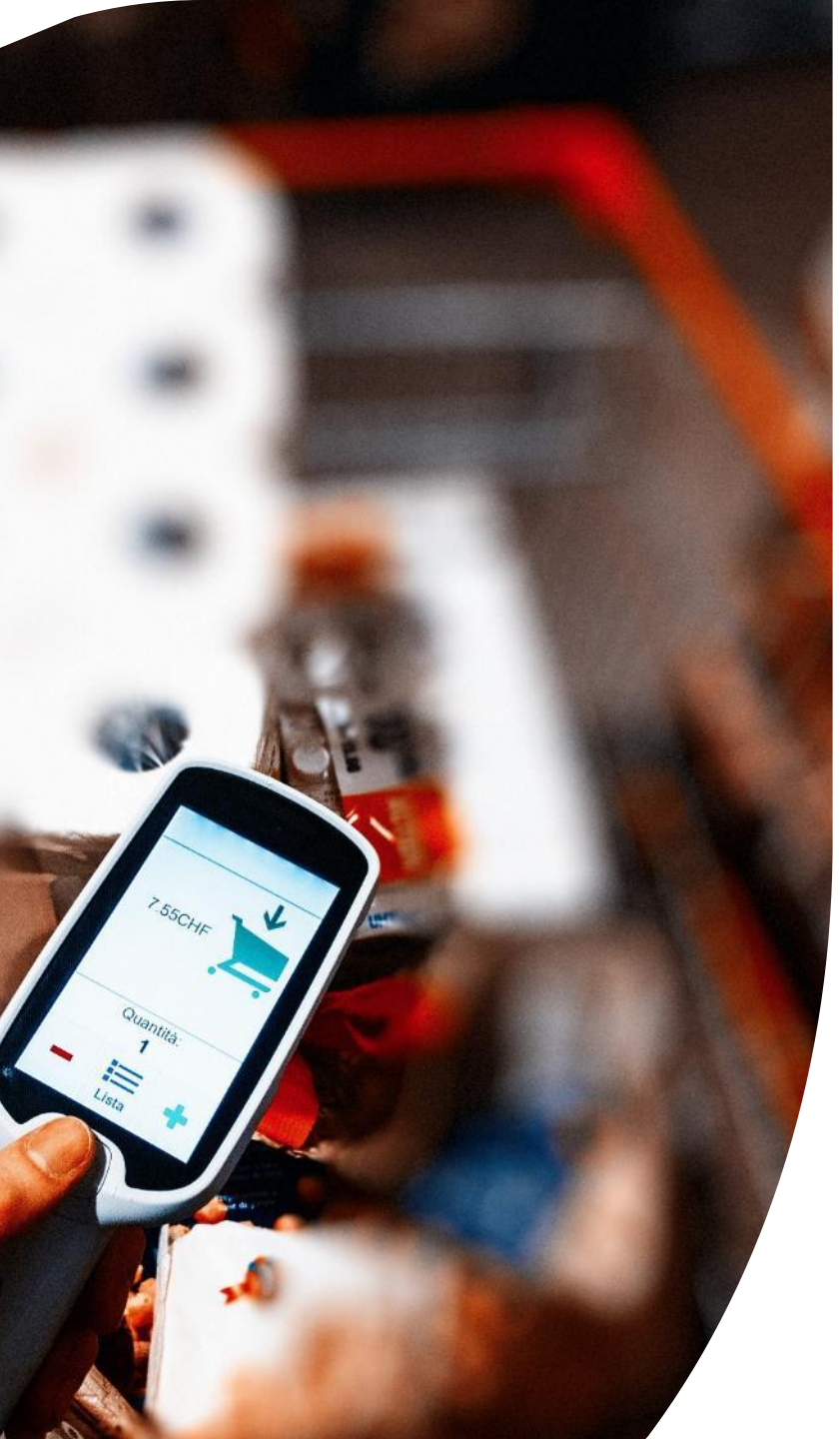
## FOOD SAFETY & QUALITY

- Ambiguity in terms of **food e-commerce** regulatory framework in most of the countries
- Lack of clarity on **supervision & control of online sellers**
- Lack of clarity on **cross-border e-commerce (CBEC)**
- Lack of comprehensive **liability framework** for food safety incidents caused by food e-commerce



## LABELLING & INFORMATION DISPLAYED

- Lack of clarity on **mandatory product information to be displayed at the point of sale & delivery**
- Lack of clarity on the **manner of display for product information at the point of sale**



# POTENTIAL WAYS FORWARD TO BRIDGE GAPS

# WAYS FORWARD



01

## ENSURE SAFETY OF FOOD SOLD ONLINE

Develop a balanced approach or practice to bridge existing gaps of online trade of food to safeguard the interest of all stakeholders, e.g. **liability framework, cross-border e-commerce, labelling and information display** However, this shall be introduced gradually without being too restrictive in order to allow grow of e-commerce.

02

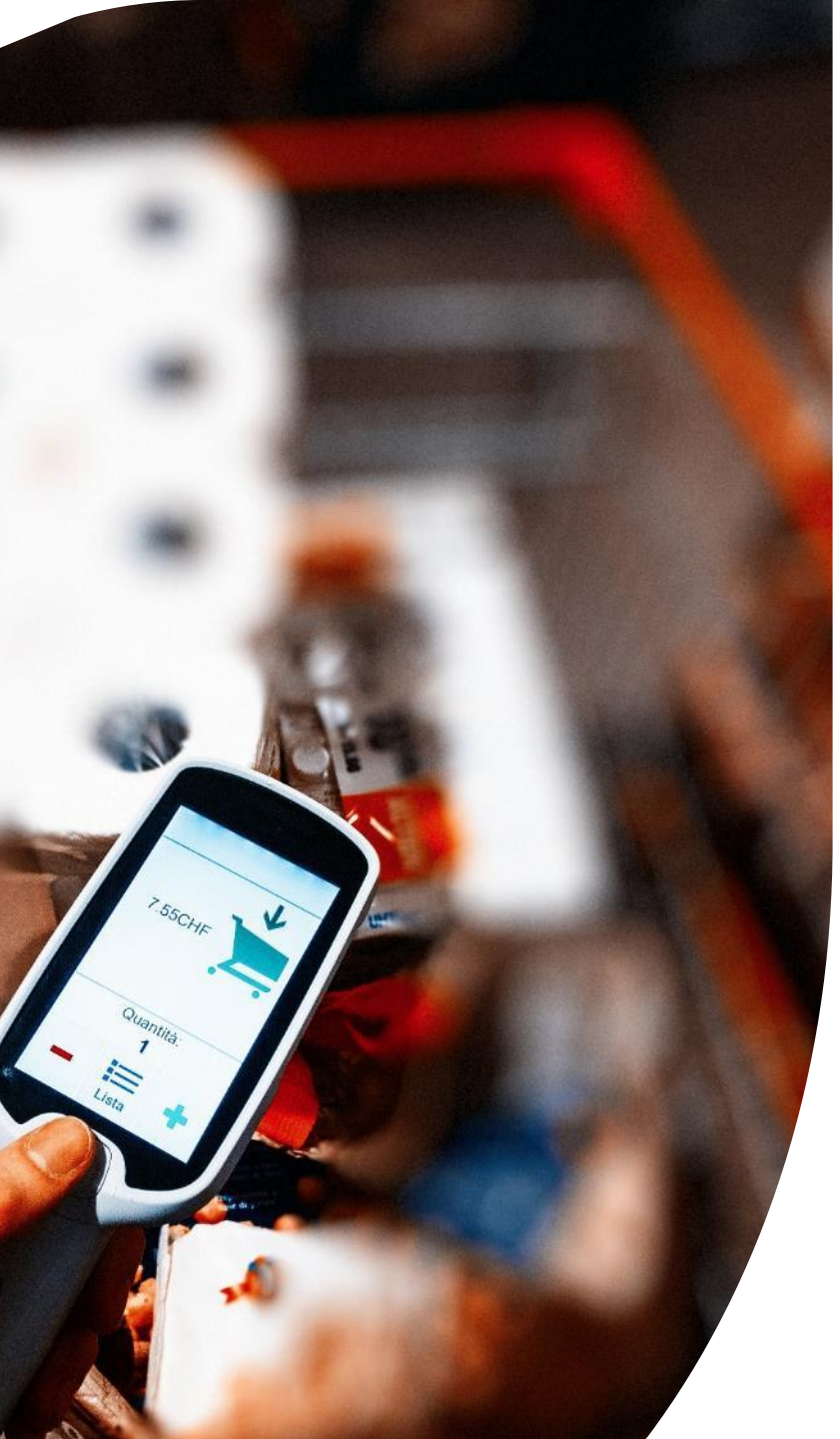
## BUILD SUSTAINABLE FOOD E-COMMERCE GROWTH

Collaborate with different stakeholders along the e-commerce **supply chain and ecosystem** to support a sustainable growth for food e-commerce in the region, e.g. participation in Codex discussion on e-commerce guidance, partnerships with academia to understand consumer behaviour for better consumer protection

03

## STRENGTHEN CONSUMER AWARENESS

Raise consumer awareness on the **precautions to be noted during the purchase of food products through online platforms**



**THANK YOU**