

Shortage of Baby Milk Powder Alleviated But Some Districts Remain in Under Supply

Improvement in general in the supply of baby milk powder has been found this year, according to a pre-Chinese New Year survey by the Consumer Council which has been monitoring the shortage problem in recent years. Unlike the previous year, the shortage rate of a brand model reached a high of 93.3%. In the 10 districts surveyed this year none were found to be over 50% although the problem remained considerable in some districts, for instance, in Tseung Kwan O Po Lam, the shortage rate of 4 brand models surveyed continued to be at a level over 20%.

In view of the continued shortage in some districts before the Lunar New Year season, despite improvement to the supply situation, baby milk powder suppliers are urged to ensure an adequate stable supply of the products in the market to forestall any incidence of price hike due to shortage.

The survey, conducted between January 26 and February 3 in 10 districts regularly in shortage of milk powder or districts along the East Rail Line, was based on information collected on specifically 4 brands of infant formula products with relatively large market share involved in different degrees of supply shortage (from serious to only very slight) in the past, namely, Cow & Gate, Frisco, Mead Johnson and Wyeth, from 206 retail stores on the supply situation and retail prices.

The survey results showed that supply was more stable this year than last year prior to Lunar New Year. In the case of Mead Johnson Enfamil A+ 900 grams which recorded in the Sheung Shui district a shortage rate of 93.3% last year i.e. 9 out of 10 retail stores the product was out of stocks, the shortage rate this year in the districts surveyed has dropped to only 20% or below. No shortage was reported in the districts of Taipo and Mongkok.

In the case of Friso Frisolac Gold 900 grams, 7 out of 10 districts were in shortage of over 20%; the highest rate was in Tuen Mun (37.5%), followed by Yuen Long (35.3%) and Hunghom (29.4%), the problem of shortage is comparatively more serious than the other brands.

Cow & Gate Happy Baby Infant Formula 900 grams recorded also shortage in some districts; the more serious included Taipo (43.8%) and Tuen Mun (31.3%). Supply by Wyeth was maintained stable and only Tseung Kwan O experienced some shortage of 20%.

Among the districts in widespread shortage of baby milk powder was Tseung Kwan O where all the 4 brands of infant formula powder surveyed were in shortage of 20% or above – (Cow & Gate 30%, Friso 27.3%, Mead Johnson 20% and Wyeth 20%). Sheung Shui where the problem of grey goods traders was the most serious turned out to have improved substantially this year; all of the 4 brands surveyed in the district were down to 3% to 15.2%.

Compared with last year, the shortage rate of the various brands was shown to go up in some districts especially in the New Territories. Districts with more than 10% shortage rate included Wyeth (10%) and Friso (17.3%), both in Tseung Kwan O.

Infant formula products saw their recommended retail price going up from 1.7% to 6.7% by the suppliers except Wyeth. The actual selling price by drugstores remained stable this year; gone was the practice of setting the price “sky high”. In the survey last year, the most pricey milk powder recorded in drugstores was \$380 per can, 29.3% higher than the recommended retail price of \$294. This year, the highest price was recorded at \$295 on Friso Frisolac Gold 900 grams and Mead Johnson Enfamil A+ 900 grams, the former was higher than the recommended retail price by 0.7% while the latter was actually lower by 1.3%.

The survey also revealed that generally the prices of milk powder at drugstores were lower than those in chained stores. But considerable price variances were shown to exist among the drugstores themselves. For example, Friso Frisolac 900 grams the price at chain stores was \$293 and at a drugstore in Taipo it was as low as \$234 but at a drugstore in Tuen Mun it was sold at \$295, slightly higher than the price at chain stores.

With regards to the hotline of the milk powder suppliers, the Council undertook to check on the hotline service operated by 7 brand suppliers between end of January and beginning of February, the operation was deemed normal. Some brand suppliers also offer internet and mobile phone apps purchase order services for convenience of consumers.

The Council will continue its survey on the remaining 8 districts to be covered and will announce the results before the Chinese New Year.

The Council welcomes the Government’s proposal for regulatory oversight of the milk powder industry in respect of nutrition and health claims made for their products (including infant and baby formula as well as baby food). The Council supports the 5 principles put forward by the Government for the prohibition of infant formula nutrition claims and of baby food claims in minimizing the risk of diseases.

The World Health Organisation has recommended that infants of

between 0 to 6 months should be fed entirely on the mother breast-milk; the Council encourages parents to follow suit and not to be unduly influenced by formula product information.

Any such claims should be scientifically proven before a credible authority for release to avoid misleading consumers through exaggerated or untruthful claims.

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