

For discussion
on 22 June 2009

**LEGISLATIVE COUNCIL
PANEL ON ENVIRONMENTAL AFFAIRS**

Promoting the Use of Electric Vehicles

PURPOSE

This paper briefs Members on the progress of Government's efforts in promoting the use of electric vehicles in Hong Kong.

MEASURES ANNOUNCED IN THE 2009-10 BUDGET

2. Promoting the use of electric vehicles will not only improve roadside air quality, but will also create business opportunities for industries in Hong Kong that are related to electric vehicles. In this year's Budget, the Government identified the promotion of electric vehicles as one of the key measures to promote green economy. Relevant measures include –

- (a) extending the waiver of First Registration Tax on electric vehicles for five years till March 2014;
- (b) promoting the setting up of vehicle battery charging facilities, which includes the examining of the feasibility of setting up battery charging facilities in Government and private multi-storey car parks;
- (c) exploring collaboration with electric vehicle manufacturers on the promotion and actively participating in the trials on electric vehicles in Hong Kong. The Government will also consider introducing electric vehicles into its fleet when the related technology has matured and the vehicles are available on the market; and

- (d) setting up a steering committee under the leadership of the Financial Secretary to make recommendations on strategy and specific measures to promote the use of electric vehicles.

WORK PLAN AND LATEST DEVELOPMENT

3. The Steering Committee on the Promotion of Electric Vehicles was set up in April this year. Its terms of reference and membership list are at the **Annex**. The Committee held its first meeting on 12 May this year, at which it examined the strategic work plan as well as work under planning in promoting the use of electric vehicles.

4. The Committee agreed that key efforts in promoting electric vehicles in the future should focus on –

(a) actively participating in the trials on electric vehicles: the Government commenced in May this year the trial on the electric vehicle from Mitsubishi of Japan. We will also commence the trial on Shenzhen BYD's plug-in dual mode hybrid vehicles together with the Shenzhen Municipal Government in July. The Government will continue to explore with other vehicle manufacturers the possibility of conducting trials on electric vehicles of different brands and models (including commercial vehicles);

(b) enhancing cooperation with vehicle manufacturers: the Government signed a Memorandum of Understanding with Mitsubishi and Nissan Motor in February and April this year respectively to promote the use of electric vehicles. The Government recently secured Mitsubishi's agreement on the supply of a number of electric vehicles from its first batch of limited production in the near future. Also, the Secretary for the Environment visited Toyota Motor during his trip to Japan in April, and explored the opportunity in promoting the wider use of plug-in hybrid vehicles in Hong Kong. The Government will continue to explore collaboration opportunities with different electric vehicle manufacturers;

- (c) exploring business opportunities on electric vehicles: the Government established the Hong Kong Automotive Parts and Accessory Systems R&D Centre in April 2006 to facilitate the transfer of technology of R&D findings to related industries. Over the past three years, the R&D Centre embarked on eight projects in relation to hybrid or electric vehicles with funding of over \$20 million. A series of related projects is also under planning at the moment. One of the major areas the R&D Centre will focus on in the future is the technology of producing battery and other auto parts of electric vehicles. The Government will continue to provide support and assist the commercial and industrial sectors to explore business opportunities on electric vehicles;
- (d) setting up battery charging facilities for electric vehicles: we will actively explore how to encourage the business sector, including the property developers and private car park operators, etc., to provide charging facilities. Members of the Steering Committee on the Promotion of Electric Vehicles include representatives from the power companies, property developers and private car park operators. They will offer views to the Government in this regard. Recently, a power company signed a Memorandum of Understanding with a private car park operator and a property management company to develop charging facilities. The Government welcomes this development. We will also actively study the feasibility of providing charging facilities in Government multi-storey car parks; and
- (e) complementary legislative framework: in accordance with regulation 4 of Road Traffic (Expressway) Regulations (Chapter 374Q), no person shall drive or use on an expressway any vehicle unless it belongs to a designated type of vehicles of which the cylinder capacity of the engine is not less than 125 cubic centimetres. As electric vehicle does not have any cylinder, it is necessary to apply for special permit. The design of electric vehicles is at a developing stage, and we will

consider how our legislation could complement relevant development.

VIEWS SOUGHT

5. Members are invited to note and offer views on Government's efforts on this front.

Environment Bureau
June 2009

Steering Committee on the Promotion of Electric Vehicles

Terms of Reference

To recommend a strategy complementary with specific measures to promote the use of electric vehicles in Hong Kong, having regard to the resulting energy efficiency, environmental benefits and the creation of business opportunities.

Membership (from 1 April 2009 to 31 March 2011)

Chairman

Financial Secretary

Members

Mr Charles Nicholas BROOKE

Ir Prof CHAN Ching-chuen

Mr Adrian CHENG Chi-kong

Prof Peter Ronald HILLS

Dr York LIAO

Mr TSO Kai-sum

Dr Patrick WANG Shui-chung

Mr Michael WONG Yick-kam

Mr Thomas Jefferson WU

Mr Trevor YANG

Mrs Betty YUEN SO Siu-mai

Secretary for the Environment*

Secretary for Financial Services and the Treasury*

Secretary for Transport and Housing*

Secretary for Commerce and Economic Development*

Secretary for Development*

* or representative