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Panel on Environmental Affairs

Meeting on 22 June 2009

Background brief on promoting the use of electric vehicles

Purpose

This paper sets out the progress of promoting the use of electric vehicles, and gives a brief account of the views and concerns raised at the meetings of the Council and Finance Committee (FC).

Background

2. Road vehicles are the second largest source of air pollution in Hong Kong, contributing to 25% and 27% of the territory-wide emissions of respirable suspended particulate and nitrogen oxides respectively. The use of environment-friendly vehicles will help improve roadside air quality.

Promoting the use of electric vehicles

3. Electric vehicles (EVs) are powered by battery and free of emission. To encourage the use EVs, the Administration has exempted EVs from the First Registration Tax (FRT) since April 1994. To further promote the use of electric vehicles to commercial transport industry, the Administration rolled out in 2005 the “Incentive Scheme to Encourage the Use of Public Light Buses Running on Clean Alternative Fuels”, under which owners replacing their diesel light buses with electric ones would be offered a grant of \$80,000. The grant was \$20,000 higher than that provided to owners switching to LPG light buses. In April 2007, a similar grant arrangement was launched to encourage the replacement of pre-Euro and Euro I diesel commercial vehicles.

4. Despite the above incentives, EVs are still unpopular in Hong Kong because charging an EV is time-consuming. Besides, each charging can only support a much shorter driving mileage than that of conventional vehicles with each filling. According to a survey conducted by the Administration and the light bus trade in 2001, an electric light bus requires four to eight quick chargings everyday, each of which takes 20 to 30 minutes, and an overnight balance charging every four days. It has a travel range of only 30 to 50 kilometres after each charging, whereas a liquefied petroleum gas (LPG) light bus can travel more than 200 kilometres after each filling which takes only a few minutes.

Subsequent development

5. The Financial Secretary (FS) announced in his 2009-2010 Budget Speech a host of measures to promote the use of EVs, including the extension of the waiver of FRT on EVs for five years till end March 2014, promotion of vehicle battery charging facilities, and setting up of a steering committee under his chairmanship to make recommendations on strategy and specific measures to promote EVs. Following the Budget Speech, the Government entered into a Memorandum of Understanding with Mitsubishi Motors Corporation and its authorised dealer in Hong Kong (Universal Cars Ltd) on 26 February 2009 to test a new type of electric vehicle – the Mitsubishi innovative electric vehicle (i MiEV). This trial of i MiEV will help the Government understand the performance of the new generation EVs and the charging requirements for large-scale introduction to Hong Kong.

Discussion at meetings of the Council and Finance Committee

6. A number of questions on promoting the use of EVs were raised at the Council meetings on 16 January and 26 November 2008 as well as 27 May 2009. The questions and the Administration's response are hyperlinked below for members' reference.

7. The host of measures proposed by FS to promote the use of EVs was discussed at the special meeting of FC on 25 March 2009. While supporting the need to promote the use of EVs in Hong Kong, members opined that the Administration should take the lead in using EVs, and to provide the needed infrastructure, such as battery charging facilities, to support the use of EVs. They were also disappointed that the first EV designed by a local university with funding support from the Innovative Technology Fund was not put on trial in Hong Kong. The Administration was urged to lend its support to the development of locally designed/manufactured EVs with a view to creating more job opportunities. Given that the performance of EVs should not be measured in the same way as vehicles running on fossil fuels, members considered that there might be a need to amend the existing legislation to allow for the use of EVs in Hong Kong.

Latest development

8 The Administration proposes to brief the Panel on Environmental Affairs on the latest progress of promoting the use of EVs on 22 June 2009.

Relevant papers

Question raised by Hon TSANG Yok-sing at the Council meeting on 16 January 2008

<http://www.info.gov.hk/gia/general/200801/16/P200801160102.htm>

Question raised by Hon Audrey EU Yuet-mee at the Council meeting on 26 January 2008

<http://www.info.gov.hk/gia/general/200811/26/P200811260152.htm>

Question raised by Hon KAM Nai-wai at the Council meeting on 27 May 2009

<http://www.info.gov.hk/gia/general/200905/27/P200905270098.htm>

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