

*Introduction*

Clean Air Network appreciates the efforts of the Hong Kong Government in launching a public consultation for climate change policies. The main sources of greenhouse gas emissions are similar to the sources of air pollution, so measures tackling climate change can also relieve the problem of air pollution, achieving two goals at the same time; this reason is grounds for our support for measures tackling climate change. And while we support the actions of the Government, we also believe that the Government can do more to make the policies more effective and have outlined some recommendations below.

*Suggestions on tackling climate change and air pollution*

Transportation makes up 18% of the emissions contributing to the greenhouse effect and is the second largest source of greenhouse gases in Hong Kong. Therefore the Government wants to promote green vehicles and green fuels in order to mitigate the climate change problem.

According to the consultation document, the Government wants to increase the use of hybrid and electric cars in Hong Kong. Their aim is for 30% of private cars and 15% of buses on local roads to be hybrid or electric vehicles by 2020.

In order to achieve this goal, we offer the following suggestions:

**a. Using financial incentives**

The Government has exempted motor vehicles which are propelled solely by electric power and do not emit any exhaust gas from first registration tax. However, we think that further financial incentives can encourage more drivers to use green vehicles; Hong Kong can learn from strategies used in other countries.

Policies in China and the US are good examples of countries where financial incentives were used to promote electrical vehicle use:

- In China, the PRC Government launched a scheme to subsidize purchases of electric vehicles from 1 June, 2010 onwards. The scheme is being carried out in five cities in China - Shanghai, Changchun, Shenzhen, Hangzhou and Hefei. Subsidies of up to 50,000



Yuan for plug-in hybrids and up to 60,000 Yuan for pure electric vehicles are being provided in those cities.

- In Shenzhen, the subsidy being given is even larger. Aside from the scheme mentioned above, the local government is also providing an additional subsidy to drivers. The total subsidy for a plug-in hybrid is 80,000 Yuan and 120,000 Yuan for a pure electric vehicle.
- In the USA, federal tax credits are given to drivers who purchase an electric vehicle. Drivers who purchase electric vehicles in or after 2010 may be eligible for a federal income tax credit of up to USD 7,500.

The policies of these countries are examples of the different forms that financial incentives can take. They can be one-off payments (like the scheme in China) or they can be income tax credits (like the federal tax scheme in USA). The bottom line is that these policies provide stronger motivation for drivers to purchase more environmentally friendly vehicles; therefore we suggest HKSAR introduce similar measures.

#### **b. Building charging infrastructure**

When promoting electric vehicles, providing charging equipment is essential. For example, in London, the Government is working with supermarkets as well as car parks to build a widespread charging network. It is crucial that the Hong Kong Government announce their intention to build a more reliable charging network and do so; drivers will not be eager to use electric vehicles if there are not enough chargers installed in the city. The infrastructure can be built with cooperation between the Government and CLP or other electric companies.

#### **c. Improving electric vehicle road regulations**

At the moment, the regulations for electric vehicles are complicated and discouraging for those who want to use them. If an electric vehicle driver wants to drive on highways, he/she has to apply for a license from the Transportation Department, a process that can take up to one month. The Government should amend such daunting regulations to speed up the lengthy process, such as by allowing importers of electric vehicles to apply for such licenses, rather than the drivers.

While these actions will reduce carbon emissions and improve Hong Kong's air quality, to further improve on the situation we suggest the Government not only increase the number of green vehicles, but also reduce the number of dirty vehicles on the roads.

Some measures we propose are as follows:



**a. Introducing a scrapping incentive**

As pre-EURO and EURO I, II trucks are the main source of the roadside pollution, we propose the HKSAR Government introduce a scrapping incentive. The incentive should be based on a non-linear sliding scale, meaning that owners who take advantage of the subsidy earlier are subsidized a higher percentage of the scrapped vehicle.

**b. Launching a replacement scheme for old buses**

The Government should launch a scheme to renew EURO II and III buses. We propose the Government provide compensation to bus companies for their lost depreciation allowances and the foregone use value of prematurely retired buses.

In addition, we believe the Government should not only think of measures regarding cars, but also consider promoting alternative modes of transport that are environmentally friendly. Bicycles are a zero emission form of transportation; if more people in Hong Kong used bikes instead of cars, the total amount of emissions would be reduced.

Some ways to promote bicycle use include:

**a. Building more cycling paths**

Building a better path network between residential areas and main transportation interchanges is very important. Building more bicycle parking places at transportation interchange areas (such as the MTR) is also necessary. This will encourage citizens to travel to transportation interchanges via bicycle rather than diesel vehicles.

**b. Building bicycle renting facilities.**

In France, Japan and Taiwan, people can rent public bicycles for personal use. Being able to easily access a bicycle without having to buy one on their own will encourage people to take up biking.

*Conclusion*

Climate change is a problem that affects human beings in the long term, but air pollution is a problem affecting the health of citizens right now. We appreciate the efforts on the part of the Government in suggesting different policies to tackle climate change, however, Hong



Kong's air pollution problem is more urgent and we feel that the Government is not putting enough effort into combating that.

The process of renewing Hong Kong's Air Quality Objectives (AQO) is still going at a very slow pace. We urge the HKSAR Government to speed up the process and set the new AQOS as soon as possible in order to protect the health of Hong Kong's citizens from air pollution.

