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Mr. Derek LO  
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Legislative Council Secretariat  
Legislative Council Complex  
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(Email: dywlo@legco.gov.hk)

14 February 2018

Dear Mr. LO,

**Supplementary Information to Discussion Paper  
for the Establishment Subcommittee of  
the Finance Committee (EC(2017-18)11)**

I refer to the email from the Legislative Council Secretariat dated 10 January 2018 in relation to the above matter. Our supplementary information is provided below.

**(A) The industry**

**EcoPark**

Developing the EcoPark is one of the Government's major initiatives to promote the local recycling industry. Since 2007, the EcoPark has been, at affordable cost, providing the local recycling industry with long-term land properly formed with basic infrastructures and utilities, such as power and water supply, drainage, telecommunication, barging facilities, weighbridge, and conference and exhibition facilities, etc. These ancillary facilities can reduce capital investment of EcoPark tenants, thereby encouraging their investment in advanced technologies and value-adding recycling processes. At present, the 11 EcoPark lots are let to local recyclers, with each lot ranging from 4 400 to 10 000 metre square in size. All EcoPark lots are let by open tender process and the monthly rentals are proposed by

the tenderers. The tender assessment consists of two parts - technical evaluation and rental evaluation. Tenderer with the highest “combined score” will normally be recommended for awarding the lease.

As regards their performance on waste reduction, the information on the quantities of recyclables processed by EcoPark tenants since operation commenced in 2010 is as follows:

Year <sup>1</sup>	2010	2011	2012	2013	2014	2015	2016
Quantities of recyclables processed (tonnes) <sup>2</sup>	9,000	36,000	48,000	60,000	138,000	165,000	182,000

The information on EcoPark tenants and their recycling business from 2007 to 2017 are extracted in **Annex 1**.

We will continue to provide appropriate assistance to tenants with a view to facilitating them to develop and operate their recycling business. In addition, we are examining how to support the development of local manufacturing industry using recycled materials leveraging on the EcoPark. As waste papers take up the largest proportion of local recyclables (44% in 2015 and 42% in 2016), the development of recycling industry capable of processing local waste papers with the use of a few pieces of land in EcoPark is currently accorded priority. We anticipated that the relevant tendering procedure can be initiated in the first half of 2018.

### **Recycling Fund**

The Advisory Committee on Recycling Fund (RFAC) and the Environmental Protection Department (EPD) have kept under review the operation of the Fund in the light of market conditions as well as the views of applicants and stakeholders. As at mid-January 2018, the RFAC has approved 149 applications. Except those approved applications that were subsequently withdrawn, 115 projects are either completed, in progress or about to start, among which 108 are under the Enterprise Support Programme (84 of which are Standard Projects), and 7 come under the Industry Support Programme, involving a total amount of funding of about \$90 million. The total amount of recyclables to be processed under the approved applications is expected to exceed 100 000 tonnes.

To meet the tightening requirements of the Mainland on imports of recyclables, a host of facilitation measures have been rolled out under the Recycling Fund to support the industry, upgrading recyclers’ capability in processing local

<sup>1</sup> Statistics for 2017 are still being compiled.

<sup>2</sup> The total quantities are rounded to the nearest thousand.



recyclables (in particular waste papers and plastics). The Recycling Fund has earmarked \$20 million for the launch of a Standard Project scheme with a \$1 million funding ceiling for each application. It aims to enable recyclers to apply for funding support, through simplified procedures, on procurement of various equipment, including plastics sorter, label and cap remover, washer, dryer, and pelletizer, etc., turning waste plastics into raw materials or plastic products. The Fund has also earmarked another sum of \$50 million to subsidise the costs of recyclers to purchase compactor trucks to enhance the operational efficiency of transporting waste plastics and waste papers, thereby mitigating the high costs for collection and transportation of recyclables. As of mid-January 2018, a total of 16 applications making use of such facilitation measures have been received by the Recycling Fund Secretariat and six of them have been approved by the RFAC.

The RFAC and EPD have been maintaining close communications with the industry regarding different aspects of policies and measures in waste management, waste reduction and recycling. Through various channels like meetings, seminars and briefing sessions, we actively listen and respond to the views and requests of the industry. We will review the operation of the Recycling Fund at a suitable juncture with a view to better addressing the operating and upgrading needs of the recycling industry.

### **Study on Recycling Industry**

The Government commissioned the Hong Kong Productivity Council in 2014 to conduct a study to promote recycling of plastics, paper and used cooling oil in Hong Kong.<sup>3</sup> Through looking into and collecting background information and trade information, the study aimed to assist and promote the development of the local recycling industry. Furthermore, being the Secretariat of the Recycling Fund, HKPC has conducted regular studies on the recycling market and technologies in respect of matters related to the recycling industry. Such studies covered the business environment of the industry, the business challenges and development opportunities of the industry, surveys of the recycling markets and the exploration of suitable technologies applicable to the local recycling industry. The studies, thus, enabled us to understand the needs of the industry and strengthen the support to the industry. The executive summary of the relevant study has been uploaded to the website of the Recycling Fund.<sup>4</sup> The Secretariat would continue to study and update the local recycling industry and the recyclable market status. In addition, attempts would also be made to study recycling technologies and processes applicable to Hong Kong, as well as assess the opportunities of upgrading the local recycling industry and developing a manufacturing industry in producing recycled products. To this end, the Government and the Recycling Fund can study further on possible ways to assist the industry more effectively in enhancing their operation capability and

<sup>3</sup> <https://www.wastereduction.gov.hk/sites/default/files/HKPC%20Consultancy%20Report%20Final%20%28Eng%29.pdf>

<sup>4</sup> [http://www.recyclingfund.hk/images/market/market\\_1\\_e.pdf](http://www.recyclingfund.hk/images/market/market_1_e.pdf)



standard and exploring a more diversified market.

## **(B) Plastics and Paper**

### **Statistics on Paper Recyclables and Plastic Recyclables**

For statistics on the generation, recovery and trade of waste papers and waste plastics, please refer to **Annex 2** or the “Monitoring of Solid Waste in Hong Kong – Waste Statistics for 2016”<sup>5</sup> published by the EPD for details.

The Mainland authorities promulgated in July 2017 the “Implementation Plan on Advancing Reform of the Administration System on Import of Solid Wastes through Prohibiting Import of Foreign Rubbish” (the Implementation Plan) so as to reduce the hazard level of solid waste in the Mainland, encourage utilisation of resources, and protect safety of ecosystem and public health. The Implementation Plan sets out clearly that the Mainland authorities will, starting from early 2018, bar the import of solid wastes including waste plastics from daily sources, unsorted scrap paper. To help the recycling industry to address this new challenge, the government will optimize the chain of the local recycling industry through various aspects, including strengthening the promotion on source separation and clean recycling to increase the quality and quantity of recyclables, strengthening recycling support to low-value recyclables at the community, enhancing the operation standard of the recycling industry through the Recycling Fund, etc. We are also planning to leverage on the EcoPark to incubate a local manufacturing industry using recycled materials. For details, please refer to the discussion paper to the Panel on Environmental Affairs on addressing the Mainland’s tightening requirements on import of recyclables.<sup>6</sup> According to our understanding, various countries or regions are also proactively exploring measures and strategies (including further promoting waste reduction at source, enhancing quality of recyclables and encouraging their domestic manufacturing industry to absorb part of their recyclables generated more effectively) to address the challenge in light of the latest development of the recyclable market and their respective circumstances, which share similar approach to ours.

### **Study on the Producer Responsibility Scheme on Waste Plastic Containers**

The Government engaged a consultant in October 2017 to begin a feasibility study on how to implement a producer responsibility scheme (PRS) targeting suitable plastic containers (mainly those carrying beverages or personal care products). The study will review relevant experience of other places in their regulatory approaches and treatment options on plastic containers, and see whether such measures may be applicable to Hong Kong. The study will also review whether the regulatory

<sup>5</sup> <https://www.wastereduction.gov.hk/sites/default/files/msw2016.pdf>

<sup>6</sup> <https://www.legco.gov.hk/yr17-18/english/panels/ea/papers/ea20171127cb1-233-4-e.pdf>



framework in the PRS on glass beverage containers can be adapted for the specified plastic containers, and assess the possible impact of a recycling levy on the relevant trades and stakeholders in the supply chain. We plan to complete the relevant study in the first half of 2019 and draw up the way forward in the light of the results of the study.

### **(C) Ancillary Facilities for Waste Reduction**

#### **The Steering Group on the Modification of Recycling and Refuse Collection Facilities in Public Places**

To further enhance the Government's waste reduction and resource recovery efforts in support of the implementation of the municipal solid waste (MSW) charging, the Government established the Steering Group on the Modification of Recycling and Refuse Collection Facilities in Public Places (the Steering Group) chaired by the Secretary for the Environment in February 2016. Key discussion points of the Steering Group meetings are detailed in the press release issued after each meeting for public reference.

The Steering Group earlier commissioned a consultancy study on the provision of recycling bins (RBs) and litter containers (LCs). Among other things, the consultant recommended that at least three LCs and one RB shall be provided in various leisure and culture facilities and venues managed by the Leisure and Cultural Services Department (LCSD), and three RBs for large outdoor venues, such as beaches. In urban areas and new towns, the basic provision of LCs should be reduced such that two LCs would be set at around 150 metres apart, and an LC would be found at each pedestrian gathering point in rural areas. The basic provision of RBs in urban areas and new towns should be increased such that two RBs would be set at around 250 metres apart and an RB would be placed at every village-type refuse collection point. Adjustments would be made to take into account the nature and circumstances of individual areas and settings, e.g. more LCs and RBs would be provided at key tourist spots with higher pedestrian flow while the provision of RBs near existing recycling outlets provided by other entities (e.g. shopping malls) would be reduced.

Having regard to a set of general planning parameters recommended by the above consultancy study, the Food and Environmental Hygiene Department (FEHD) and the LCSD put forward a proposed adjustment plan to reduce the number of LCs by 40% to 24 300 by the end of 2019, i.e., the time MSW charging would be implemented at the earliest. The current RB to LC ratio of 1:14 will be enhanced to 1:6 and the number of RBs in public places will be increased by 45% to 4 000. FEHD and LCSD will conduct reviews thereafter with a view to further adjusting the number of LCs and RBs in public places, taking into account the situation on the ground, public reaction and other operational considerations.





## **Civic Education in view of MSW Charging**

Based on the experience of other cities, public education is the key to the successful implementation of MSW charging. To this end, the Environment and Conservation Fund has been subsidising “the Community Involvement Projects for MSW charging” since 2015. So far, more than 50 projects with a total funding of over \$50 million have been approved to try out the charging scheme in different sectors and types of buildings/villages, so as to prepare various stakeholders for the implementation of MSW charging. Besides, to enhance public awareness of the charging scheme, we have launched a promotional campaign with the theme being “Dump Less, Save More, Recycle Right”. The focus of the first phase of the campaign is clean recycling and proper separation of waste at source. We will also launch a dedicated website to promote and introduce the charging scheme and relevant arrangement, as well as prepare best practice guides for the reference of the general public, property management companies, frontline staff, etc. We are preparing the relevant Amendment Bill and will further our efforts in promotion and education during the scrutiny of the Bill by the Legislative Council. After its passage, we will introduce a preparatory period of 12 to 18 months, and collaborate with various stakeholders (such as green groups, property management companies, villages, etc.) to organise different promotional and educational activities, with a view to better preparing the public for the implementation of MSW charging.

## **Installation of water dispensers at government premises**

There are about 2,700 water dispensers installed at government premises providing drinking water to the public. These water dispensers are mainly installed in active recreational facilities managed by the LCSD, such as sports centres, sports grounds and swimming pools, etc. To install additional water dispensers, due consideration has to be given to a number of factors, such as the service nature, utilization rate, suitable type of water dispensers to be installed, hygiene and water quality management, and arrangement for repairs and maintenance, etc. The EPD will maintain close liaison with Government bureaux/departments and encourage them to install more water dispensers at premises under their purview. Among them, Agriculture, Fisheries and Conservation Department plans to install water dispensers at some countries parks where technically feasible.

## **(D) Waste Reduction in Public Organisations**

The Government is committed to promoting "use less, waste less" in the community. For many years, Government bureaux/departments have been required under different internal guidelines to implement various waste reduction and recycling measures covering daily housekeeping, green procurement, green building and other aspects etc. These measures include avoiding use of plastic bottled water



and other disposable items when organizing activities and meetings, communicating or disseminating information through electronic channels as far as possible during daily operations and public services, ceasing sale of small size plastic bottles water (1 litre or less) through automatic vending machines at government premises, stipulating green specifications for items frequently used by the Government to guide bureaux/departments to select products without unnecessary packaging and those which are easy to recycle.

The EPD and the Business Environment Council launched a “Guidance Booklet on Waste Reduction for Major Community Events”<sup>7</sup> in December 2017 to assist event organisers and related stakeholders in formulating waste management strategies to achieve waste reduction and recycling, including minimising food waste generated, donating surplus food, separating recyclables at source, dismantling and recycling the stages, etc., with a view to enhancing the environmental performance of the events. In the future, we will continue to organize workshops to encourage more stakeholders to understand and practice the “Guidance Booklet on Waste Reduction for Major Community Events”. We will also continue to step up promotion of various environmental protection guidelines, as well as green procurement policies, specifications, etc., to public organisations and the commercial sectors, so as to encourage different sectors to realise the belief of “use less, waste less” collectively.

We do not keep statistics on the disposal and recovery of waste of Government bureaux/departments or public organisations.

Yours sincerely,



(James CHAN)

for Director of Environmental Protection

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**Extract of Information on EcoPark Tenants and Their Recycling Business  
from 2007 to 2017**

EcoPark Tenants	Waste Types
Hong Kong Hung Wai Wooden Board Company (Lease expired in 2017)	Waste wood
China Commercial Logistics Company Limited (Lease commenced in 2017)	Waste wood
Li Tong Group	Waste electrical and electronic equipment (WEEE)
Champway Technology Limited	Waste cooking oil
Hong Kong Telford Envirotech Group Limited	Waste plastics
Shiu Wing Steel Limited	Waste metals
Chung Yue Steel Group Company Limited	Waste metals
SSK Metal Limited	Waste batteries
K. Wah Construction Products Limited	Construction wastes and waste glass
E. Tech Management (HK) Limited	WEEE
On Fat Lung Innovative Resources Limited	Waste rubber tyre, WEEE and waste oil
South China Reborn Resources (Zhongshan) Company Limited	Food waste
Plastic Resources Recycling Centre operated by Yan Oi Tong (Operated by Non-profit Making Organization with funding support from the Environment and Conservation Fund (ECF); Expired in 2016)	Waste plastics
WEEE GO GREEN operated by St James' Settlement (Operated by Non-profit Making Organization with funding support from the ECF; Expired in 2017)	WEEE



## Statistics on generation, recovery and trade of waste papers and waste plastics

### Statistics on the generation and recovery of local paper waste

	2012	2013	2014	2015	2016
Total quantities of generation of paper waste (Thousand tonnes)	1,859	1,700	1,649	1,720	1,627
Total quantities of paper recovered for recycling (Thousand tonnes)	1,162	1,035	948	896	806
• Exported for recycling	1,162	1,034	948	896	806
• Recycled locally	0	1	0	0	0
Paper recovery rate	63%	61%	57%	52%	50%

### Statistics on the generation and recovery of local plastic waste

	2012	2013	2014	2015	2016
Total quantities of generation of plastic waste (Thousand tonnes)	985	924	834	891	906
Total quantities of plastics recovered for recycling (Thousand tonnes)	317	243	99	94	126
• Exported for recycling	308	191	83	88	119
• Recycled locally	9	52	16	5	7
Plastic recovery rate	32%	26%	12%	11%	14%

### Trade statistics on paper recyclables

Quantity (Thousand tonnes)	2012	2013	2014	2015	2016
Imports	103	18	25	10	7
Domestic exports	1,162	1,034	948	896	806
Re-exports	9	2	2	4	11

### Trade statistics on plastic recyclables

Quantity (Thousand tonnes)	2012	2013	2014	2015	2016
Imports	3,200	2,506	3,078	2,861	2,876
Domestic exports	308	191	83	88	119
Re-exports	2,929	2,223	2,965	2,734	2,698

