

(Translation)

(Letterhead of the Urban Taxi Associations Joint Committee)

**A Submission to the joint meeting of the LegCo Panel on Transport  
and the LegCo Panel on Environmental Affairs**

In order to protect our environment and abate air pollution in the territory, the taxi trade embraces the general policy of replacing diesel taxis with liquefied petroleum gas (LPG) taxis. As a matter of fact, we had urged the Government to implement this policy a long time ago. Hence, we support the proposal to introduce LPG taxis in principle.

Based on the first-hand experience of the one-year trial period, as well as the observation and analysis of the related proposals as listed in the Summary and Implementation Plan of Chapter Six of the Government's consultation paper, we are convinced that the prerequisite for a successful conversion to LPG taxis is the resolution of the following issues, together with the formulation of a well-planned timetable for the phased-in implementation of the scheme:

1. ***LPG filling stations***

The ultimate target should be: the number of LPG filling stations should not be less than that of the current diesel stations. At present, there are over 100 000 light vehicles using diesel fuel besides the 18 000 taxis. In order to achieve the goal of abating air pollution, these light vehicles should switch to LPG as well. The insufficient number of the LPG filling stations and the long distance between filling stations and operating areas will lead to loss of operating time of these business operating vehicles.

2. ***Provision of a suitable framework for setting up maintenance plants and qualified technicians***

In urging the taxi trade to convert to LPG vehicles, the Government is planning to commit itself in providing a suitable framework which would include the setting up of maintenance plants and the provision of qualified maintenance technicians. But what is the scale of a suitable framework? Will it be able to cope with future demands? Will it be able to provide a speedy maintenance service to meet the requirements of the taxi trade? Will it provide any concessions in maintenance costs? Will the maintenance costs of LPG taxis be lower than that of diesel taxis? All these questions reflect the major concerns of the taxi trade in switching to LPG. Since the maintenance costs charged by the existing LPG taxi supplier are three to four times higher than those of the diesel vehicles, it is imperative for the Government to address the issue with specific measures.

3. *All newly registered taxis are LPG taxis by the end of 2000*

The Government plans to introduce legislation that would stipulate that all newly registered taxis have to use LPG with effect from end of the year 2000. In other words, the importation of diesel taxis will cease by end of the year 2000. If the provision of the required supplementary facilities fails to meet the timeframe, owners of LPG taxis will have to risk operating at a cost several times higher than that of diesel taxis. Under such circumstances, how can they compete with diesel taxis? How can they continue their operation at such costs? Hence, the schedule of the implementation of LPG taxis should be determined by the readiness of the Government in providing assistance to the taxi trade, as well as the measures adopted by the Government to guarantee that the operating costs of the LPG taxis will not be higher than those of the diesel taxis.

4. Regarding the plan of converting all diesel taxis to LPG taxis by year 2005, our concerns are similar to the ones we mentioned in item 3.

5. *Conclusions*

- A. The Government should provide incentive measures in order to encourage the taxi trade to switch to LPG.
- B. The Government should help the taxi trade to secure from LPG vehicle suppliers a concessionary retail price and a guaranteed duration of usage (or total mileage).
- C. LPG suppliers have to set out the retail price of LPG clearly.
- D. The Government should designate more maintenance plants for the provision of maintenance to LPG taxis (similar to the designation of plants for conducting regular smoke inspection) with the aim of bringing the maintenance cost to a level comparable to that of the diesel taxis, as well as inducing competition by providing better alternatives.

Urban Taxi Associations Joint Committee

(Signed by eight associations)

The Taxi Operators Association Ltd.

H.K. & Kln. Taxi Co. Assn. Ltd.

T.C. Taxis United Assn. Ltd.

CTOD Association Co. Ltd.

Wing Lee Radio Car Assn. Ltd.

Chuen Lee Radio Taxi Assn. Ltd.

Golden Link Taxi Owners & Drivers Assn. Ltd.

Yik Sun Radiocabs Operators Assn. Ltd.