

立法會  
*Legislative Council*

LC Paper No. CB(1) 2212/03-04  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/EA/1

**Panel on Environmental Affairs**

**Minutes of meeting held on  
Monday, 24 May 2004, at 2:30 pm  
in Conference Room A of the Legislative Council Building**

**Members present** : Hon CHOY So-yuk (Chairman)  
Hon Martin LEE Chu-ming, SC, JP  
Hon LAU Kong-wah, JP  
Hon Miriam LAU Kin-yee, JP  
Dr Hon LAW Chi-kwong, JP  
Hon Henry WU King-cheong, BBS, JP  
Dr Hon LO Wing-lok, JP

**Members absent** : Hon Cyd HO Sau-lan (Deputy Chairman)  
Dr Hon David CHU Yu-lin, JP  
Hon WONG Yung-kan  
Hon Emily LAU Wai-hing, JP  
Hon LAU Ping-cheung  
Hon Audrey EU Yuet-mee, SC, JP

**Public officers attending** : **For items IV and V**  
  
Environment, Transport and Works Bureau  
  
Mr Thomas CHOW  
Deputy Secretary (Environment and Transport) E2  
  
Mr C W TSE  
Principal Assistant Secretary (Environment and Transport) E3

**Clerk in attendance** : Miss Becky YU  
Chief Council Secretary (1)1

**Staff in attendance :** Mrs Mary TANG  
Senior Council Secretary (1)2

Miss Mandy POON  
Legislative Assistant 4

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**I. Confirmation of minutes**

(LC Paper No. CB(1) 1883/03-04 — Minutes of the meeting held on 26 April 2004)

The minutes of the meeting held on 26 April 2004 were confirmed.

**II. Information paper issued since last meeting**

2. Members noted the following information papers which had been issued since last meeting -

LC Paper No. CB(1) 1628/03-04(01) — Letter from Dr Josie CLOSE, Research Assistant Professor of the University of Hong Kong, to the Secretary for the Environment, Transport and Works regarding renewable energy;

LC Paper No. CB(1) 1754/03-04(01) — Submission from Friends of Hoi Ha reporting the latest situation at Hoi Ha Wan Marine Park;

LC Paper No. CB(1) 1814/03-04(01) — Letter from the Acting Consul General of the Federal Republic of Germany enclosing an invitation to attend the International Parliamentary Forum on Renewable Energies 2004 to be held on 2 June 2004 in Bonn, Germany; and

LC Paper No. CB(1) 1817/03-04(01) — Invitation to a Night Safari at Kadoorie Farm and Botanic Garden

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**III. Items for discussion at the next meeting**

- (LC Paper No. CB(1) 1885/03-04(01) — List of follow-up actions  
LC Paper No. CB(1) 1885/03-04(02) — List of outstanding items for discussion)

3. Members agreed to discuss the following items at the next meeting scheduled for Monday, 28 June 2004, at 2:30 pm -

- (a) A plan to further reduce the emission of volatile organic compounds; and
- (b) Way forward for the Harbour Area Treatment Scheme (HATS) Stage 2/Findings of the trials and studies relating to HATS Stage 2.

**IV. Retrofitting pre-Euro diesel vehicles with emission reduction devices**

- (LC Paper No. CB(1) 1885/03-04(03) — Paper provided by the Administration)

4. The Deputy Secretary for the Environment, Transport and Works (Environment, Transport) E2 ((DSETW(ET)E2) briefed members on the progress on retrofitting of pre-Euro diesel vehicles with emission reduction devices and the proposal to retrofit emission reduction devices on pre-Euro diesel heavy vehicles that had to keep their engines running for operational reasons while the vehicles remained stationary. He said that the Administration planned to seek funding approval from the Finance Committee (FC) within this legislative session for the retrofit programme to cover 3 500 pre-Euro long idling diesel heavy vehicles in Hong Kong. The total cost of which was estimated to \$70 million viz. \$20,000 for each vehicle.

5. Mr LAU Kong-wah enquired about the service life and the maintenance cost of the emission reduction devices. DSETW(ET)E2 explained that the supplier of the emission reduction device would be required to provide a warranty of five years. While pre-Euro diesel heavy vehicles normally had a service life of 20 years, most of the 3 500 vehicles under the proposed retrofit programme had been in use for 13 to 15 years. As such, the provision of a five-year warranty should be able to last until the expiry of the service life of these vehicles. Besides, the emission reduction device did not require regular maintenance and its service life was expected to last beyond the warranty period, after which the vehicle owners would be responsible for the maintenance cost.

6. Ms Miriam LAU said that she had taken part in the trial for the emission reduction device and would support the proposal from a technical perspective. She however urged the Administration to adopt a more flexible approach in implementing the retrofit programme. Instead of offering a subsidy of \$20,000 per vehicle for retrofitting, consideration could be given to using the subsidy as an incentive to encourage early replacement of these vehicles with the more environmentally friendly

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Euro III models. This would not only provide a choice for the vehicle owners but was also a more effective means to improve the air quality without incurring additional financial resources. The Chairman concurred with Ms LAU that the environmental benefits of early replacement of a polluting vehicle would far outweigh that of retrofitting the vehicle. Besides, owners would tend to delay the replacement of their vehicles after retrofitting, thus causing more pollution to the environment.

7. DSETW(ET)E2 explained that the retrofit programme was aimed at retrofitting existing vehicles with emission reduction devices to reduce particulate emissions. Given that the cost of a new Euro III diesel heavy vehicle ranged from hundreds of thousand dollars to over \$1 million, the provision of a \$20,000 subsidy would be too small to serve as an incentive for early replacement of existing vehicles. Moreover, if a vehicle was approaching the end of its service life, the owner would unlikely take the trouble of going through the retrofitting process which would at least take a day off business. Besides, it would not be justified to use public resources to subsidize owners who would be replacing their vehicles which were due for replacement anyway.

8. Ms Miriam LAU however pointed out that under the proposed retrofit programme, vehicle owners had been given no choice but to retrofit their vehicles even if these were due for replacement within a short period of time. It would be a waste of resources in retrofitting these vehicles. If vehicle owners were given a choice to replace their vehicles with the much cleaner Euro III models, this would bring about greater environmental improvement at no extra cost to the Government. Sharing similar concern, the Chairman said that consideration could be given to offering the subsidy to vehicle owners who replaced their vehicles within a specified period of time.

9. DSETW(ET)E2 explained that it would not be fair to owners of other pre-Euro diesel vehicles in Hong Kong if owners of the 3 500 pre-Euro diesel heavy vehicles were offered subsidy to replace their vehicles. Besides, an extension of the subsidy to other diesel vehicle owners would incur a huge financial commitment on the part of the Government. Ms Miriam LAU clarified that she had no intention to request the Government to extend the subsidy to other diesel vehicles but to flexibly implement the retrofit programme to achieve maximum environmental benefits with the available resources. As the 3 500 pre-Euro diesel heavy vehicles, having been in service at least since 1995, were highly polluting, early replacement of these vehicles would provide more environmental gains.

10. Given that the installation of emission reduction device would be made mandatory, Dr LAW Chi-kwong shared members' concern that it would be a wastage of public resources if vehicle owners were forced to retrofit their vehicles which were due for replacement. Noting that the number of pre-Euro diesel heavy vehicles had decreased from about 4 000 in 2002 to 3 500 in 2004, representing a rate of replacement of about 250 vehicles per year, the provision of a subsidy of \$20,000 would likely tip-off the desire of more owners to replace their vehicles. He added

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that if the policy intent of the retrofit programme was to encourage owners to reduce emissions from their vehicles, he saw no reason why the subsidy should not be used for replacement of the polluting vehicles. He also considered it necessary to allow a reasonable time frame within which pre-Euro heavy diesel vehicles should be retrofitted.

11. DSETW(ET)E2 confirmed that the Administration would make reference to the previous retrofit programmes and allow a reasonable time frame for the retrofitting of vehicles. He reiterated that it would not be appropriate to provide assistance to owners who would be replacing their vehicles which were already due for replacement. However, in view of members' concern, he agreed to review again the suggestion to extend the subsidy to cover replacement of vehicles.

12. Mr Martin LEE shared members' concerns that owners should be given a choice to replace their vehicles, and that the Administration should be more flexible in implementing its policies. Dr LO Wing-lok on the other hand opined that there might be a need to consult the transport trades on the provision of subsidy for replacement of vehicles. Ms Miriam LAU said that she had discussed the subject with the transport trades and they welcomed the provision of a choice for replacement of vehicles since the environmental performance of a new Euro III model would be far better than a retrofitted vehicle. The Chairman added that the transport trades had made clear of their views on various occasions.

13. DSETW(ET)E2 said that the Administration had been discussing with the transport trades on replacement of vehicles. While welcoming the provision of incentives such as financial assistance, the trades were opposed to any disincentive measures such as increasing the annual licence fees for older vehicles to discourage ownership. This had led to a deadlock in the discussion and had prevented further progress in the implementation of policy on replacement of vehicles.

14. Ms Miriam LAU said that she had repeatedly requested the Administration to allow owners to have a choice between retrofitting and replacement of vehicles when the previous retrofit programmes were implemented but in vain. Given the lapse of time, those pre-Euro diesel heavy vehicles had aged further and become even more polluting. She therefore urged the Administration to seriously consider allowing a choice for owners to replace their diesel heavy vehicles, which would be the last remaining category of pre-Euro diesel heavy vehicles in the retrofit plan. She said that if the Administration again declined to accede to the provision of such a choice, it would need to justify its decision in the submission to FC.

**V. Tightening the specification for unleaded petrol**  
(LC Paper No. CB(1) 1885/03-04(04) — Paper provided by the Administration)

15. DSETW(ET)E2 explained the proposal to tighten the specification for unleaded petrol in the Air Pollution Control (Motor Vehicle Fuel) Regulation with

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effect from 1 January 2005, the purpose of which was to bring it in parallel with that to be mandated by the European Union at the same time.

16. While supporting the proposal from an environmental perspective, Ms Miriam LAU expressed concern about the cost implications associated with the further tightening of the specification for unleaded petrol. Referring to paragraph 4 of the information paper which stated that the proposed upgrade might increase the product cost but the level of increase could not be precisely determined, she enquired how the Administration could ensure that the cost increase would not be transferred to consumers. The Chairman was also concerned that the oil companies would use the further tightening of specification as an excuse to increase the pump price, which was already very high. She pointed out that as the use of Euro IV unleaded petrol would be mandated, this would leave consumers with no other choices. As such, it necessary for the Administration to put in place a mechanism to keep pump price under control.

17. DSETW(ET)E2 explained that although the prevailing mandatory unleaded petrol specification was Euro III, the unleaded petrol currently available at petrol filling stations in Hong Kong was already very close to the Euro IV specification. All the samples randomly collected from petrol filling stations in 2003 complied with the Euro IV sulphur limit. The local oil companies had indicated that they would not have any major technical difficulty in meeting the Euro IV unleaded petrol specification from 1 January 2005 but would need a period of about three months to make the preparations. While the upgrading of specification for unleaded petrol in the past did not result in any increase in the pump price, the Administration would suggest oil companies to absorb the cost increase and not to transfer it to consumers. However, the decision rested with the oil companies as the Administration had no power of control over them. Mr Martin LEE said that the Administration should make its best endeavours to convince oil companies not to increase pump price as a result of the tightening of specification. DSETW(ET)E2 agreed to convey to oil companies members' request, adding that the Administration did suggest to the oil companies not to increase the pump price and the latter had managed to maintain the pump price in the last four upgrading exercises.

18. While acknowledging that there were about 150 models of petrol vehicles in the local market could already meet the Euro IV emission standards, Dr LO Wing-lok asked how long it would take for the entire vehicle fleet in Hong Kong to comply with the required emission standards. The Principal Assistant Secretary for the Environment, Transport and Works (Environment and Transport) E3 (PASETW(ET)E3) advised that there were more than 600 models of petrol vehicles registered in Hong Kong, although not all of them were available for sale. Car dealers were well aware of the Administration's intention to mandate the Euro IV emission standards in step with the European Union. Legislative amendments to this effect would be introduced such that by 1 January 2006, all newly registered vehicles had to comply with the Euro IV emission standards.

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19. The Chairman enquired whether Shenzhen would correspondingly upgrade its petrol specification and emission standards. PASETW(ET)E3 said that as far as he knew, the Mainland had similar upgrading plans to meet the Euro II standards by end of 2004 and the international petrol specification and emission standards by 2010.

**VI. Any other business**

20. There being no other business, the meeting ended at 3:35 pm.

Council Business Division 1  
Legislative Council Secretariat  
24 June 2004