

**For discussion on
24 May 2004**

**LEGISLATIVE COUNCIL
PANEL ON ENVIRONMENTAL AFFAIRS**

Tightening the Specification for Unleaded Petrol

PURPOSE

This paper consults Members on our proposal to tighten the specification for unleaded petrol in the Air Pollution Control (Motor Vehicle Fuel) Regulation with effect from 1 January 2005. The purpose is to bring it in parallel with that to be mandated by the European Union at the same time.

BACKGROUND

2. To control the air pollution caused by motor vehicle emissions, we have established a policy to adopt the most stringent requirements for the quality of motor fuels and the emission of newly registered motor vehicles where practicable. With the approval of the Legislative Council, we have made the Euro III unleaded petrol specification the statutory standard and the Euro III motor vehicle emission standard the statutory minimum for newly registered motor vehicles since 2001 in step with the European Union. We have also made the Euro IV motor diesel specification, i.e. the ultra low sulphur diesel specification, the statutory standard since April 2002 in order to achieve a quicker reduction in the particulate and nitrogen oxide emissions from diesel motor vehicles that are the major source of roadside air pollution. We are three years ahead of the European Union in that regard.

PROPOSAL

3. The European Union will tighten the motor fuel specifications to Euro IV with effect from 1 January 2005 to prepare for implementation of

the Euro IV motor vehicle emission standards in January 2006. A petrol motor vehicle meeting the Euro IV emission standards and using petrol meeting the Euro IV specification will emit 46% less nitrogen oxides, 50% less hydrogen carbons and 56% less carbon monoxide than a petrol vehicle meeting the Euro III emission standards and using unleaded petrol meeting the Euro III specification. A diesel motor vehicle meeting the Euro IV emission standards and using diesel meeting the Euro IV specification will emit 26% less nitrogen oxides and 76% less particulates than a diesel motor vehicle meeting the Euro III emission standards and using diesel meeting the Euro IV specification. We have already made the Euro IV motor diesel specification the statutory standard with the approval of the Legislative Council. We now propose to make the Euro IV unleaded petrol specification the statutory standard with effect from 1 January 2005 in step with the European Union. We will upgrade the sulphur limit in unleaded petrol from 150 ppm to 50 ppm and its aromatics limit from 42% to 35% by amending the Air Pollution Control (Motor Vehicle Fuel) Regulation (Cap 311, sub. leg.).

IMPLICATIONS FOR AND CONSULTATION WITH THE TRADES

4. Although the prevailing mandatory unleaded petrol specification is Euro III, the unleaded petrol currently available at petrol filling stations in Hong Kong is already very close to the Euro IV specification. The samples we randomly collected from petrol filling stations in 2003 all complied with the Euro IV sulphur limit. While some individual samples exceeded the Euro IV aromatics limit by about 4% to 16%, the average content of aromatics complied with the Euro IV limit. We have consulted the local oil companies. They have indicated to us that there will not be any major technical difficulty in meeting the Euro IV unleaded petrol specification from 1 January 2005. They will need a period of three months to make the preparations. According to them, the proposed upgrade may increase the product cost but the level of increase cannot be precisely determined. We note, however, that upgrading of the specification for unleaded petrol in the past did not result in any increase of the pump price.

5. Regarding the supply of vehicles meeting the Euro IV emission standards beginning 1 January 2006, we have consulted the Hong Kong Motor Traders Association that comprises representatives of the major motor vehicle supplying agents in Hong Kong. The Association is aware of the European Union's plan to mandate the Euro IV emission standards by phases from January 2006 and our plan to do likewise. In fact, although the prevailing mandatory emission standards for newly registered motor vehicles in Hong Kong are Euro III, about 150 models of petrol vehicles in the local market can already meet the Euro IV emission standards. We will continue our discussion with the Association and will consult Members in due course on the introduction of the Euro IV emission standards for newly registered vehicles.

6. We expect that the public in general will support the proposed upgrade of the unleaded petrol specification, as it will help reduce the emissions from the petrol vehicle fleet further.

IMPLEMENTATION

7. Subject to Members' support, we will proceed to prepare the necessary legislative amendments to the Air Pollution Control (Motor Vehicle Fuel) Regulation to upgrade the statutory unleaded petrol standard to Euro IV with effect from 1 January 2005 and table them at the Legislative Council in due course. Meanwhile, we will inform the local oil companies of our upgrading plan such that they could make the necessary preparations.

ADVICE SOUGHT

8. Members are requested to advise on the proposed upgrade of the statutory unleaded petrol specification explained above.

Environment, Transport and Works Bureau
May 2004