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Subcommittee on Air Pollution Control (Volatile Organic Compounds) Regulation

Background brief

Purpose

This paper gives a summary of discussion by the Panel on Environmental Affairs (EA Panel) and the Panel on Commerce and Industry (CI Panel) regarding the proposals to control the emission of volatile organic compounds (VOC)^{Note}.

Introduction

2. To improve the air quality of the Pearl River Delta Region, the Hong Kong Special Administrative Region Government and the Guangdong Provincial Government reached a consensus in April 2002 to reduce by 2010, on a best endeavour basis, the regional emissions of four major pollutants, namely sulphur dioxide, nitrogen oxides, respirable suspended particulates and VOCs by 40%, 20%, 55% and 55% respectively, using the emission levels at 1997 as a base. To meet the reduction targets, the Administration has put in pace a series of programmes to reduce VOC emissions. These include regulation to require petrol filling stations to be equipped with effective vapour recovery systems to reduce petrol vapour emissions (which are VOCs) during petrol unloading and vehicle refueling as well as tightening of emission standards of motor vehicles in tandem with the European Union. As a result, local emission of VOCs has been reduced by 23%. However, further action is required to control other VOC-containing products, particularly paints and printing inks which are currently subject to no control, in order to meet the 55% reduction target.

The Regulation

3. The main objective of the Regulation is to prohibit the manufacturer and importation of certain regulated paints, printing inks and consumer products if the VOC content of the product exceeds the maximum limit prescribed by the Regulation for that product.

Note Volatile organic compounds (VOCs), emitted as gases from certain solids or liquids, play a significant role in the formation of ozone and respirable suspended particulates in the atmosphere which are harmful to health. VOCs can also exacerbate smog phenomena and impair visibility.

Major issues raised by the Panels

4. On 28 June 2004, the EA Panel was briefed on the Administration's plan to adopt a two-stage approach to reduce VOC emissions from paints, printing inks and selected consumer products in Hong Kong. Under Stage 1 of the proposal, a mandatory registration and labelling scheme would be introduced to require importers or manufacturers of all paints, printing inks and selected consumer products to register with the Environmental Protection Department the VOC content of their products for sale in Hong Kong. They would also be required to ensure that a bilingual label of the VOC contents was either printed upon or securely affixed onto individual containers and/or packaging of the concerned products. Subject to the effectiveness of the Stage 1 programme, the Administration would consider how to proceed with Stage 2 where measures to control the VOC contents of specified types of products or to discourage the use of certain products with higher VOC contents might be introduced. While supporting the need to control VOCs, members were concerned that the proposal would affect those retailers who had to rely on exporters to provide the requisite information on VOC contents. Besides, the proposed scheme would limit consumers' choice since the registration and labelling requirements would likely affect the import of VOC-containing products manufactured in countries which did not have such requirements. Members therefore urged the Administration to look into the problem from the trades' perspective to facilitate compliance with the requirements.

5. In September 2004, the Administration embarked on a two-month consultation exercise to gauge the views of stakeholders on the proposed registration and labelling requirements. In view of the trades' concerns about the impact of the proposal on their operation, the CI Panel held a meeting on 14 December 2004 to receive views from different parties. While the environmental concern group was supportive of the proposal to control highly polluted VOC emissions, the trades were concerned about the adverse impacts of the proposal on business environment. Given that Hong Kong was primarily an importer of consumer products, it had to rely on exporters to provide the required information on VOC content. Failure of exporters to provide such information might result in certain products not being able to be sold in Hong Kong, thereby limiting consumers' choice. Members stressed that the Administration should not tackle the problem from the single perspective of environmental protection and overlook the implications of the proposal on other sectors of the society. They considered that the Administration should conduct a regulatory impact assessment, and that it should step up communication with the affected trades to formulate genuinely effective VOC-reducing measures that could benefit the public and cause least disruption to the business sector.

6. Recognizing the trades' concerns, the Administration had set up a Working Group on Regulatory Control of VOC to work with the trades with a view finding measures that could effectively reduce VOC emissions and yet minimize the impacts on the affected trades. A revised programme had subsequently been worked out. The previously two-stage scheme comprising registration and labelling requirements as well as testing of VOC-containing products had been dispensed with in the light of the trades' concern about cost implications and difficulties in complying with these requirements. Instead, the regulatory requirements would be sector-specific so that they would be most suitable and effective for the sector concerned. The scope of control for consumer products could be narrowed down to six largest emitting sources, namely hairsprays, insecticides, insect repellents, air fresheners, floor wax strippers and multi-purpose lubricants, which already account for about 80% of VOC emissions from consumer products.

7. On 28 November 2005, the EA Panel received a briefing on the revised control scheme. Members were pleased to note that the Administration had fully consulted the relevant trades and addressed their concerns on possible compliance burden. They however pointed out that this should have been done before the previously two-stage programme was worked out. The Panel raised no objection to the revised control scheme which could help reduce approximately 8 000 tonnes of VOCs.

Relevant papers

Information papers provided by the Administration for the EA Panel meeting on 28 June 2004 http://www.legco.gov.hk/yr03-04/english/panels/ea/papers/ea0628cb1-2215-4-e.pdf

<u>Minutes of the EA Panel meeting on 28 June 2004</u> http://www.legco.gov.hk/yr03-04/english/panels/ea/minutes/ea040628.pdf

Information papers provided by the Administration for the CI Panel meeting on 14 December 2004

http://www.legco.gov.hk/yr04-05/english/panels/ci/papers/ci1214cb1-418-3e.pdf

<u>Minutes of the CI Panel meeting on 14 December 2004</u> http://www.legco.gov.hk/yr04-05/english/panels/ci/minutes/ci041214.pdf

Information papers provided by the Administration for the EA Panel meeting on 28 November 2005

http://www.legco.gov.hk/yr05-06/english/panels/ea/papers/ea1128cb1-348-4-e.pdf

<u>Minutes of the EA Panel meeting on 28 November 2005</u> http://www.legco.gov.hk/yr05-06/english/panels/ea/minutes/ea051128.pdf

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