

Attachment 2

Follow-up actions arising from the discussion at the meeting on 13 October 2009

- (1) To advise whether mobile air-conditioners having rated cooling capacity not exceeding 7.5 kilowatts are covered under proposed section 2A(1).**

Mobile air-conditioners having rated cooling capacity not exceeding 7.5 kilowatts are classified as room air-conditioners covered under the proposed section 2A(1). They will not be excluded under the proposed section 2A(2)(f) by virtue of being of floor standing type as under the proposed section 2A(7), “an air-conditioner is of floor standing type if it is of split type and its indoor unit is intended to be installed directly on the floor in accordance with the manufacturer’s installation procedures.”

- (2) To provide the minutes of meeting regarding the outcome of consultation with the trades on the Regulation.**

The notes of meeting with the Hong Kong & Kowloon Electrical Appliances Merchants Association Ltd. on 21 November 2008 are attached in Annex 1.

Notes of Meeting
Proposal on Banning of Import of Equipment using HCFC

Date of Meeting: 21 November 2008

Venue: Conference Room, 33/F., Revenue Tower, 5 Gloucester Road, Wan Chai , HK

Participants:

Environmental Protection Department	Mr. MOK Wai-chuen (Chairman) Mr. TSUI Wing-sing Mr. KWAN Yiu-keung (Secretary)
H.K. & Kln. Electrical Appliances Merchants Association Ltd	Dr. Peter K. L. CHU
Alpha Appliances Ltd	Mr. K. K. CHAN Mr. Lawrence C.H. POON
Carrier HK Ltd / Toshiba Air-Conditioning Group	Mr. SO Man
Daikin Air Conditioning (HK) Ltd.	Mr. William HO Mr. Miky CHAN
Gilman Home Appliances	Mr. Ivan CHENG
Hitachi (HK) Ltd	Mr. Gary W.H. MOK
York International (North Asia) Ltd. - Johnson Controls	Ms. Connie W.S. LIU
Sharp-Roxy (HK) Ltd	Mr. S.H. WONG
Shun Hing Electric Works & Engineering Co. Ltd,	Mr. Kenneth Man Mr. Damon Chen
Shun Hing Electronic Trading Co., Ltd.	Mr. Johnny WU Mr. Isaac CHEUNG

The meeting agreed that the meeting notes would set out the key points of discussion instead of detailed comments/views made by individual participants. Below is a summary of the key points of discussion at the meeting:

Requests of the Association and the Justifications

- 1) The Association re-confirmed its support for the banning proposal but would like EPD to consider the following requests:
 - delay the implementation date for both split type and window room air conditioners by six months. The definition of “room air conditioner” was taken to be the one defined in the Code of Practice on Energy Labelling of Products promulgated under the Energy Efficiency (Labelling of Products) Ordinance; and
 - exempt those room air conditioners for building projects whose supply contracts are signed well before the implementation of the new requirements with the delivery after the new requirement has come into force.
- 2) The Association's main justification for the first request was that under this financial tsunami,

air conditioner manufacturers had problems deploying extra resources as originally planned to meet our proposed implementation schedule.

Window-type air conditioners-

- 3) Very few developed countries used window-type room air conditioners. To meet EPD's proposal, air conditioner manufacturers needed to set up new production lines for ODS-free window type air conditioners with high efficiency and low noise level performance. However, the recent financial tsunami had made it difficult for them to deploy as much resources as they originally planned to set up the production lines to match the implementation schedule of our proposal (i.e. starting from 1 January 2012). They thus needed six more months to make preparation. The Association confirmed that the additional 6 months was needed by all window-type air conditioner manufacturers represented by its members.

Split-type air conditioners-

- 4) ODS-free split-type room air conditioners with both cooling and heating functions were widely used in the advanced countries e.g. EU, Australia and Japan. Owing to the local sub-tropical climate, these models were not popular here because local consumers preferred split-type air conditioners for cooling only. In the present financial situation, split-type air conditioner manufacturers also had the same resource deployment problem as window-type air conditioner manufacturers. They also requested for six more months for developing suitable ODS-free split-type air conditioners for Hong Kong. The Association confirmed that the additional 6 months was needed by all split-type air conditioner manufacturers represented by its members.

Project-

- 5) Some of the members of the Association had entered into agreements to supply R-22 room air conditioning equipment to building projects. The number of such air conditioners could amount to a few thousand units in total. As the agreement, in term of contract or "Letter of Intent", had been signed, the Association, making reference to the transitional arrangement of EMSD's energy efficiency labeling scheme, requested EPD to provide similar transitional arrangement to allow the import of concerned equipment into HK after the implementation of the ban.

Way Forward:

- 6) Regarding the request for providing six more months to both window-type and split type air conditioner manufacturers, EPD agreed to consider and reply to the Association by the end of December. As for the Association's request related to committed building projects, EPD was willing to examine it in details with the Association as a transitional measures.
- 7) EPD's plan was to introduce to LegCo for vetting around April 2009 the legislative amendment for the proposal. Subject to the approval of the Legislative Council, the amended regulation could be made in mid-2009. The Association noted this plan.