

Panel on Environmental Affairs

**Meeting on
Wednesday, 21 July 2010, at 4:00 pm
in the Chamber of the Legislative Council Building**

Comments from Sustainable Fashion Business Consortium (SFBC)

On behalf of SFBC, we would like to thank you for the HKSAR (“HK”) and Guangdong (“GD”) Governments’ support to Hong Kong enterprises to adopt cleaner production technologies and processes.

Regarding comments and suggestions on the Framework Agreement on Hong Kong/Guangdong Co-operation - Environmental protection and ecology conservation, SFBC would like to provide our suggestions as follow:

1. Reduction of vehicle emission: There are tremendous amount of unnecessary export and re-import that are increasing emissions from vehicles and vessels; excessive intermediate product export and re-import can be reduced by change in policy and rules to lower the cost and simplify the process for local transaction of bonded goods between factories within the Guangdong province.
2. Recycling: we estimate that the textile and apparel supply chain in HK and Guangdong generates over several hundred million pounds of textile waste per year. Currently, such waste is used towards production of very low value items. There is opportunity for raising the quality and value of recycled products if the HK and GD government can support (in terms of policy and incentives) for establishing a proper recycle supply chain. These include the setting up of designated waste collection centers in GD endorsed and supported by the government.
3. Promoting green production: There are many green production programmes, sponsorship scheme and awards by NGOs, other HK departments and by local city governments in GD. Examples include:
 - HK Awards for Environmental Excellence (HKAEE)
 - Low Carbon Manufacturing Programme (LCMP) from WWF HK
 - 恒生珠三角環保大獎 from Federation of HK Industries

It would be really helpful if a centralized database can be established to consolidate the information on government recognized schemes and application procedures for easy reference of industries in the region.

4. Improvement of CP3 for higher participation and effectiveness:
 - Instead of a maximum funding of HK\$160k, consider setting different levels of limit (e.g. HK\$100k, 500k and 1m respectively) for low, medium and high impact projects classified based on their amount of reduction in environment

impact (e.g. reduction in emission, savings in consumption of key resources).

- Based on result of post implementation measurement, companies should receive further incentive if their reduction in environmental impact exceeds the targeted level by a certain percentage.
- Currently, CP3 requires the project nature to be innovative and non-conventional. We believe this requirement should be eliminated but a requirement for minimum level of reduction in environmental impact can be considered instead. Incentive for innovativeness in green technology should be handled separately from incentive to reduce environmental impact.
- CP3 only applies to investment in hardware. However, we believe the investment in software is equally important and hope that the scheme can be extended to cover the setting up of sustainable process and practices (including training, monitoring and reporting).
- The application period should be reduced to not more than 3 months from the current 3-6 months which is too long for today's business world.
- Suggest to consider extending the CP3 programme to factories in other areas outside of HK and PRD;