

**立法會**  
**Legislative Council**

LC Paper No. CB(1)265/13-14  
(These minutes have been seen  
by the Administration)

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**Panel on Economic Development**

**Minutes of meeting**  
**held on Monday, 24 June 2013, at 10:45 am**  
**in Conference Room 1 of the Legislative Council Complex**

- Members present** : Hon Jeffrey LAM Kin-fung, GBS, JP (Chairman)  
Hon CHUNG Kwok-pan (Deputy Chairman)  
Hon WONG Ting-kwong, SBS, JP  
Dr Hon LEUNG Ka-lau  
Hon Paul TSE Wai-chun, JP  
Hon Albert CHAN Wai-yip  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon James TIEN Pei-chun, GBS, JP  
Hon Frankie YICK Chi-ming  
Hon WU Chi-wai, MH  
Hon YIU Si-wing  
Hon CHAN Han-pan  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon SIN Chung-kai, SBS, JP  
Dr Hon Elizabeth QUAT, JP  
Hon TANG Ka-piu
- Members absent** : Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon Dennis KWOK  
Hon Christopher CHEUNG Wah-fung, JP

**Public officers  
attending** :

Agenda Item IV

Ms Jenny CHAN Wai-man  
Principal Assistant Secretary for Transport and  
Housing (Transport) 10

Mr Kerr LI Ming-yat  
Assistant Secretary for Transport and Housing  
(Transport) 11A

Mr CHICK King-fai  
Assistant Director of Marine / Multi-lateral Policy  
Marine Department

Mr Jimmy LEUNG Wing-hong  
Chief, Maritime Policy  
Marine Department

Mr LEUNG Wing-fai  
General Manager/Local Vessels Safety  
Marine Department

Agenda Item V

Miss Monica CHEN  
Acting Deputy Secretary for Transport and Housing  
(Transport) 4

Mr Desmond WU  
Assistant Secretary for Transport and Housing  
(Transport) 9B

Mr Colman NG Shung-ching  
Deputy Director-General of Civil Aviation  
Civil Aviation Department

Miss Priscilla LAM Wai-shan  
Assistant Director-General of Civil Aviation  
(Airport Standards)  
Civil Aviation Department

Ms Amy POON Yee-man  
Senior Safety Officer (Safety Regulation) 1  
Civil Aviation Department

**Clerk in attendance :** Mr Derek LO  
Chief Council Secretary (1)5

**Staff in attendance :** Mr Noel SUNG  
Senior Council Secretary (1)5

Ms Michelle NIEN  
Legislative Assistant (1)5

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Action

**I Confirmation of minutes of meeting**

(LC Paper No. CB(1)1318/12-13 —Minutes of meeting held on  
25 February 2013)

The minutes of the meeting held on 25 February 2013 were confirmed.

**II Information paper issued since last meeting**

(LC Paper No. CB(1)1212/12-13(01) —Administration's paper on  
tables and graphs showing the  
import and retail prices of  
major oil products from May  
2011 to April 2013

LC Paper No. CB(1)1203/12-13(01) —Submission on proposals to  
enhance dark smoke control on  
vessels from Hong Kong  
Pollution Watch dated 29 May  
2013

LC Paper No. CB(1)1261/12-13(01) —Submission on the Scheme of  
Control Agreements with the  
two power companies from  
Greenpeace and Friends of the  
Earth dated 6 June 2013)

2. Members noted the above papers issued since the last regular meeting.

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

(LC Paper No. CB(1)1317/12-13(01) —List of outstanding items for discussion

LC Paper No. CB(1)1317/12-13(02) —List of follow-up actions)

3. Members agreed to discuss the following items proposed by the Administration at the next meeting scheduled for 22 July 2013 –

- (a) Update on follow-up actions arising from the Report of the Commission of Inquiry into the Collision of Vessels near Lamma Island on 1 October 2012;
- (b) Latest progress in taking forward the reform of the new regulatory regime for the tourism sector in Hong Kong;
- (c) Operation and regulation arrangements of the Kai Tak Cruise Terminal; and
- (d) Protection of the interest of consumers using telecommunications services.

**IV Incorporating in local legislation the latest standards of the International Maritime Organization on vessel emissions**

(LC Paper No. CB(1)1317/12-13(03) —Administration's paper on incorporating in local legislation the latest standards of the International Maritime Organization on vessel emissions)

4. Principal Assistant Secretary for Transport and Housing (Transport) 10 (PASTH(T)10) briefed members on the proposal to amend the Merchant Shipping (Prevention of Air Pollution) Regulation (Cap. 413M) (the amendment regulation) to incorporate the latest standards of the International Maritime Organization (IMO) on vessel emissions.

5. Mr SIN Chung-kai asked whether Hong Kong was a signatory of the International Convention of the Prevention of Pollution from Ships (MARPOL) and whether the Administration could impose a higher standard in the proposed amendments which gave effect to the latest standards on vessel emissions as set out in Annex VI to MARPOL.

6. PASTH(T)10 said that Hong Kong was an associate member of IMO but not a full signatory of MARPOL. However, Hong Kong was an international maritime centre and Hong Kong-registered ships operated in ports around the world. It was important to ensure that Hong Kong-registered ships comply with latest international maritime requirements; otherwise, they would risk being detained when operating in other ports. She added that the Hong Kong Shipping Register had good international reputation on its quality and only about 0.85% of Hong Kong-registered ships had been detained in 2012 as compared with the international average of 4.59%.

7. PASTH(T)10 further advised that thorough consultation had been conducted amongst IMO members as well as with the shipping industry before the relevant emission standards were incorporated into Annex VI to MARPOL. The various requirements to be introduced in the amendment regulation had been widely accepted in the international maritime arena.

8. Mr SIN Chung-kai noted that China was a full IMO member and a signatory of MARPOL and asked whether the rights and obligations under MARPOL were applicable to Hong Kong. PASTH(T)10 said that the rights and obligations under MARPOL were already applicable in Hong Kong before 1997. The Mainland authorities would consult the Administration on views of any proposed amendments to the treaty, and would, where appropriate, relay the Administration's comments to IMO. Hong Kong therefore had the obligation to implement the latest MARPOL requirements.

#### Requirements on emissions from vessels

9. Dr Fernando CHEUNG said that many green groups had suggested that ocean-going vessels (OGVs) should be required to use fuel with much lower sulphur content level while berthing within Hong Kong waters than was being proposed in the amendment regulation. Noting that the proposed sulphur content level was 3.5% m/m, but many maritime jurisdictions, including European ports, adopted a much lower level of 0.1% m/m to 0.5% m/m. Dr CHEUNG asked if the Administration would impose a requirement that was on par with the European standard.

10. PASTH(T)10 explained that the objective of the amendment regulation was, among other matters, to impose an upper limit on the sulphur content level of the fuel oil used on board ships. In fact, the norm amongst OGVs in Hong Kong was around 2.6% m/m, which was well within the proposed statutory restriction. She further advised that the Environmental Protection Department (EPD) was currently preparing legislation to require OGVs berthing within Hong Kong waters to use fuel oil with sulphur content level of less than 0.5% m/m.

Consultation with the shipping industry had been conducted and ship owners had found the proposed requirements acceptable. It was expected that the proposed legislation would be introduced to the Legislative Council (LegCo) shortly.

11. Mr James TIEN queried whether Dr Fernando CHEUNG's suggestion, if adopted, would significantly increase the operating costs of OGVs notwithstanding the environmental benefits gained. He asked how the Administration would strike a balance between improving air quality and maintaining a viable maritime operating environment, especially for operators of locally licensed vessels.

12. PASTH(T)10 said that the locally licensed vessels were already able to meet the requirements on the use of fuel oil with sulphur content level no more than 3.5% m/m. Operators had no objection to the legislative proposal. In response to Mr James TIEN's further enquiry, PASTH(T)10 said that EPD had launched a three-year incentive scheme starting from September 2012 to encourage OGVs operators to switch to cleaner fuel by waiving half of the port facilities and light dues. EPD also planned to tighten up the restriction on sulphur content level in fuel available for sale in Hong Kong from 0.5% m/m to 0.05% m/m. EPD had drawn reference to the fuel cost in Singapore and noted that the cost difference between these two grades of fuel oil would be around \$0.07 per litre, which should not impose a heavy burden on vessel operators.

13. Mr YICK Chi-ming asked whether the proposed legislation being formulated by EPD, which sought to impose a statutory requirement on berthing vessels to use fuel oil with lower sulphur content level, might be in conflict with the current proposal.

14. PASTH(T)10 said that the proposal specified the quality of fuel oil to be used by OGVs while navigating in Hong Kong waters whereas the legislation being formulated by EPD would impose a similar requirement but in respect of ships while berthing in the harbour. The two pieces of legislation should not be contradictory with one another.

15. Mr YICK Chi-ming said that when both regulations were in force, an OGV which had filled its tank with fuel oil of sulphur content level at 2.6% m/m before it entered Hong Kong waters would satisfy the proposed amendment, but then it would find itself breaching the EPD's requirement once it berthed in the harbor unless it switched to the specified lower sulphur fuel oil type.

16. PASTH(T)10 acknowledged the scenario as described by Mr YICK might arise when both pieces of legislation took effect. The Administration would consult the Department of Justice on how the statutory provisions in both

regulations should be drafted.

17. Mr YIU Si-wing noted that the Kai Tak Cruise Terminal would formally be commissioned in October 2013, and he expressed concern about the emissions from the many large cruise vessels that would henceforth visit Hong Kong. Mr YIU asked if the Administration had assessed the increase in greenhouse gas emissions arising from the operation of the Cruise Terminal. Mr YIU asked if the proposed amendment would apply to cruise vessels as well.

18. PASTH(T)10 replied that cruise vessels were OGVs and would be covered under the proposal. She reiterated that while the proposal was introduced to reflect the latest requirements under MARPOL Annex VI, EPD would examine other measures to further reduce emissions from vessels. In response to further enquiry from Mr YIU, PASTH(T)10 said that the Administration could seek information from cruise vessel operators through the Tourism Commission regarding emission levels of cruise vessels calling Hong Kong and to consider mitigation measures as appropriate.

Applicability to locally licensed vessels and river trade vessels

19. Mr CHUNG Kwok-pan asked how many of OGVs calling Hong Kong were subject to port state control inspections, and whether similar surveys and inspections were conducted for other locally licensed vessels and river trade vessels. Mr CHUNG expressed concern about pollution from these vessels and how their emission levels were controlled.

20. PASTH(T)10 said that around 800 vessels were selected amongst the average of 5 000 OGVs calling Hong Kong for port state control inspections each year. As regards regulating emissions from river trade vessels, PASTH(T)10 said that river trade vessels were already using fuel oil with sulphur content level lower than the 3.5% m/m level; some vessels were even using fuel oil with less than 0.5% m/m level. PASTH(T)10 added that while the focus of the MARPOL requirements was not on the emission levels of local vessels, some of these requirements, including the quality of fuel oil used, were applicable to local vessels under the Merchant Shipping (Prevention of Air Pollution) Regulation.

21. Mr WU Chi-wai asked whether river trade vessels and locally licensed vessels were exempted from the proposed amendment regulation. He also asked what progress had been made regarding the introduction of Tier II level control on NO<sub>x</sub> emissions from marine diesel engines in river trade vessels, and whether such control would be enforced among these vessels under the proposal.

22. PASTH(T)10 said that Hong Kong was not obliged to apply all MARPOL Annex VI requirements on locally licensed vessels or river trade vessels, and the question of exempting them in the proposed amendment regulation did not arise. However, tightening control on NOx emission was the international trend. PASTH(T)10 said that the Administration would consider whether suitable control measures on NOx emission should be introduced in respect of locally licensed vessels and river trade vessels. Given the large number of river trade vessels operating in Hong Kong waters, many of which were registered in the Mainland, the Administration would need to consider whether these vessels would be able to comply with the higher NOx emission standards specified in MARPOL before introducing additional control measures. In this connection, PASTH(T)10 said that the Administration was having a dialogue with the Guangdong provincial authorities on whether they had plans to adopt Tier II level control measures on river trade vessels. It was noted that the Guangdong authorities were conducting technical studies on the matter.

23. As regards whether river trade vessels would be covered under the proposal, PASTH(T)10 said that, in respect of the control of NOx emissions, the MARPOL Annex VI standards would only apply to OGVs constructed after 1 January 2011. The Administration would explore with the Guangdong provincial authorities whether similar control should be extended to newly built river trade vessels registered in the Mainland.

24. Mr WU Chi-wai noted that the proposal was intended to reflect latest international emission standards for OGVs, and was not meant to address pollution from locally licensed vessels or river trade vessels. He requested the Administration to provide information of the assessment on the level of pollution caused by locally licensed vessels and river trade vessels which were controlled under the Tier I level for emission of nitrogen oxides; and the time-table for introduction of legislation to upgrade the control level to Tier II for new vessels.

Admin

*(Post-meeting note: The requested information was issued vide LC Paper No. CB(1)1539/12-13(01) on 16 July 2013.)*

25. Mr YICK Chi-ming asked if inspections were carried out on river trade vessels to ensure that these vessels comply with the requirements of Annex VI on the use of ozone depleting substances (ODS), and that any on-board incinerators were of the type approved by the relevant Mainland authorities according to the requirements of MARPOL Annex VI.

26. Chief, Maritime Policy (C(MP)) said that inspections were carried out on river trade vessels. No contravention on the requirements on the use of ODS had been found. As regards on-board incinerators, C(MP) explained that river



trade vessels were also required by Mainland maritime authorities to meet IMO standards when installing on-board incinerators. He confirmed that no breach of any statutory provisions was found amongst river trade vessels in Hong Kong waters. C(MP) commented that most river trade vessel operators were unlikely to use the on-board incinerator for waste disposal when there were less costly disposal options available.

27. The Chairman said that, notwithstanding the explanation by C(MP), every now and then dark smoke could be observed from locally licensed vessels or river trade vessels. He queried if the Marine Department's (MD) inspections had been ineffective, and asked if inspection and prosecution efforts could be stepped up. C(MP) advised that dark smoke from vessels was attributed to poor maintenance rather than the use of low quality fuel. He said that MD had introduced objective indicators on the detection of smoke from vessels to facilitate future monitoring and prosecution.

28. Mr James TIEN asked whether the three committees the Administration had consulted regarding the proposed legislation represented all the major stakeholders in the sector, especially OGVs ship owners.

29. PASTH(T)10 confirmed that the Shipping Consultative Committee, Local Vessel Advisory Committee and High Speed Craft Consultative Committee, which the Administration consulted regarding the proposal, had included representatives of all the stakeholders that might be affected by the legislative proposals.

#### On-shore electricity supply

30. The Chairman noted that most OGVs registered in Hong Kong should be able to meet the requirements under the proposal. He said that, in certain ports, berthing vessels could draw electricity from on-shore power supply facilities, and, by reducing fuel oil consumption, would help cutting emission from operating vessels. However, such facilities were still not properly installed in the Kai Tak Cruise Terminal; and the on-shore power connection with container ships in the Kwai Chung Container Terminal was not entirely satisfactory. He asked what measures the Administration would introduce to encourage supply of electricity to berthing vessels.

31. PASTH(T)10 said that space was reserved in the Kai Tak Cruise Terminal for installation of on-shore electricity supply facilities. Technical feasibility study was being conducted on how the installation should proceed. PASTH(T)10 further explained that the topography of the Kwai Chung Container Terminal had restrained the installation of electricity supply facilities for berthing

vessels. The Administration would consider other measures to encourage ship owners to reduce emission from vessels.

32. The Chairman concluded that members generally supported the Administration's proposal to amend the Merchant Shipping (Prevention of Air Pollution) Regulation to incorporate the latest IMO standards on vessel emissions.

**V Proposed amendments to legislation relating to the carriage of dangerous goods by air**

(LC Paper No. CB(1)1317/12-13(04) —Administration's paper on proposed amendments to legislation relating to the carriage of dangerous goods by air

LC Paper No. CB(1)1317/12-13(05) —Paper on the carriage of dangerous goods by air prepared by the Legislative Council Secretariat (Updated background brief)

LC Paper No. CB(1)1377/12-13(01) —Powerpoint presentation (*tabled at the meeting and subsequently issued via email on 24 June 2013*) material provided by the Administration)

33. With the aid of powerpoint presentation, the Acting Deputy Secretary for Transport and Housing (Transport)<sup>4</sup> (Atg DSTH(T)) and the Assistant Director-General of Civil Aviation (Airport Standards) (ADG/CA) briefed members on the Administration's proposals to amend two sets of subsidiary legislation, namely, the Air Navigation (Dangerous Goods) Regulations, as Schedule 16 to the Air Navigation (Hong Kong) Order 1995 (Cap 448 sub. leg. C) and the Dangerous Goods (Consignment by Air)(Safety) Regulations (Cap 384 sub. leg. A) to give effect to the latest standards promulgated by the International Civil Aviation Organization (ICAO) for the safe transport of dangerous goods (DG) by air. In gist, the Administration sought to align the DG standards of Hong Kong with specifications given under the new Technical Instructions for the Safe Transport of Dangerous Goods by Air (the TIs), which was normally updated and published by ICAO biennially. ADG/CA advised that stakeholders were generally supportive of the proposed amendments during the consultation. The Administration planned to submit the relevant legislative amendments to the Legislative Council for approval in the fourth quarter of 2013.

34. Mr SIN Chung-kai enquired whether Hong Kong was a Contracting State of ICAO and if the answer was in the negative, whether Hong Kong had to comply with the requirements of ICAO because China was a Contracting State of ICAO and Hong Kong was part of China. Mr SIN also enquired whether the Administration had consulted overseas aviation companies in formulating the legislative proposals, and if so, whether feedback was received from such companies.

35. Atg DSTH(T) responded that the Contracting States of ICAO were sovereign states. China was a Contracting State of ICAO and Hong Kong participated at ICAO as member of China's delegation. Hong Kong was obliged to comply with the requirements of ICAO. Regarding the views of overseas aviation companies, Atg DSTH(T) pointed out that the International Air Transport Association (IATA), which represented the aviation industry, was involved in ICAO's updating of the TIs and had provided a number of comments. ICAO had incorporated the views of IATA as appropriate. Deputy Director-General of Civil Aviation (DDG/CA) supplemented that overseas airline operators intending to transport DG by air to Hong Kong must seek the prior approval of the Administration. Approval would only be granted if the company concerned demonstrated compliance with the safety requirements set out in the TIs published by ICAO.

36. In response to Mr Frankie YICK's enquiry, ADG/CA advised that mercury was classified as Class 8 (i.e. corrosive substances) under ICAO's classification and was subject to regulation. DDG/CA supplemented that the leakage of mercury was dangerous to the operation of airplanes due to its corrosive nature.

37. Noting that ICAO classified DG into nine classes, Mr YIU Si-wing enquired whether DG in a specific class would further be classified in accordance with the severity of their risks and if so, whether DG of higher severity could be carried by passenger airplanes. The Deputy Chairman also enquired whether certain DG (like perfume) in small quantity could be carried by passenger airplanes. Senior Safety Officer (Safety Regulation) 1 (SSO(SR)) advised that under ICAO's classification, DG in different classes would further be classified in accordance with their severity of risks. Certain DG of higher risk could only be carried by cargo airplanes or were even prohibited from transport by air. SSO(SR) also pointed out that DG of lower risk could be carried by passenger airplanes if they were in small quantity and subject to proper treatment and packing.

38. Mr YIU Si-wing referred to paragraph 11 of the background brief for the agenda item (which stated that "In the event that certain baggage with unidentified DG were subsequently found and reported by the counterpart civil

aviation authority, the Civil Aviation Department would follow-up with the airline and the civil aviation authority concerned.") and enquired whether the Administration received relevant reports from the counterpart civil aviation authorities last year, and if so, whether the situation had been improved. Mr YIU also enquired whether there were prosecutions against air passengers carrying DG in the past and the grounds for such prosecutions.

39. Regarding the number of reports as mentioned by Mr YIU Si-wing, SSO(SR) responded that there were about one to two such reports last year, though she did not have the data in hand. SSO(SR) added that the situation of the carriage of DG by air passengers in Hong Kong had been improved. In response to Mr YIU's further enquiry about whether there were prosecutions against air passengers found to be carrying DG during security check in the past, SSO(SR) advised that there were no such cases of prosecution in the past and pointed out that DG confiscated during security check were usually perfumes and hairsprays exceeding the authorized quantity and oxygen cylinders. The confiscated objects would usually be kept by the airlines concerned and the air passengers could collect them within 14 days. SSO(SR) further pointed out that some air passengers were not local residents and it might be difficult to enforce the relevant local legislation on them.

40. Pointing out that some large passenger airplanes would carry a large number of passengers, the Deputy Chairman expressed concern that the total quantity of DG carried by the passengers might exceed the safety threshold. DDG/CA responded that DG subject to proper treatment, labelling and packing could be carried by passenger airplanes safely. There would be little safety concern if such items had passed the security check. DDG/CA further remarked that the aim of one of the proposed legislative amendment was to require the airline to provide the pilot-in-command with relevant information regarding the DG carried on board the flight before the aircraft moved under its own power. The information was vital to expedite the rescue response in the event of aircraft emergency or accident. For instance, the airport fire contingent might need to adjust the means of fire-fighting in accordance with the type of DG carried by an airplane. In response to the Deputy Chairman's further enquiry that the pilot-in-command might not possess information on DG carried in passenger baggage, DDG/CA remarked that the relevant safety requirements would be fulfilled if the DG concerned had already passed the security check.

41. Pointing out that some air passengers might carry cylinders of compressed gas for certain purposes like camping, Mr Albert CHAN enquired whether such objects would be classified as DG, and if so, how they would be handled. DDG/CA responded that compressed gas cylinders were not allowed to be carried by passengers as baggage as they were dangerous to flight operations.

Mr CHAN expressed concern that air passengers might have difficulties in obtaining compatible gas supply in their destinations and enquired whether the prohibition was an international requirement. DDG/CA advised that the prohibition was made by ICAO and was an international requirement to ensure flight safety. In response to the Chairman's enquiry, DDG/CA confirmed that certain restricted articles such as liquids, aerosols and gels could be carried by air passengers in hand baggage if they were stored in containers with a capacity not greater than 100 ml each and packed properly (e.g. placed in transparent re-sealable plastic bags).

42. The Chairman supported the legislative proposals. Noting that one of the changes in the TIs was the replacement of the phrase "as early as practicable before departure of the aircraft" by "in no case later than when the aircraft moves under its own power", the Chairman enquired whether the phrase could be drafted in a manner providing more flexibility and whether it aligned with the international terminology. DDG/CA advised that the phrase was in line with the definition of the departure of an airplane and the proposed legislative amendment in this context provided better clarity and was a more stringent requirement.

43. Summing up, the Chairman said that the Panel supported the Administration's legislative proposals.

## **VI Any other business**

44. There being no other business, the meeting was adjourned at 12:00 pm noon.