

For information**LEGISLATIVE COUNCIL
PANEL ON ENVIRONMENTAL AFFAIRS****Progress Report on Port Facilities and Light Dues Incentive Scheme****PURPOSE**

This paper provides a progress report on the Port Facilities and Light Dues Incentive Scheme, which was launched in September 2012 to encourage ocean-going vessels (OGVs) to use low sulphur fuel while at berth in Hong Kong waters.

BACKGROUND

2. OGVs run on heavy fuel oil with an average sulphur content of 2.6%, which is 2,600 times that of motor diesel used in Hong Kong. Every year, there are about 30,000 OGV-calls in Hong Kong. In 2012, their emissions contributed to about 78%, 68% and 42% of the total emissions of sulphur dioxide (SO₂), respirable suspended particulates and nitrogen oxides respectively from the marine sector. These pollutants cause a variety of environmental and health hazards as well as visibility degradation. The impacts are particularly discernible at the Kwai Chung Container Terminals and in places close to OGV routes.

3. The SO₂ emissions of OGVs while at berth account for about 40% of their total emissions while staying in Hong Kong. Therefore, requiring OGVs to switch to the use of cleaner fuel while at berth can help improve the air quality, particularly around the port areas.

4. To encourage OGVs to switch to the use of cleaner fuel, the Environmental Protection Department launched on 26 September 2012 a 3-year Port Facilities and Light Dues Incentive Scheme, under which OGVs that use fuel with sulphur content not more than 0.5% while berthing would enjoy 50% reduction in port facilities and light dues. Details of the incentive scheme are set out in our paper issued to this Panel in May 2012.

UPDATED DEVELOPMENT

5. Between 26 September 2012 and 28 February 2014, we approved 4,592 applications under the incentive scheme, which accounted for about 12% of the total number of OGV-calls during the period. The total revenue forgone was about HK\$24.6 million.

6. We shall keep encouraging ship liners to participate in the incentive scheme. We are now drafting a regulation with a view to mandating the use of low sulphur fuel for OGVs while berthing in Hong Kong waters in 2015.

7. We shall submit another progress report to this Panel in early 2015.

Environmental Protection Department

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