

政府總部
環境局

香港添馬添美道2號
政府總部東翼15至16樓



ENVIRONMENT BUREAU
GOVERNMENT SECRETARIAT

15/F & 16/F, East Wing,
Central Government Offices,
2 Tim Mei Avenue, Tamar,
Hong Kong

本函檔號 Our Ref: ENB CR 2/5211/17 Pt.5

來函檔號 Your Ref: CB4/PL/EDEV

電話 Tel : (852) 3509 7657

傳真 Fax : (852) 2147 5834

By E-mail

Ms Shirley CHAN
Clerk to Panel on Economic Development
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

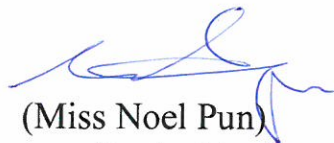
Dear Ms Chan,

**Panel on Economic Development
Follow-up to meeting on 17 July 2018**

**Agenda item II on “Update on the tendering system for petrol filling
station sites and follow-up to the auto fuel study conducted by the
Competition Commission”**

Thank you for your letter to the Environment Bureau dated 19 July 2018. The Panel on Economic Development has requested the Environment Bureau to provide written response to the questions raised at its meeting. Our response is set out at Annex.

Yours sincerely,



(Miss Noel Pun)
for Secretary for the Environment

Encl.

Panel on Economic Development

**List of follow-up actions arising from the discussion
at the Panel meeting on 17 July 2018**

At the Panel meeting on 17 July 2018, the Administration was requested to provide the following information –

- (a) the annual consumption of petrol and diesel in Hong Kong in the past three years;**
- (b) conduct a study on the reasons for local oil companies importing refined oil products mainly from Singapore, and devise a mechanism to ensure that the oil companies would import from the cheapest source; and**
- (c) review on the feasibility to reduce the Government duty imposed on petrol so as to lower its retailing price.**

The Administration's Response

- (a) The annual consumption of petrol and diesel in Hong Kong in the past three years are set out below:**

Petrol (kilolitre) (consumed by motor vehicles)

2015	2016	2017
613,806	630,255	624,571

Diesel (kilolitre) (consumed by motor vehicles and pleasure vessels)¹

2015	2016	2017
1,699,109	1,928,939	2,092,957

- (b) Oil companies source their auto-fuel based on their own commercial considerations, and at present the Government does not have any regulation on the import source of auto-fuel. In a free market economy, the Government should not interfere with the source of products of the auto-fuel industry as far as possible just like other consumer goods industry.**

¹ The Government does not have separate breakdown on the annual consumption of diesel by motor vehicles, and the closest information we can provide is the annual consumption of diesel by motor vehicles and pleasure vessels.

Based on the information provided by the oil companies, at present they mainly source their auto-fuel products from Singapore, the Mainland, Korea and Japan, etc.. According to the oil companies, they would take into account a number of factors when choosing their source of auto-fuel products, including product cost, quality and stability of supply, and the oil companies would also adjust their source of import from time to time having regard to changes in market conditions.

- (c) The Government currently levies a duty of \$6.06/litre on unleaded petrol, which has not been adjusted since 1998, while that for Euro V diesel is zero at present. Unleaded petrol is the fuel for private motor vehicles. Hong Kong is a small place with limited road space, and we have excellent mass transport network to cater for the general public's transport needs. Fuel duty does not only provide revenues to the Government, but also helps reduce private vehicle owners' desire to drive as well as alleviate problems of traffic congestion and air pollution, etc.. The Government will continue to strike a balance among various factors, including tax revenue, environmental protection, transportation and the level of public acceptance when setting the rate of fuel duty.

Environment Bureau
August 2018