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13 Jan 2020

Dr Hon Junius HO Kwan-yiu, JP

Chairman, Panel on Environmental Affairs

Dear Dr Hon Junius HO Kwan-yiu,

**Submission on Promoting the Use of Electric Vehicles**

Being one of the largest motor groups in Hong Kong, Inchcape HK (sole distributor of Toyota, Lexus, Jaguar, Landrover, Maxus and Sunwin) supports the promotion of electric vehicles as a means to, inter alia, alleviate roadside emission and contribute to a sustainable transport system in Hong Kong. This requires a clearly articulated policy underpinned by regular stakeholder engagement and public education, as well as the facilitation of relevant development in the entire supply and consumption chain. Highlighted hereunder are the key areas for government's consideration.

**Policy Observations/Suggestions**

1. In seeking to phase out internal combustion engine (ICE) vehicles with the introduction of more EV, government should announce a timeline so that expectations are managed and due preparation can be arranged on the part of all stakeholders.
2. Currently, electric vehicles under government promotion are battery-electric vehicles (BEV) only. Hybrid electric vehicles (HEV) or plug-in hybrid electric vehicles (PHEV) are not included. Whereas the use of EV for private transportation has increased dramatically since 2010, the narrow definition has resulted in only a small increase of use of EV in public transport though many public transport operators are interested in using HEV or PHEV. Since these hybrid vehicles also contribute to the reduction of roadside emission, they should be included in any EV promotion. The wider definition is in fact



adopted in many countries (including China and some countries in Europe). Any action in this regard will only align Hong Kong better in the international scene.

3. The promotion of HEV/PHEV is even more important given the current lag in the construction of the EV charging infrastructure in Hong Kong. Whereas government has a plan to build 60,000 charging stations in 3 years for private EVs, a similar plan for public transport fleet may be difficult to realise as there is grave land shortage in Hong Kong and public transport charging ports are likely to require fairly substantial land supply. As such, HEV/PHEV, being flexible with electric charging, can provide an imminent and interim option from which Hong Kong can benefit.
4. Government should provide tax facilitation to the wider-defined group of EV such as rates exemption and/or more subsidy for replacing ICE vehicles and switching to HEV/PHEV/EV. The HK\$180million allocated for franchised bus companies or the Pilot Green Transport Fund, for instance, can be increased and broadened out to encourage taxi companies to upgrade their fleet to HEV/PHEV/EV.
5. To plan for the mid-to-long term, the government should undertake a survey to gauge the public expectation on HEV/PHEV/EV and the associated charging infrastructure. Charging standards should be unified to enhance efficiency of the entire system.
6. Government should also strictly implement related ordinances such as the Waste Disposal Ordinance (Cap 354) in regard to waste battery management. Such initiative will ensure environmental benefit to the entire supply/consumption chain in regard to HEV/PHEV/EV in Hong Kong.
7. Regular engagement meetings should be set up with vehicle distributors/dealers to ensure that the government's policy and its implementation is in keeping with the evolving HEV/PHEV/EV development to continuously benefit the community.

Thank you very much for your kind attention and we will happy to meet with you and further discuss on this matter. In the meantime, if you have queries, please feel free to contact me at 2880 1367 on any other details.

Yours sincerely

For and on behalf of HK



Godwin Ching

External Affairs Advisor

Inchcape HK