#### 立法會CB(4)750/20-21(05)號文 LC Paper No. CB(4)750/20-21(05)

To whom it may concern,

On behalf of the Motor Traders Association of Hong Kong (MTA), I'm attaching three files for the 《2021年收入(汽車首次登記稅及牌照費)條例草案》委員會's reference:

- 1. MTA's Position Paper towards the 《2021 年收入(汽車首次登記稅及牌照費)條例草案》 (Chinese version)
- 2. MTA's Position Paper towards the 《2021 年收入(汽車首次登記稅及牌照費)條例草案》 (English version)
- 3. Summary of the two proposals on how to alleviate traffic congestion and improve air quality that MTA sent to Mr Chan Mo-po, Mr Chan Fan and Mr Wong Kam-sing in December 2017 and September 2020 respectively

if you have any questions. Thank you. Please contact the undersigned at

Best regards, Michael Leung Secretary General Motor Traders Association of Hong Kong

Position Paper (Chinese).pdf	Type: application/pdf Name: Position Paper (Chinese).pdf			
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MTA Proposals Summary March 2021.pdf	Type: application/pdf Name: MTA Proposals Summary March 2021.pdf
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#### THE MOTOR TRADERS ASSOCIATION OF HONG KONG 香港汽車商會

# 2021-22 財政年度政府財政預算案提出增加私家車首次登記稅和牌照費

#### 香港汽車商會立場

1. 對政府增加私家車汽車首次登記稅和牌照費表示強烈反對和遺憾

香港汽車商會對財政司在其 2021 年預算案中提出建議增加私家車汽車首次登記稅 和牌照費表示強烈反對及遺憾。

2. 加稅不能解決交通擠塞問題,既不治標,更不治本,無助改善交通擠塞問題

根據過往經驗,增加私家車首次登記稅和牌照費,無法有效紓緩本港交通擠塞的問題。

- ▶ 交通擠塞是一個複雜的問題 造成交通擠塞的因素眾多,與本港汽車數目和車 齡、道路供應和設計、三條過海隧道的收費,以至車位供應等都有莫大關係。 本商會認為單單將交通擠塞的問題歸咎於新車銷售,實在是過於簡化了這個複 雜的問題及對整個業界不公道!
- ▶ 本港汽車數量的增長並非由新車銷售所帶動 雖然近年本港註冊汽車數目有所增加,但自 2017 年以來的私家車首次登記數目一直下降,這意味著整體汽車的增長是由其它因素所帶動的。
- ▶ 增加私家車首次登記稅將令市場傾斜 增加私家車首次登記稅將導致消費者轉為選擇價格較低的汽車,包括進口的二手車,這往往會對汽車排放和安全標準有所影響。
- 政府一直漠視本商會對緩解交通擠塞的建議 本商會一直希望就緩解交通擠塞的建議,與政府進行磋討和合作,但一直未獲積極回應。本商會分別在 2017 年和 2020 年,向政府提交多個改善路面交通情況和環境的建議,但一直未有收到政府對兩份建議的回覆。

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#### THE MOTOR TRADERS ASSOCIATION OF HONG KONG 香港汽車商會

#### 3. 時機不佳和沒有考慮對汽車業界的影響

本商會認為增加私家車首次登記稅和牌照費的建議明顯時機不佳;政府亦未有諮詢業界的意見以及考慮對整體業界的影響。

- ▶ 時機不佳 疫情重挫本港經濟,本商會的會員以至數以萬計的從業員,都處於水深火熱之中。增加私家車首次登記稅將為業界帶來更大挑戰和打擊,令市場持續疲弱,並可能觸發大量失業。
- ▶ 缺乏考慮對汽車業界的影響 如果政府希望改善其稅收,則應該採用更全面的方法,不應該針對個別已經處於水深火熱的行業。在2018年至2020年期間,本商會會員在私家車的銷售量已經下跌了20%,而傳統燃油車市場更是下降了32%。在欠缺政府支援下,汽車業界在疫情之中一直掙扎求存,不幸的是,財政預算案的建議將令業界的經營情況進一步惡化。

#### 4. 要求政府暫緩一年上述增稅建議,與業界商討有效解決交通擠塞問題的方案

政府暫緩一年執行增加首次登記稅及牌照費。並成立小組與業界一起針對交通擠塞的根本成因來解決種種的問題,例如:嚴重缺乏泊車設施(過往十年政府的公共停車場有減無增),交通措施、配套、及道路設計過時及發展滯後,公共車輛班次管理欠佳,和三隊收費不協調等等。

COMPANY SECRETARY: SYNTRAL LIMITED



#### The 2021-22 Budget – The Proposed Increases in First Registration Tax (FRT) and License Fee on Private Passenger Cars

#### The Motor Traders Association of Hong Kong's (MTA) Position Paper

1. Objection and regret to the (FRT) and License fee increase on private passenger cars

MTA strongly objects to and regrets the proposal of FRT and License fee increase by the Financial Secretary in his 2021-22 Budget.

#### 2. Ineffective way to improve traffic congestion issue

Our experience tells that increasing FRT cannot effectively ease traffic congestion in Hong Kong.

- ➤ Traffic congestion is a complex issue there're many factors contributing to it, including car population and age, road availability and design, cross-harbor tunnels' charge rates, availability of parking space, ...etc. Blaming the issue solely to new car sales is an over-simplification of a complicated issue which is totally unfair to the motor trade.
- ➤ Car population in Hong Kong is not driven by more new cars being sold in the market while the overall registered car population in Hong Kong has risen over recent years, the new car First Registration has been falling since 2017, meaning there are other factors contributing to the growth of car population.
- ➤ The increase in FRT will skew the market the FRT increase will incentivize consumers to shift to lower valued cars, including imported used cars, which compromises on emission and safety level.
- ➤ MTA's suggestions to ease traffic congestion have been ignored by the Government MTA submitted two proposals to the government in 2017



## THE MOTOR TRADERS ASSOCIATION OF HONG KONG

香港汽車商會

and 2020 respectively suggesting multiple and effective ways to improve traffic conditions and the air quality. Unfortunately, we have received very little attention from the Government on these proposals.

#### 3. Poor timing and lack of consideration to the impact to the trade

This is apparently a very inconsiderate proposal, lacking consultation and underestimating its impact to the trade, announced in a poor timing.

- ➤ Poor timing being amid this calamitous pandemic, our members' businesses and thousands of employees in the trade have been suffering. The increase of FRT will add further challenges to the trade which will further soften sales causing income drop and loss of jobs for many.
- ➤ Lack of consideration on the impact to the trade if the government is looking to improve its tax revenue, the approach should be broader rather than targeting on a struggling industry. The number of private passenger cars sold through our MTA members has declined by 20% from 2018 to 2020. For traditional internal combustion engines car, the fall was 32%. The trade has been struggling with little support from the government and unfortunately will have to suffer even further now.

#### 4. Demand a withdrawal of the said budget proposal

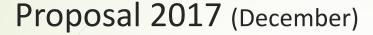
MTA, therefore, demands the government to suspend the implementation of tax and fee increase for one year, and assign a team to work with the industry focusing on the underlying causes to find an effective solution.

The causes include a serious lack of parking facilities (in the last decade, public parking lots run by the government have been decreasing), traffic measures, supporting facilities, outdated road designs, improper management of public vehicle schedules, and the inconsistent tolls of the three tunnels.

# Proposals for Regulating Traffic & Pollution in HK

The Motor Traders Association of Hong Kong (HKMTA) – incorporated since 1958 Represents 40 Franchised Dealers/Distributors of Vehicle Brands in Hong Kong

March 2021





To ease congestion & for efficient transportation we proposed to:

- Improve parking facilities,
- Revamp Cross-harbour tunnels pricing,
- Explore feasibility of e-Road-pricing
- Increase license fee & offer buy-out incentive to phase out older cars
- Introduce mandatory deregistration scheme for 20+ year-old cars
- Tighten inspections for safer and cleaner cars on the road

Note: Proposal 2017 was sent to Mr. Chan Fan, with copies to Mr. Paul Chan & Mr. Wong Kam-sing

## Proposal 2020 (September)



To ease congestion & for efficient transportation we proposed, <u>IN ADDITION</u>, to:

- Regulate imported used vehicles
- Stimulate the exporting of local used cars
- Promote clean alternative energy vehicles

Note: Proposal 2020 was sent to Mr Paul Chan, with copies to Mr Frank Chan & Mr Wong Kam-sing

## Growing Trend of Imported Used Vehicles (IUV)

## A Disproportional & Unhealthy Trend

First Registration (FR) Year	Imported Used Vehicle (IUV)		Gross FR Figures (New & IUV)		Ratio of IUV
2019		8,720	asing	38,309	22.8%
2018	ncreasing	7,690	cre	42,287	18.2%
2017	Incre	7,344	De	44,642	16.5%
2016		6,692		41,182	16.2%
2015		8,400		50,322	16.7%
2014		7,793		46,636	16.7%

IUV has been increasing while New Cars' FR decreasing in recent years.

The ratio of IUV has gone up by 6.3% in just 2 years

<mark>8,809</mark> Euro V IUV, and...

**12,853** Euro IV or OLDER IUV from 2017 to 2019

Engines of outdated emission standards are the main sources of air pollution by cars.

## What Can We Do?



Phase out imported aged cars with lower emission standards than HK's prevailing regulations for new cars.

- IUV must be deregistered in their country-of-exportation within 14 days after
   1st registration and arrive Hong Kong within 3 months after deregistration
- II. IUV have to comply with higher-or-equivalent Safety & Exhaust Emission Standards as the prevailing HK regulations for new cars

## Aged Cars in HK

## Almost 1/3 of the Cars are over 10-Year-old

31.1% of all licensed vehicles in 2019 are over 10 years of age

8.6% of all registered vehicles in 2019 are not licensed

	FR Year	Registered Total	Licensed Total		Reg-but- nlicensed	Lic-to- Reg Ratio	Reg-but- Unlicensed %
/	2019	628,230	573,932	4	54,298	91.4%	8.6%
	2018	617,683	565,213		52,470	91.5%	8.5%
	2017	600,443	552,710		47,733	92.1%	7.9%
	2016	583,037	536,025		47,012	91.9%	8.1%
	2015	567,886	521,852		46,034	91.9%	8.1%
	2014	541,751	495,038		46,713	91.4%	8.6%





## What can We Do?



Implement measures to raise deregistration rate and regulate car population to improve air quality and relief traffic congestion.

- Offer tax rebate scheme for scrapping old or exporting used cars
- II. Increase License Fees for cars between 10 to 15 year-old
- III. Ban cars above 15 year-old from getting regular license
- IV. Special limited use license for vintage cars for passionate car collectors

#### Alternate Power Sources for Vehicles

Government-led Peripheral Supports & Tax Incentive are Prerequisite

- Pure-electric
- Hybrid-powered including plug-in hybrid
- Fuel Cell\*



The Government must expedite the development of charging/refueling networks in order to promote clean-energy powered vehicles in HK.

\* Fuel Cell car technology has been showing very promising break-throughs.

However, the high production & operations costs for H<sub>2</sub> refuelling are key barriers of its popularity now. Even so, it is a technology with great potentials that the Government should keep a watchful eye on.

### What Should We Do?

- Expand/Upgrade power supply sockets in areas under Government's control:
  - Street parking meters
  - Parking at Public Housing Estates (many current facilities are slow, poorly managed or locked up & left idle)
  - Shopping Malls managed by LINK
- Develop super-charging stations for the public transport system
- Sponsor private installations
- Make charging station a commercially attractive investment using policy/ subsidies
- Widen the coverage of 1-for-1 scheme & make it a roll-on program
- Expedite proper measures for handling car batteries repair and disposal