

19 February 2021

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Dear members of the Bills Committee,

I am writing you in support of implementing the Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Bill 2018.

I presume you are fully aware of the high level of generated MSW in Hong Kong, which has been growing to 1.47 kg/cap/day in 2019. This figure is substantially higher than what is generated in the EU-27 and given the positive correlation between MSW and economic growth, it will most likely continue to increase in the coming years. While it is laudable that the city has embraced the Circular Economy, is vigorously promoting the domain of waste resource recovery and basic elements of industrial symbiosis in Hong Kong's EcoPark, I regret to say that we are not doing enough.

Having spent now nearly a decade in the field engaging in waste recycling research in mainland China and Europe, I may take the liberty to highlight three reasons why a waste charging scheme is an absolute imperative.

Firstly, the conservation of resources. While the Circular Economy is often (incorrectly) identified with recycling, there is in fact more to it. In fact, ranking at the very top of the decision-making framework of the Circular Economy, are the principles of refuse, rethink and reduce. A waste charging scheme, similar to many other mechanisms such as Pay-as-you-throw, Extended Producer Responsibility and landfill taxes transfer the externality of our action to the polluter, i.e. the consumers and producers/ retailers. By implication, we pay for the damage that is caused by extracting resources in the first place, transporting and processing these into products and after consumption (too often) simply discarding these into the environment. The terrible truth, and I believe you know that, is that these waste charging schemes never even approximately cover the environmental and social costs caused by the above listed steps. Hence, a sincere Circular Economic Concept focusses on reduction and rethinking first, before resorting to recycling and recovery strategies.

Secondly, despite the impairment through COVID-19 the local economy will soon recover and with increased economic activity the quantity of generated waste materials will follow. With increasing incomes, consumption will rebound and so will waste quantities. The implication at the local level is that this will add additional pressure on landfills and call for local recycling schemes to operate at a level, I have difficulties it can given the sector's current state. So will Hong Kong then look for solutions, such as exporting waste to lower income countries, a strategy that has ended terribly for some Western countries? At the international level, the implication is slightly different. We see that many countries are currently striving to acquire ever larger natural resource depots and respective use rights, which as response to the

foreseeable increase in scarcity that imposes itself on various natural resources. In further consequence, material prices will rise in the mid-term rendering resource-intensive societies significantly more exposed to high prices. A MSW charging system will not solve these issues directly. However it will induce a process of adjustment and adaption to the new reality: People will begin to think differently and over time also consume differently, which will not only render the socio-economic system of Hong Kong more sustainable but also more resilient to external, resource related shocks.

Thirdly, from the perspective of institutional economics, instituting a new law via top-down means will induce a respective, bottom-up responses in society. Now while not all of these reactions will be desirable and may need additional regulatory adjustments, one notable aspect is that 'curtailments' like a waste charging scheme can lead to ecological-economic innovation. Be that in terms of reusable products, product sharing, new business concepts (waste management consulting) and so forth, the main element centres on the fact that there is a symbiotic, reciprocal relationship between innovation and challenge/ problem/ limitation. If people, as in the case of the waste charging scheme, will have to pay more for their waste, they will most likely look for a means to reduce the discarded volume. This search for solutions (demand-side) will sooner or later be picked up by solution proposals (supply-side). Within this causality chain there is then again room for governmental initiatives to support new business concepts/ models, which in turn might be beneficial for the reduction of unemployment. Cases for such green sector solutions have been amply exemplified in Great Britain as well as the European Union, where green services/ products have emerged especially in response to more strict regulations regarding environmental protection and the Circular Economy.

I sincerely hope that these arguments help highlighting the benefits and necessity of a MSW charging scheme instead of preventing you to adopt this long overdue, sustainable measure!

Yours sincerely,



Benjamin Steuer

Assistant Professor,
Division of Environment and Sustainability
The Hong Kong University of Science and Technology