



14 July 2021

Hon Vincent Cheng Wing-shun, MH, JP
Chairman, Panel on Environmental Affairs
c/o Ms Angel Shek
Clerk to Panel on Environmental Affairs
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
Email: aykshek@legco.gov.hk

Dear Hon Vincent Cheng Wing-shun,

**Statement of Support to The Clean Air Plan for Hong Kong 2035
from Business Environment Council Limited 商界環保協會有限公司**

Over the last 29 years, Business Environment Council Limited 商界環保協會有限公司 ("BEC") has played a leading role in advocating the business case for environmental excellence, given the importance of sustainable development to Hong Kong. Our members are committed to actively engage with the HKSAR Government ("the Government") to help develop a supporting policy framework as well as impactful implementation in respect of environmental protection and sustainability.

Views expressed in this submission are those of BEC, in line with BEC's Mission and Vision as well as policy position on relevant issues, but may not necessarily be the same as the views of each individual member. BEC is an independent charitable membership organisation comprising approximately 200 member companies, from Hong Kong's major holding companies to small and medium-sized enterprises.

Background

Air pollution has been a long-standing problem in Hong Kong, causing adverse effect on the health of the local population. Air quality is also one of the key considerations for international talents to work and for overseas investors to set up businesses in Hong Kong. With respect to the above reasons, BEC has reiterated in the past decade the importance for the Government to take swift action and to develop long-term air management strategies to improving air quality and protecting public health.

In March 2013, the Government rolled out *A Clean Air Plan for Hong Kong*¹ with the goals of reducing air pollution and the associated health risks to Hong Kong's residents. Being Hong Kong's first blueprint on air quality management, it highlights the importance of evidence-based policy and air pollution control, multi-disciplinary and cross-bureau collaboration, allocation of finance resources for action, as well as setting air quality improvement targets with designated timeline. In 2017, a progress report² was published to update the original blueprint and to demonstrate gradual improvements in Hong Kong's air quality between 2013 and 2017.

¹ Environment Bureau (2013) *A Clean Air Plan for Hong Kong*, March 2013.

(https://www.enb.gov.hk/en/files/New_Air_Plan_en.pdf)

² Environment Bureau (2017) *Clean Air Plan for Hong Kong: 2013-2017 Progress Report*, June 2017.

(https://www.enb.gov.hk/sites/default/files/CleanAirPlanUpdateEng_W3C.pdf)

The New Clean Air Plan

Against this background, the Government announced the *Clean Air Plan for Hong Kong 2035* ("The Plan") which sets out the challenges and goals of air quality management in Hong Kong. The Plan also develops enhanced air pollution control strategies for the city up to 2035, covering green transport, liveable environment, comprehensive emissions reduction, clean energy, scientific management and regional collaboration.

BEC commends Environment Bureau's new clean air plan and the Government's commitment to reduce air pollution and to protect public health. While there are several areas to address, notably roadside nitrogen dioxide level and regional smog problem, Hong Kong's air quality has improved significantly in the past five years backed up by better air quality readings and improved visibility. BEC is encouraged by the progress and urges the Government to press on with leadership and determination, as clean air is the cornerstone of healthy living, low-carbon transformation, and a world class liveable and sustainable city.

Green Shipping

Among the new proposed actions, BEC welcomes measures relating to vessels, which is the largest local source of air pollution³, including trials for new energy ferries, tightening the sulphur content limit of locally supplied marine fuels to 0.001%, imposition of emission standards for new petrol-powered outboard engines, taking forward the use of liquefied natural gas (LNG) in ocean-going vessels, and formulation of technical requirements and safety standards for LNG bunkering in Hong Kong.

In particular, BEC strongly supports the Government's proposal to promote the use of LNG in the marine sector and to develop LNG bunkering in Hong Kong. LNG is a proven and market-ready clean fuel with low-carbon content relative to the conventional heavy fuel oil (also commonly known as bunker fuel) typically used by ocean-going vessels. Switching from bunker fuel to LNG will largely reduce the emissions of air pollutants such as sulphur dioxide, nitrogen oxides and particulate matters by over 80% and carbon dioxide emissions by up to 21%. As such, LNG is a clean fuel option to reduce air pollution from ships and a good transition fuel⁴ to decarbonise the shipping sector while other zero-carbon options such as hydrogen are not yet commercially available. With the imminent commissioning of the Floating Storage and Regasification Unit (FSRU) in Hong Kong Waters in 2022, adding LNG bunkering to the Port of Hong Kong's service profile will support the use of LNG for a variety of vessels such as cruise ships, container ships, river vessels and local crafts. It will also enhance Hong Kong's competitiveness as an international seaport and a regional maritime hub.

³ In 2018, shipping accounted for 49% of sulphur dioxide (SO₂), 37% of nitrogen oxides (NO_x), 34% of respirable suspended particles (RSP) and 41% of fine respirable particles (FSP) in Hong Kong according to the Environmental Protection Department (https://www.epd.gov.hk/epd/english/environment/hk/air/data/emission_inve.html)

⁴ This is aligned with the Council for Sustainable Development's recommendations to the Government on long-term decarbonisation strategy for Hong Kong. See Council for Sustainable Development (2020) *Report on Public Engagement on Long-term Decarbonisation Strategy*, November 2020, p.23.
https://www.enb.gov.hk/sites/default/files/susdev/html/en/council/lds_sdc_e.pdf

Road Transport

BEC fully supports *Hong Kong's Roadmap on the Popularisation of Electric Vehicles* published by the Government in March 2021. The transition to electric private cars would contribute to better roadside air quality. Nonetheless, BEC considers cleaning up the diesel commercial vehicles (DCVs) as even more important to roadside air quality improvement and decarbonisation, while acknowledging it is a very challenging task. In the past years, the Government had made significant progress with various schemes and financial incentives to replace and phase out old and polluting DCVs. BEC supports the Government to continue such policy and to provide reasonable financial support to DCV owners and operators to transition to new energy vehicles with zero emissions. Societal benefits in clean air, zero carbon emissions and better health will outweigh any financial cost of the transition in the long run.

Traffic-induced air pollution is partly the combined results of transport demand, trip distance and traffic congestion which in turn is largely determined by city planning, land use pattern and transport demand management. While end-of-pipe solutions for vehicles are proven and effective, they will do little to influence the demand for mobility. To better manage transport demand, BEC recommends a "Avoid-Shift-Improve" approach – avoid unnecessary, short-distance journeys on mechanised mode of transport by promoting walking and cycling; shift essential, long-distance journeys from road-based, mechanised mode of transport to public, mass transport (preferably non-road based); and improve remaining road-based, mechanised travel by using new energy vehicles, retrofitting existing vehicles with emission reduction devices and ensuring those already fitted are working properly.

In this regard, it is crucial to develop a people-centric transport system in Hong Kong that is pedestrian- and bicycle-friendly, to continue investment in the public transport system, and to expedite the implementation of transport demand management measures such as the pilot electronic road pricing scheme in Central and its adjacent area. While these policies may fall outside the remit of the Environment Bureau, the Clean Air Plan actually provides a framework for cross-bureau collaboration and facilitates co-ordinated action such as these suggestions. Managing transport demand at source and providing zero-emission alternatives to private transport will fundamentally relieve traffic congestion and improve roadside air quality.

Conclusion

BEC welcomes the Clean Air Plan for Hong Kong 2035 and stands ready to support the Government in implementing the Plan. For queries related to this support statement, please contact our Chief Executive Officer, Mr Adam Koo at [REDACTED]

Yours sincerely,



Richard Lancaster
Chairman
Business Environment Council Limited