

## **Extracted from the 2009-10 Policy Address – Breaking New Ground Together**

### **B. Economic Development, Our Priority**

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#### **Six Industries**

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#### **Environmental Industries**

##### **Cleaner Production Partnership Programme**

36. The Government allocated \$93 million last year to jointly launch the five-year Cleaner Production Partnership Programme with Guangdong. Under the programme, the Hong Kong Productivity Council provides professional services in conjunction with over 100 environmental technology service providers in the PRD region to help factories there adopt cleaner production technologies. The programme also facilitates the exchange of information on environmental technology and the promotion of environmental technology and services, creating business opportunities for our service providers. Responses from the trades have been positive. Since the launch of the programme in April last year, the programme has approved over 330 projects up to end-September this year.

37. To complement Guangdong's policy on the development of industrial parks and to provide technical support for our manufacturers relocating to the parks, the Government will extend the scope of the Cleaner Production Partnership Programme to assist Hong Kong enterprises in treating and reducing effluent discharge. This will improve the environment of the region and increase the competitiveness of the enterprises.

##### **Clean Development Mechanism Projects**

38. The United Nations has devised the Clean Development Mechanism (CDM) to encourage technology transfer and help countries reduce greenhouse gas emissions. At present about one-third of all CDM projects are being carried out in the Mainland, involving substantial capital and major technology transfer. The Government has recently succeeded in securing approval for eligible Hong Kong enterprises to

participate in CDM projects in the Mainland. Energy efficiency projects and the development of new or renewable energy are areas where green business opportunities are open to Hong Kong enterprises.

#### Government Green Procurement

39. The Government is committed to promoting green procurement. This can protect the environment and set a role model for the business sector, lending momentum to the development of environmental industries in Hong Kong. To improve air quality, when procuring government vehicles, the Government will give preference to models which comply with environmental and efficiency standards, and has taken the lead with the procurement of 10 electric vehicles this year. Furthermore, the Government is gradually replacing the conventional traffic signals with light-emitting diode (LED) traffic signals. With regard to stores procurement, the Government has been expanding its green procurement list. At present, we have developed green specifications for some 60 products commonly used by government departments, and will actively apply them in procurement procedures. We will also further devise green procurement guidelines for government departments in order to promote the green procurement policy.

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## **C. Quality Life**

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### **Quality Living Area**

61. Last year, I proposed that we should work with Guangdong to create a green and quality living area in the Greater PRD region. Warmly supported by the Central Authorities and the Guangdong Provincial Government, the proposal has been included in the Outline as a key development strategy. We will seek to incorporate this strategy into the National 12th Five-Year Plan. The governments of Hong Kong and Guangdong signed an agreement on environmental co-operation in August this year. Under the agreement, both governments will work together to formulate emission reduction proposals for 2010 onwards. Both sides will also explore a new mode of co-operation in using reusable materials.

## **Low Carbon Economy**

62. The Government attaches much importance to the issue of climate change. We commissioned a consultancy study last year to develop comprehensive strategies and measures to cope with climate change. The consultancy study is expected to be completed early next year. The Government is committed to reducing the energy intensity of Hong Kong by at least 25% by 2030, compared with 2005 levels. Though our economic growth is driven mainly by service industries which are not energy intensive, Hong Kong may reduce carbon emissions even further through the use of clean fuel and improved energy efficiency.

63. The Government concluded a Memorandum of Understanding (MoU) on energy co-operation with the National Energy Administration last year. Since then, substantial progress has been made. Construction work for the eastern section of the Second West-East Natural Gas Pipeline commenced in February this year. Energy enterprises of the two sides are planning to jointly construct a liquefied natural gas terminal in Shenzhen. Completion of both projects is expected in 2013. Also, energy enterprises of the two sides have recently renewed the agreement on the supply of nuclear electricity for a further term of 20 years. The implementation of the MoU on energy co-operation ensures the provision of more clean energy for Hong Kong, which will contribute significantly to the improvement of air quality and the reduction of carbon dioxide emissions. Furthermore, the Environment Bureau (ENB) has started to explore with the two local power companies ways to raise the proportion of using natural gas for local electricity generation from the current 28% to 50%.

64. The Government encourages different sectors of the community to conduct carbon audits in buildings and reduce carbon emissions. Last year, more than 100 organisations joined the initiative. As for the proposed district cooling system at the Kai Tak Development, construction works are expected to commence early next year.

65. Since the launch of the Buildings Energy Efficiency Funding Schemes, the Government has received more than 800 applications. The response has been encouraging. We will introduce a bill into the Legislative Council by the end of this year to enforce mandatory compliance with Building Energy Codes.

66. Compact fluorescent lamps (CFLs) consume 70% less electricity than incandescent light bulbs of the same light intensity. To promote the replacement of incandescent light bulbs by CFLs, the two power companies will distribute cash coupons for CFLs to residential electricity account holders. We also plan to consult

the public on progressively restricting the sales of incandescent light bulbs. In addition, the Government plans to propose legislative amendments within this year to implement the second phase of the Mandatory Energy Efficiency Labelling Scheme.

## **Promoting the Use of Electric Vehicles**

67. We are working on the strategy and specific measures to promote the use of electric vehicles. The ENB has been working with a number of electric vehicle manufacturers. We expect a supply of around 200 electric vehicles for the local market in the coming financial year. The Government will work with the two power companies to launch an electric vehicle leasing scheme by the end of 2010. Upon implementation of these two programmes, Hong Kong will rank second in Asia, after Japan, where electric vehicles are most widely used.

## **Air Quality Objectives Review**

68. The Government is determined to improve air quality to protect public health, and is consulting the public on the Air Quality Objectives (AQOs) Review. The public consultation will end in November 2009. We propose to use the Air Quality Guidelines of the World Health Organization (WHO) as our long-term goal, and adopt the WHO's interim targets to update Hong Kong's AQOs in stages. These proposed new AQOs are very stringent and comparable to those adopted by other advanced countries such as the European Union and the US. Upon completion of the public consultation, the Government will update the AQOs and formulate long-term air quality management strategies. To achieve the new AQOs, it is necessary to take forward the 19 measures relating to emission controls, traffic management, infrastructure development and planning, and energy efficiency. It calls for concerted actions from all quarters in the community, including the Government, the trades and the public. The Chief Secretary for Administration will co-ordinate the relevant work.

## **Solid Waste Management**

69. Following the launch of the plastic bags levy scheme in July 2009, we will consult the public on the introduction of a Producer Responsibility Scheme for electrical and electronic equipment at the end of this year.

70. To properly process and dispose of a large amount of solid waste, we need to extend the landfills and construct Integrated Waste Management Facilities (IWMF), which will adopt advanced incineration technology. We are conducting feasibility and environmental impact assessment studies on the potential sites for IWMF at Shek Kwu Chau and Tsang Tsui Ash Lagoons in Tuen Mun. We will make a decision on the IWMF site by 2010.

71. To tackle the problem of increasing food waste in Hong Kong, we will construct a recycling centre in phases to process and recycle food waste generated by the commercial and industrial sectors into useful resources such as compost and biogas. The facility will be constructed at Siu Ho Wan on Lantau Island and Phase 1 is expected to come into operation around 2015.

72. To further reduce food waste and disposable lunch boxes, the ENB and Education Bureau will jointly invite all schools to sign a “green lunch” charter to encourage schools to stop using disposable containers and adopt the central portioning approach where possible. The Environment and Conservation Fund will provide a subsidy for schools to install the necessary equipment, while the standard design of new schools will cater for central portioning.

## **Conservation**

### **Geopark**

73. The geopark in Hong Kong is unique and highly representative in terms of geological and topographical features. I am glad to announce that the Ministry of Land and Resources has just given approval for our geopark to be listed as a national geopark. Through the national geopark network, we can gain relevant experience, preserve our valuable geological and topographical resources more comprehensively, raise the public's awareness about geo-science, and foster the development of eco-tourism by adding new attractions.

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