

30 December 2024

Mr TSE Chin Wan, BBS, JP
Secretary for Environment and Ecology
Hong Kong Special Administrative Region
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16/F, East Wing, Central Government
Offices
2 Tim Mei Avenue, Tamar
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Ms CHAN Mable, JP
Secretary for Transport and Logistics
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Dear Secretary Tse and Secretary Chan,

**Statement of Support to the Action Plan on Green Maritime Fuel Bunkering and
Green Transformation Roadmap of Public Buses and Taxis
from Business Environment Council Limited**
商界環保協會有限公司

Over the last 32 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 engaging 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 over 300 member companies from Hong Kong’s major holding companies to small and medium-sized enterprises, startups and NGOs.

Background

Global transportation accounts for 8.7 gigatonnes of CO₂-equivalent emissions, representing 23% of all energy-related CO₂ emissions. In this sector, road vehicles and shipping are particularly significant contributors, responsible for 70% and 11% of these transport-related emissions respectively, according to the IPCC Sixth Assessment Report¹. In Hong Kong, the transport sector ranks as the second-largest source of greenhouse gas emissions, contributing 19% of the total, trailing only behind electricity generation. Specifically, public buses and taxis generate over 1.4 million tonnes of carbon emissions annually, accounting for approximately 4% of the city’s total carbon emissions. As a major international hub port, commercial shipping operating in Hong Kong also emits greenhouse gases that are significant Scope 3 emissions of Hong Kong businesses.

In order to achieve carbon neutrality before 2050 and advance the development of Hong Kong as a Green Maritime Centre, it is vital to prioritise the green transition of commercial vehicles, which represent the largest share of greenhouse gas emissions in the road transport sector,

¹ Sixth Assessment Report (The Intergovernmental Panel on Climate Change, 2023):
https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_Chapter10.pdf

while also promoting the adoption of green energy in the marine sector. The transition to green transport not only reduces carbon emissions but also diminishes air and noise pollution, ultimately improving human health.

In late 2024, the Government released the Action Plan on Green Maritime Fuel Bunkering in November, followed by the Green Transformation Roadmap for Public Buses and Taxis in December. BEC welcomes the timely release of these important policy documents, and would like to offer our full support to the implementation of the measures mentioned in these documents with supporting recommendations.

Action Plan on Green Maritime Fuel Bunkering

BEC is pleased to see that the Government has proposed the Action Plan on Green Maritime Fuel Bunkering, which includes ambitious targets as well as detailed action items for Hong Kong regarding the promotion of green marine fuel bunkering. Specifically, the Government has set the following: 1) to adhere to the emission reduction checkpoints outlined by the IMO in the 2023 Strategy on the Reduction of Greenhouse Gas Emissions from Ships; 2) to set specific goals for reducing carbon emissions from registered ships and the Kwai Tsing Container Terminals; and 3) to have targets for increasing the percentage of vessels that adopt green fuels. To achieve these goals, five strategies with ten action points along with a specific timeline have been proposed, including green fuels, green ports, green incentives, green collaboration, and green expertise.

BEC commends the Government for proposing action items based on these five strategies in a holistic manner and we suggest the Government consider developing an assessment framework or grading system for ports regarding their environmental performance referring to the framework of other jurisdictions, such as the Guidance for Green Port Evaluation in mainland China² and the Green Port Programme in Singapore³. Additionally, since engaging business stakeholders is an essential component of all five strategies, regular meetings with key market stakeholders would significantly enhance synergy. Furthermore, regular updates from the Government on the actual progress will facilitate smooth and effective implementation of the Action Plan while motivating businesses to pursue the green transition.

Apart from green fuels, it is recognised that electrification also contributes to decarbonisation for vessels in Hong Kong waters, especially Class I and Class II Vessels. Therefore, it is anticipated that the Government will outline a comprehensive strategy for maritime decarbonisation that includes the adoption of electric vessels, providing a policy signal to guide businesses in their transition to green transport.

BEC maintains a strong relationship with the marine sector and has a long-standing policy and research interest in promoting decarbonisation within this field. Recently, we collaborated with stakeholders to address the challenges and opportunities associated with the electrification of marine vessels in Hong Kong waters. We look forward to working further with the Government in pilot projects to anchor the transition into a decarbonised maritime sector.

² 交通運輸部關於發佈《綠色港口等級評價指南》的公告（中華人民共和國交通運輸部，2020）：
https://xxgk.mot.gov.cn/2020/jigou/syj/202006/t20200623_3314948.html

³ Port Marine Circular No. 10 of 2022 Enhancement of The Maritime Singapore Green Initiative – Green Port Programme (GPP) (Maritime and Port Authority of Singapore, 2022): [https://www.mpa.gov.sg/media-centre/details/enhancement-of-the-maritime-singapore-green-initiative-green-port-programme-\(gpp\)](https://www.mpa.gov.sg/media-centre/details/enhancement-of-the-maritime-singapore-green-initiative-green-port-programme-(gpp))

Green Transformation Roadmap for Public Buses and Taxis

BEC fully supports the Green Transformation Roadmap for Public Buses and Taxis (“the Roadmap”) and commends the Government for updating on the latest progress in the adoption of electric buses and electric taxis in Hong Kong, analysing the challenges associated with adopting electric buses and electric taxis and proposing corresponding short-term and long-term action items to address the obstacles in the Roadmap. We are also pleased to see the target of achieving zero emissions for franchised buses and taxis by 2050, along with progressive goals regarding e-bus and e-taxi subsidy schemes, the installation of various types of chargers, and the proposed review timeline before 2050.

We commend the introduction of subsidy schemes to alleviate the financial burden on bus operators and taxi owners resulting from the high upfront costs. Apart from subsidy schemes, it is recommended that the Government could review and streamline the type-approval evaluation framework for introducing vehicle types from mainland China and other regions and simplify the type-approval process to shorten the time required for new types of vehicles to be introduced, which could provide more affordable options in a shorter timeframe. Considering the rapid development of technology, BEC suggests the Government consider setting a target for the installation of superfast charging stations and battery swap stations, where applicable. Lastly, BEC appreciates the Government’s plan to conduct three rounds of review to evaluate the upcoming situation and the needs of the market and we anticipate an updated roadmap following these assessments.

BEC has long maintained a robust relationship with the road transport sector and has a deep-rooted focus on policies and research to promote decarbonisation in this domain. Previously, BEC has contributed to the Hong Kong Roadmap on Popularisation of Electric Vehicles, and more recently supported the Government on carrying out the Consultancy Service for Business Impact Assessment on a New Producer Responsibility Scheme on Retired Batteries from Electric Vehicles. Currently, we are engaging with key stakeholders to promote commercial vehicle electrification in Hong Kong through engagement events and discussions with the Government and relevant parties. Looking ahead, BEC stands ready to collaborate with the Government in promoting the adoption of electric commercial vehicles in Hong Kong.

Conclusion

We fully support the Action Plan on Green Maritime Fuel Bunkering and the Green Transformation Roadmap for Public Buses and Taxis. BEC will continue to facilitate the business sector and other stakeholders in supporting green transport initiatives from the Government.

For queries related to this support statement, please contact our Chief Executive Officer, Mr Simon Ng at simonng@bec.org.hk

Yours sincerely,



Kevin O'Brien
Chairman
Business Environment Council Limited