



Highlights of the 2018-19 Budget

The Financial Secretary delivered his 2018-19 Budget Speech on 28 February 2018. The highlights of the 2018-19 Budget related to the environment and sustainability are summarised below.

BEC welcomes the measures to be taken, but also looks forward to additional measures to further enable Hong Kong to become a world-class smart and sustainable city. To this end, BEC will continue to play its policy advocacy role of promoting the business case for environmental excellence. Past policy recommendations submitted to the Government can be found [here](#).

Renewable Energy & Energy Efficiency

- HK\$800 million allocated for the installation of renewable energy facilities at government buildings and facilities.
- Allow tax deduction to be claimed in full in one year instead of the previous time frame of five years for capital expenditure for energy efficient building installations and renewable energy installations.

[Paragraph 168]

BEC has for many years advocated for clean energy and energy efficiency in the transition to a low carbon economy. BEC welcomes these initiatives but would like to see additional measures to support business action on this front.

Electric Vehicles

- First Registration Tax (FRT) for electric commercial vehicles, electric motor cycles and electric motor tricycles will continue to be waived in full until 31 March 2021.
- For electric private cars, FRT concession of up to HK\$97,500 will remain. A "one-for-one replacement" scheme is launched in which car owners who buy a new electric private car and scrap a private car may be eligible for FRT concessions of up to HK\$250,000. These measure will remain in force until 31 March 2021.

[Paragraphs 169-170; [Details of the Replacement Scheme Here](#)]

BEC has strongly supported incentives for electric commercial vehicles. For private cars, we have advocated proportionate measures to support cleaner cars whilst also managing growth in the number of private cars, and we welcome the replacement scheme which will help realise these objectives.

Green Finance

- To launch a green bond issuance programme with a borrowing ceiling of HK\$100 billion. The sums borrowed will be credited to the Capital Works Reserve Fund for green public works projects.
- To introduce a Green Bond Grant Scheme to subsidise green bond issuers in using the Green Finance Certification Scheme launched by the Hong Kong Quality Assurance Agency.

[Paragraphs 83-84]

BEC has advocated for action to position Hong Kong as a green finance hub, and welcomes the Government's proposed green bond issuance and the incentives for green finance certification.

Green Tourism

- HK\$396 million allocated to implement the Development Blueprint for Hong Kong's Tourism Industry. The Blueprint includes developing green tourism – enhancing green attractions and improving accessibility.

[Paragraphs 105-106]

BEC welcomes the plans to leverage and enhance Hong Kong's tourism potential, unlocking the value of our natural assets from the harbourfront to country parks. We reiterate the importance of an "eco-tourism approach" which enables access whilst protecting and enhancing the local environment. We also emphasise the opportunities for urban ecological initiatives that support green low impact tourism e.g. enhancing the harbourfront and making more of urban waterways.

Innovation & Technology

- Support innovation, technology, research and development through the Innovation and Technology Fund, relaxing the eligibility criteria for the Technology Voucher Programme, and developing supporting programmes and infrastructure at the Lok Ma Chau Loop, Hong Kong Science and Technology Park, and Cyberport.

[Paragraphs 63-75]

BEC recognises the importance of innovation and technology as Hong Kong strives to become a smart and sustainable city. We welcome the measures to support innovation, technology, research and development and emphasise the potential in terms of environmental innovation from energy management to recycling.

Smart Construction

- Work with the construction industry to pilot and promote prefabrication and modularisation. Will consider extending gross floor area concessions to support buildings that adopt Modular Integrated Construction.
- A HK\$1 billion Construction Innovation and Technology Fund established to assist the construction industry to adopt innovative technologies.

[Paragraphs 113-114]

BEC has advocated for innovation in terms of resilient and low carbon construction, and encourages the Government to channel funds towards this objective. BEC welcomes the measures to support the construction sector to uptake innovative approaches and technologies, and recognizes its potential to help enhance environmental excellence of the sector.

About Business Environment Council Limited 商界環保協會有限公司

Business Environment Council Limited ("BEC") is an independent, charitable membership organisation, established by the business sector in Hong Kong. Since its establishment in 1992, BEC has been at the forefront of promoting environmental excellence by advocating the uptake of clean technologies and practices which reduce waste, conserve resources, prevent pollution and improve corporate environmental and social responsibility. BEC offers sustainable solutions and professional services covering advisory, research, assessment, training and award programs for government, business and the community, thus enabling environmental protection and contributing to the transition to a low carbon economy.