

Keynote Speech By Mr K K Kwok, Permanent Secretary for the Environment, Transport and Works (Environment)

Mr Long (Chairman, Business Environment Council), Ms Wong (Chairperson, the Chartered Institution of Waste and Environmental Management in Hong Kong), ladies and gentlemen,

Good morning. It gives me great pleasure today to join the first event of this year's "EnviroSeries" conference organized by the Business Environment Council and the Chartered Institution of Waste and Environmental Management in Hong Kong. The "EnviroSeries" conferences provide a forum for members from business, academia, the engineering and environmental professions, as well as the public sector to exchange views and ideas on issues which are important to the sustainable development of our society.

The theme of today's event reflects the extent of concerns we have on the air quality in the Pearl River Delta Region in recent years. I am glad to have this opportunity to share with you our joint efforts with the Guangdong Provincial Government in tackling this regional environmental problem.

Regional Smog Problem

Many citizens in Hong Kong have noticed that the visibility in Hong Kong has been deteriorating in the past few years. More and more frequently, our beautiful skyline along Victoria Harbour is hidden behind a veil of haze. This is the result of a combination of unfavourable meteorological conditions and the large amount of pollutants emitted from various sources in the Region. The air quality conditions in Hong Kong are especially serious when weak northerly wind prevails or when we are under the inference of subsiding air at the periphery of a tropical cyclone. In both cases, the ambient air pollutants cannot be dispersed effectively. While we have no control on the weather, we can tackle the problem by reducing the total amount of pollutants emitted into the air.

Cooperation between Hong Kong and Guangdong

In 2002, the Guangdong Provincial Government and the Government of the Hong Kong Special Administrative Region completed a joint study on the air quality in the Region. According to the findings, the following key factors will have increased significantly by 2010 : the economy by 150%; population, 20%; electricity demand, 130% and vehicle mileage, 180%, compared with the level in 1997. In view of the findings, the study concluded that the two governments should do more than what we had committed by then and make concerted efforts to reduce the emission of pollutants in the Region.

The two governments responded quickly to results of the study and reached an agreement in April 2002 to reduce by 2010, on a best endeavour basis, the total emissions of four key pollutants in the Region : sulphur dioxide, by 40%, nitrogen oxides, 20%, respirable suspended particulates and volatile organic compounds, 55%. In addition, we mapped out a Regional Air Quality Management Plan in December 2003 to identify the actions that both sides would need to take to achieve this shared goal. A special panel was also formed under the Hong Kong – Guangdong Joint Working Group on Sustainable Development and Environmental Protection to pursue the tasks listed in the Management Plan. Under the Management Plan, a regional air quality

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monitoring network will be set up to provide comprehensive and accurate data on air quality in the Pearl River Delta Region. I am pleased to report that we are making good progress in this year and that the network will be operational from this summer. In the meantime, we are compiling inventories of air emissions using a consistent approach to accessing emission levels and monitoring the progress of emission reduction from 2005 onwards.

Power Generation and Transport

The Management Plan also includes the control measures committed by the two governments. Four major source categories of air emissions are identified. Over 85% of the targeted pollutants are emitted from industrial processes, VOC-containing products and the two sectors mentioned in the theme today – power generation and transport, in particular, motor vehicles. Our mission to improve air quality in the Region can best be achieved with actions that target these four sectors.

In line with the conference theme today, I would like to focus more on the latter two major sources. Power generation is contributing 45% of SO₂ and 34% of NO_x emissions in the Region. Hong Kong's own power plants are also contributing over 30% of our local emissions of Respirable Suspended Particulates or RSP. To curb emissions from our power plants, Hong Kong has not approved any new coal-fired electricity generation units since 1997. All newly built power plants have to use gas as the main fuel. The latest Policy Address has also highlighted that total emissions from our power plants will be capped and it will be our policy to require power companies to maximize the use of natural gas in power generation and develop renewable energy. On the part of Guangdong, they will reduce the reliance on coal and oil in their energy production and supply. Power plants using liquefied natural gas as fuel are being constructed. Four of them are scheduled to start operation in the next few years. Power grid will be expanded and upgraded to facilitate transmission of electricity from the western provinces. Control on existing coal-fired and oil-fired power plants will also be strengthened. The sulphur content of fuel will be restricted, small inefficient power generation units will be closed down and all large power generation units will be retrofitted the fuel gas desulphurization systems by 2007. In addition to these measures, both governments are also studying the details of setting up an emission trading pilot scheme. The scheme, when implemented, would offer another option for power companies in the Region to reduce their emissions in a cost-effective way. We expect that upon completion of the study in mid-2006, details for the Pilot Scheme would be presented to the power companies in Hong Kong and Guangdong so that the prospective participants can identify their trading partners and draw up emission trading agreements.

Motor vehicles are another major contributor to air pollution. Emissions from motor vehicles in the Region make up 31%, 14%, and 55% of the regional total emissions of Nos, RSP and VOC respectively. The HKSAR Government has been making every effort in combating emissions from our own motor vehicle fleets. In 1999, a package of measures was initiated to –

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- provide an incentive for replacing diesel taxis with liquefied petroleum gas (LPG) taxis;
- provide an incentive for replacing diesel light buses with LPG or electric light buses;
- introduce ultra low sulphur diesel;
- assist owners of about 40 000 pre-Euro light diesel vehicles in retrofitting their vehicles with traps or catalytic converters;
- require newly registered vehicles to comply with Euro III emission standards concurrently with EU with effect from 2001;
- increase significantly the penalty for smoky vehicles from \$450 to \$1,000 and step up law enforcement.

We are keeping up our effort to reduce motor vehicles emissions under the Management Plan. Motor petrol is required to meet Euro IV standards from the beginning of this year and emissions standards for newly registered motor vehicles will be tightened to Euro IV from 2006.

Our Guangdong counterparts are also stepping up their measures to reduce emissions from their fleet. Since 2004, diesel with a sulphur content of 0.05% has been introduced in Guangdong. The Guangdong Provincial Government will raise the emissions standards of newly registered vehicles to the equivalent of Euro II from July this year. They are also considering to further tighten the standards in advance of the schedule required by the Central Government.

Railway is an environmentally friendly and efficient mode of transport. Carefully planned railway systems will reduce our reliance on the motor vehicle fleets. In Hong Kong, railways serve as the backbone of Hong Kong's transport system under the Government's established policy. In Guangdong, subway networks are being constructed in large cities such as Shenzhen and Guangzhou. With the State Council's approval of the Inner-City Fast Rail-Communication Network Project in the Pearl River Delta Economic Zone, railway networks among cities in the Region will be further expanded in the coming years to meet the ever increasing demand for transport in the Region.

I have outlined the efforts made by the two governments in the past and in the near future to improve the regional air quality. However, this challenging mission calls for more than just government efforts. All along, the private sector has been playing a significant role in the economic growth of the Region. The two governments will have to rely equally, if not more, on a close partnership between the public and private sectors in our common battle against pollution. This event is good example of enhancing this partnership. I believe that with our collective wisdom and commitment, we will continue to enjoy clear, blue skies in the Pearl River Delta Region in the long term.

Thank you.