LCQ4: Assisting enterprises in upgrading and restructuring operations

Following is a question by the Hon Jimmy Ng and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (May 15):

Question:

Some members of the manufacturing industry have relayed to me that in recent years, they have planned to upgrade and restructure their plants located in the Mainland cities within the Guangdong-Hong Kong-Macao Greater Bay Area (the Greater Bay Area), but they have encountered quite a number of difficulties in raising the funds needed. In this connection, will the Government inform this Council:

(1) whether it knows the details of the loans provided by the banks in Hong Kong, in each of the past five years, for Hong Kong-owned manufacturing enterprises in respect of their plants located in the Mainland cities within the Greater Bay Area, including (i) the number of cases, (ii) the number of enterprises, as well as (iii) the total, median and average amounts of loans, together with a tabulated breakdown by the (a) name of bank and (b) city where the plant was located; and

(2) whether it will introduce more targeted measures to assist such Hong Kong-owned manufacturing enterprises in upgrading and restructuring their plants, as well as seizing the opportunities brought about by the development of the Greater Bay Area; if so, of the details; if not, the reasons for that?

Reply:

President,

In consultation with the Hong Kong Monetary Authority (HKMA) and the Constitutional and Mainland Affairs Bureau, our reply to the various parts of the question is as follows:

(1) The HKMA does not have statistics on the loans provided by the banks in Hong Kong for Hong Kong-funded manufacturing enterprises in respect of their plants located in the Mainland cities within the Greater Bay Area.

(2) The Hong Kong Special Administrative Region (SAR) Government has been assisting enterprises in upgrading and restructuring their operations through various means.

The Government launched the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in June 2012 to assist enterprises in enhancing competitiveness and furthering business and brand development in the

Mainland. Enterprises can apply for the funding support of BUD Fund to carry out projects to develop brands, upgrade and restructure business operations and promote sales. Allowable project measures may include procuring or leasing of machinery/equipment, producing moulds or samples of new products, etc. Since the launch of the BUD Fund in 2012 and up to the end of March 2019, a total of 1 749 applications were approved under the Mainland Programme of the BUD Fund, involving a total funding amount of about $699.4 million.

To assist Hong Kong enterprises in capturing the opportunities brought about by the development of the Greater Bay Area, the Government has implemented enhancement measures in August 2018, including doubling the cumulative funding ceiling for each enterprise for undertaking projects in the Mainland from $500,000 to $1 million. Enterprises responded positively to the enhancement measures. Since the implementation of the enhancement measures and up to the end of March 2019, a total of 857 applications were received under the Mainland Programme of the BUD Fund, representing an increase of 100 per cent as compared to the corresponding period in 2017-2018. 318 of those applications have been approved, involving a funding amount of $183.5 million.

In addition, the HKMC Insurance Limited and the Trade and Industry Department have implemented respectively the special concessionary measures under the SME Financing Guarantee Scheme and the SME Loan Guarantee Scheme to assist enterprises in securing loans for acquiring equipment and for general working capital, etc.

At the same time, the Hong Kong SAR Government has launched a series of publicity efforts to increase understanding in the development of the Greater Bay Area amongst various sectors of society. The Hong Kong SAR Government has set up a dedicated website on the Guangdong-Hong Kong-Macao Greater Bay Area (www.bayarea.gov.hk) and a WeChat official account (WeChat ID: HKCMAB) to provide latest information on the development of the Greater Bay Area, as well as regular updates on policies of Greater Bay Area cities and the work of the Hong Kong SAR Government, with a view to helping enterprises and members of the public understand and take advantage of the development opportunities brought about by the development of the Greater Bay Area.

The Government will continue with the above work, and review the various support measures from time to time in order to provide adequate and timely support to enterprises.

LCQ14: LPG light buses

Following is a question by the Hon Jeremy Tam and a written reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council

today (May 15):

Question:

It has been reported that liquefied petroleum gas (LPG) light buses currently produced by a single manufacturer will cease to be produced in 2021. Thereafter, members of the trade who wish to replace their existing light buses may need to purchase diesel ones. Some environmental groups have pointed out that diesel light buses have a higher level of emission of air pollutants (e.g. respirable suspended particulates) than LPG light buses, posing hazards to public health. In this connection, will the Government inform this Council:

(1) how do the levels of emission of various types of air pollutants (including (i) nitrogen oxides, (ii) respirable suspended particulates, (iii) fine suspended particulates, (iv) hydrocarbons and (v) carbon monoxide) from LPG light buses compare with those from diesel light buses, assuming that both meet the latest emission standards (provide the data on these two types of vehicles obtained respectively in laboratory and from detection on the road by using roadside remote sensing equipment);

(2) of the number of light buses acquired with the subsidy of the Pilot Green Transport Fund (the Fund) since the establishment of the Fund in 2011, and the following information in respect of each of the light buses: (i) the type of energy used, (ii) model, (iii) price, (iv) the amount of subsidy, (v) the route serviced, (vi) the name of operator, (vii) performance (including the time a light bus can travel after a full charge, horsepower and average fuel economy), and (viii) the levels of emissions of various types of air pollutants;

(3) whether it has studied if the light buses mentioned in (2) are better than diesel and LPG light buses in terms of performance and reduction of pollutant emissions; if it has studied and the outcome is in the affirmative, whether the Government will raise the amount of subsidies provided under the Fund to encourage the trade to acquire light buses fuelled by those types of energy; and

(4) as it has been reported that the land leases of the 12 dedicated LPG filling station sites in Hong Kong will expire between 2021 and 2022, whether the Government has plans, in granting renewal of the land leases concerned, to add a provision requiring the lessees to provide charging equipment for electric light buses at the stations?

Reply:

President,

The Government launched a scheme in 2002 to encourage owners of diesel light buses to switch to light buses running on cleaner power/fuels like liquefied petroleum gas (LPG) and electricity. The scheme on an encouraged basis ended in 2005. As the Government has not mandated the type of power/fuels used by light buses, light bus owners may, based on their

operational needs, choose LPG, diesel, electric or petrol vehicles. As at the end of 2018, nearly 60 per cent of registered light buses were fuelled by LPG, the remaining 40 per cent by diesel, and less than 1 per cent electric.

At present, the LPG light buses in the local market come from the same brand. The supplier indicated earlier that its manufacturer will cease the production of LPG light buses by the end of 2020, and the Euro VI diesel light buses under the same brand will be supplied by then to meet the local demand for light buses. Owing to technology advancement in emission reduction in recent years, Euro VI diesel light buses emit 80 per cent less nitrogen oxides (NOx) and 50 per cent less respirable suspended particulates (RSP) than their Euro V diesel counterparts and nearly 90 per cent less NOx and 50 per cent less RSP than their Euro IV diesel counterparts.

My specific responses to the question raised by the Hon Jeremy Tam are as follows:

(1) For light buses of design weight more than 3.5 tonnes that have obtained exhaust emission type approval from the Environmental Protection Department (EPD) certifying their compliance with Euro V standards (or equivalent) or Euro VI standards, their laboratory-tested exhaust emission values are tabulated at Annex 1.

Annex 1 shows that advancement in emission reduction technology for Euro VI diesel light buses has largely reduced their NOx and RSP emissions as compared with their Euro V diesel counterparts and even more so as compared with their old Euro IV diesel counterparts. Annex 1 also reveals a significant reduction in the gap between Euro VI diesel light buses and existing LPG light buses in terms of NOx emissions while the emissions from LPG light buses which have been used for years will increase with time. Therefore, when the existing old light buses switch to Euro VI diesel light buses in the future, their overall emission performance will not deteriorate.

Regarding roadside remote sensing equipment, the existing technology is used for monitoring in-use petrol or LPG vehicles that have excessive exhaust emissions but it is not yet applicable to diesel vehicles. Owing to the differences in road conditions, the emission data collected from general vehicles running on road is also technically not suitable for comparison with pollutant emissions collected from laboratory testing (note).

(2) & (3) Currently, there are only two electric light bus models and one hybrid light bus model available in the local market. All have been/are on trial under the Pilot Green Transport Fund (PGTF) and their details are set out at Annex 2.

To avoid hindering approved applicants from receiving competitive tenders, we do not disclose the product price and subsidy amount for individually approved case.

Electric Light Buses

Electric light buses (e-LBs) have no tailpipe emissions. Results of

existing trials have reflected that high production cost, limited service life and long charging time of batteries, hilly terrain in Hong Kong and the need to provide long hours of air-conditioning during driving in summer, etc. are the key constraints for electric commercial vehicles (e-CVs), including e-LBs, to become popular as the aforesaid factors reduce the driving range of e-CVs batteries. Although the fuel cost of e-LBs on trial under the PGTF is about 70 per cent lower than that of diesel light buses, e-LBs, after a full charge taking four hours, still has a driving range lower than the daily mileage of a typical public light bus (PLB). Therefore, most of the existing e-LBs on trial are yet to be able to cope with the requirements of the local transport sector in respect of requirements on the driving range and charging time of PLBs.

In this connection, the EPD has engaged a consultant to develop a set of technical specifications and requirements of electric public light buses (e-PLB) and its charging facilities suitable for use in Hong Kong in order to help promote suppliers to design and manufacture suitable e-PLBs and charging facilities for local use.

Hybrid Light Buses

Hybrid vehicles could operate without charging their batteries by an external power source and their operation is similar to that of general conventional vehicles. Higher fuel economy is the merit of hybrid vehicles over their conventional counterparts, thereby reducing operating cost and air pollutant emissions. However, the actual fuel economy of a hybrid vehicle depends on the route in operation. A route requiring frequent start-stop will harness better the hybrid drive-train. If a route is dominated by highway driving, a hybrid vehicle may not outperform its conventional counterpart in fuel economy.

Under the PGTF, five diesel-electric hybrid light buses of the same model (i.e. EQ6700L5SHEVY) have been on trial by applicants who also use conventional diesel light buses. The trial results showed that these hybrid light buses incurred a fuel cost saving of no more than 4 per cent compared to conventional diesel light buses. The lower than anticipated fuel economy of these hybrid light buses might be due to inadequate cooling for their batteries. The manufacturer of this hybrid light bus model has launched a new model of diesel-electric hybrid light buses (i.e. GM6700GAREEV) to replace the old model, and they are on trial under the PGTF by applicants who also use conventional LPG light buses. An independent third party consultant has been engaged by the EPD to assess the trial data of the new model and the results of the trial will be announced upon completion of the assessment.

As regards the NOx and RSP emission levels of hybrid light buses, their laboratory-tested exhaust emission values are comparable to those of Euro V diesel light buses.

In addition, The Chief Executive's 2018 Policy Address has announced that the PGTF will be subject to review. The Government is conducting the review and aims to complete it in 2019. After drawing up relevant proposals, the Government will consult the transport sectors, stakeholders, the Advisory

Council on the Environment and the Panel on Environmental Affairs of the Legislative Council.

(4) The Design, Build and Operate (DBO) contracts of the 12 dedicated LPG filling stations will expire successively between 2021 and 2022. Prior to the expiry of these DBO contracts, the Government will examine the future arrangements for the dedicated LPG filling stations and, in parallel, consider land uses that will dovetail with the development of new energy vehicles.

Note: For laboratory-based tests, vehicle engines are run under specified conditions for tens of minutes during which their average pollutant emissions are measured. For roadside remote sensing equipment, measurements are made within just a few seconds when vehicles pass by the equipment to identify those with excessive exhaust emissions. Thus, the data collected by the two methods should not be directly compared.

Special traffic arrangements for race meeting in Happy Valley

Special traffic arrangements will be implemented in Happy Valley today (May 15). The arrangements will come into effect one and a half hours before the start of the first race and will last until the crowds have dispersed after the race meeting.

A. Traffic arrangements before the commencement of the first race

1. Road closure

Southbound Wong Nai Chung Road between Queen's Road East and the up-ramp outside Hong Kong Jockey Club (HKJC) will be closed except for vehicles heading for Aberdeen Tunnel.

2. Traffic diversions

– Southbound Wong Nai Chung Road between Village Road and the up-ramp outside HKJC will be re-routed one way northbound;
– Vehicles from eastbound Queen's Road East heading for Wan Chai and Happy Valley will be diverted to turn left to Morrison Hill Road;
– Traffic along southbound Morrison Hill Road heading for Happy Valley will be diverted via Sports Road and Wong Nai Chung Road;
– Traffic along Queen's Road East cannot turn right to Wong Nai Chung Road except for vehicles heading to Aberdeen Tunnel;
– Traffic from Cross Harbour Tunnel heading for Queen's Road East will be diverted via the down-ramp leading from southbound Canal Road flyover to Morrison Hill Road to turn right at the junction of Wong Nai Chung Road and

Queen's Road East; and
– Traffic from Cross Harbour Tunnel heading for Happy Valley or Racecourse will be diverted via the down-ramp leading from southbound Canal Road flyover to Canal Road East, southbound Morrison Hill Road, Sports Road and Wong Nai Chung Road.

B. Traffic arrangements before the conclusion of race meeting

1. Road closure

The following roads will be closed from 35 minutes before the start of the last race:

– The up-ramp on Wong Nai Chung Road outside HKJC leading to Aberdeen Tunnel;
– Southbound Wong Nai Chung Road between Queen's Road East and the up-ramp leading to Aberdeen Tunnel;
– Southbound Wong Nai Chung Road between Village Road and the Public Stands of HKJC;
– Westbound Leighton Road between Wong Nai Chung Road and Canal Road East; and
– Southbound Morrison Hill Road between Leighton Road and Queen's Road East.

In addition, southbound Wong Nai Chung Road between the up-ramp leading to Aberdeen Tunnel and the Public Stands of HKJC will be closed from about 10 minutes before the start of the last race.

2. Traffic diversions

The following traffic arrangements will be implemented from 35 minutes before the start of the last race:

– Eastbound Queen's Road East at its junction with Morrison Hill Road will be reduced to one-lane traffic heading for northbound Canal Road flyover;
– Vehicles from Cross Harbour Tunnel heading for Wan Chai will be diverted via the down-ramp leading from Canal Road East, U-turn slip road beneath Canal Road flyover, Canal Road West and Hennessy Road;
– Vehicles from Cross Harbour Tunnel heading for Happy Valley will be diverted via the down-ramp leading from Canal Road East, eastbound Leighton Road and Wong Nai Chung Road;
– Traffic on southbound Morrison Hill Road will be diverted to turn left to eastbound Leighton Road;
– Traffic along southbound Morrison Hill Road heading for Happy Valley will be diverted via eastbound Leighton Road and Wong Nai Chung Road; and
– Traffic along westbound Leighton Road will be diverted to Wong Nai Chung Road.

C. Learner drivers prohibition

Learner drivers will be prohibited to turn left from Caroline Hill Road to Leighton Road between one and a half hours before the start of the first race and one hour after the last race. In addition, learner drivers will be prohibited from accessing the following roads within the above period of

time:

– Shan Kwong Road between Yik Yam Street and Wong Nai Chung Road;
– Village Road between its upper and lower junctions with Shan Kwong Road;
– Percival Street between Hennessy Road and Leighton Road;
– Canal Road East; and
– The service road leading from Gloucester Road to Canal Road flyover.

D. Suspension of parking spaces

Parking spaces on southbound Wong Nai Chung Road between Sports Road and Blue Pool Road will be suspended from 11am to 7pm during day racing, from 4.30pm to 11.59pm during evening racing, and from 5pm to 11.59pm during night racing.

Any vehicles found illegally parked within the precincts of the above affected areas will be towed away without prior notice.

Actual implementation of road closure and traffic diversion will be made by the Police at the time depending on traffic conditions in the areas. Motorists should exercise tolerance and patience, and follow the instructions of Police on site.

LCQ3: Traffic noise nuisance caused to residents

Following is a question by the Hon Holden Chow and a written reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council today (May 15):

Question:

Quite a number of Tung Chung residents have relayed to me that there are often heavy vehicles travelling at a high speed on the North Lantau Highway (which has a speed limit of 110 kilometres per hour), causing serious noise nuisance to them. They therefore request the Government to retrofit noise barriers at the relevant road section. In this connection, will the Government inform this Council:

(1) of the respective names of the expressways in the territory which have currently (i) been installed with and (ii) not been installed with noise barriers, and set out in a table by name of expressway of the road sections which (iii) have been installed with noise barriers and (iv) will be retrofitted with noise barriers in the coming three years;

(2) whether it regularly measured, in the past three years, the traffic noise

levels at the Tung Chung section of the North Lantau Highway; if so, of the approach adopted for the measurement, and the traffic noise levels recorded at different hours; and

(3) whether it will consider retrofitting noise barriers at the Tung Chung section of the North Lantau Highway or taking other measures, so as to alleviate the traffic noise nuisance caused to Tung Chung residents; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government is committed to mitigating traffic noise impact on members of the public through various means. They include (i) requiring carrying out of noise impact assessments to reduce potential noise problems when planning new developments (such as roads and residential developments); (ii) regulating by law the noise emission levels of vehicles for first registration; and (iii) where practicable and subject to resource availability, resurfacing with low-noise materials and/or retrofitting noise barriers/enclosures on existing roads generating excessive traffic noise.

My reply to the question raised by the Hon Holden Chow is as follows:

(1) (i) Names of expressways which have been installed with noise barriers:

Sha Tin Road (Lion Rock Tunnel Road to Tai Po Road – Sha Tin)
Tolo Highway (Tai Po Road – Sha Tin to Lam Kam Road Interchange)
Fanling Highway (Tolo Highway to San Tin Interchange)
San Tin Highway (San Tin Interchange to Castle Peak Road – Tam Mei)
Yuen Long Highway (Shap Pat Heung Interchange to Lam Tei Interchange)
Tuen Mun Road (Wong Chu Road to Tsuen Wan Road)
Sha Tin Wai Road (Flyover and Tate's Cairn Highway, Sha Tin Road to Tolo Highway)
Kwun Tong Bypass
Island Eastern Corridor
North Lantau Highway (Lantau Link Toll Plaza to Tung Chung Eastern Interchange)
Tsing Kwai Highway (West Kowloon Highway to Cheung Tsing Tunnel)
Tsing Long Highway (North West Tsing Yi Interchange to San Tin Highway)

(ii) Names of expressways which have not been installed with noise barriers:

Tsuen Wan Road (Tuen Mun Road to Kwai Chung Road)
Tai Po Road – Sha Tin (Fo Tan Road to Tolo Highway)
Lantau Link (North West Tsing Yi Interchange to Lantau Link Toll Plaza)
Cheung Tsing Highway (Cheung Tsing Tunnel to North West Tsing Yi Interchange)

(iii) Sections of expressways which have been installed with noise barriers:

Names of Expressways	Road sections installed with noise barriers/noise enclosures
Sha Tin Road	near Pok Hong Estate
Tolo Highway	from Classical Gardens to Kwong Fuk Estate; and near Pak Shek Kok
Fanling Highway	from Pak Wo Road to Po Shek Wu Road; and near Hong Lok Yuen
San Tin Highway	near Fairview Park
Yuen Long Highway	from Shap Pat Heung Interchange to Lam Tei Interchange
Tuen Mun Road	near Tsuen Wan; near Yau Kom Tau; near Sham Tseng; near Angler's Beach; near Tsing Lung Tau; and near Castle Peak Bay
Sha Tin Wai Road	near Shek Mun; and near Sha Tin Fishermen's New Village
Kwun Tong Bypass	near Laguna City; near Richland Gardens; and near Choi Hung Estate
Island Eastern Corridor	near City Garden; and near Taikoo Shing
North Lantau Highway	near Caribbean Coast; and near Coastal Skyline
Tsing Kwai Highway	near Nam Cheong Estate; near Mei Foo Sun Chuen; and near Lai King Estate
Tsing Long Highway	near Ko Po San Tsuen

(iv) Regarding traffic noise impact of existing roads on neighbouring residents, it is the Government's policy, where practicable and subject to availability of resources, to study the implementation of direct noise mitigation measures on existing roads generating traffic noise at neighbouring residents at levels exceeding 70 dB(A)(note). Such measures include retrofitting of noise barriers/enclosures, and road resurfacing with low noise materials. Following this policy, the noise barrier retrofitting

projects on three existing roads (not expressways) are under construction. For other noise barrier retrofitting projects on expressways, they are currently still in planning stage.

Note: Road traffic noise level is specified in terms of L10 (one hour) which is the noise level exceeded for 10 per cent of a one-hour period and is generally measured at peak traffic flow. The traffic noise limit of 70 dB(A) for residential premises as stipulated in the Hong Kong Planning Standards and Guidelines is adopted as the criterion for studying the implementation of noise mitigation measures under existing policy.

(2) When planning the North Lantau Highway and the residential developments in Tung Chung New Town, the Government and developers have based on the maximum projected traffic flow within 15 years after development commencement to assess the traffic noise levels of the North Lantau Highway at nearby residential units and, in accordance with the relevant requirements of the Hong Kong Planning Standards and Guidelines, have proposed appropriate measures to mitigate traffic noise impacts. Therefore, there is no need to conduct regular measurements of traffic noise levels at the Tung Chung section of the North Lantau Highway.

To let the public know about the traffic noise situations of roads in various districts over the territory (including the North Lantau Highway), the Environmental Protection Department has based on the statistical traffic data published by the Transport Department to estimate the traffic noise regularly. The spatial distributions have been uploaded to the website of the Environmental Protection Department for public reference. As the relevant road traffic noise levels were assessed based on the yearly averaged statistical traffic data, they could better reflect the overall situations than the traffic noise levels measured over certain periods of time.

(3) As mentioned above, the Government, when planning the Tung Chung New Town, has followed the requirements of the Hong Kong Planning Standards and Guidelines and the above principles to propose appropriate measures to mitigate traffic noise impacts. Apart from placing noise tolerant uses (such as shopping malls and parks) in between the residential developments (such as the current Coastal Skyline, Caribbean Coast and Seaview Crescent) and the North Lantau Highway in order to increase the buffer distances as far as possible, thereby reducing the potential traffic noise impacts on residential developments, the Government also proposed to pave the North Lantau Highway with low-noise material and to construct noise barriers along the road sections in front of the current Coastal Skyline and Caribbean Coast to reduce traffic noise impacts on these two residential developments. Furthermore, in planning for the residential developments in the Tung Chung New Town, the developers have assessed the traffic noise levels at the residential units and adopted practicable designs and measures to further mitigate the traffic noise impacts, and properly address the traffic noise problems in accordance with the requirements of the Hong Kong Planning Standards and Guidelines. Since the traffic noise mitigation measures proposed at the planning stages have been progressively implemented, there is no need to retrofit additional noise barriers or enclosures on the above road

sections.

Lifesaving services suspended at Lo So Shing Beach

Attention TV/radio announcers:

Please broadcast the following as soon as possible and repeat it at regular intervals:

The Leisure and Cultural Services Department announced today (May 15) that due to an insufficient number of lifeguards on duty, the lifesaving services at Lo So Shing Beach in Islands District is suspended until further notice.

First aid service will be maintained at the beach.