

LCQ11: Electric vehicles

Following is a question by the Hon Edmund Wong and a written reply by the Secretary for Environment and Ecology, Mr Tse Chin-wan, in the Legislative Council today (October 18):

Question:

Regarding electric vehicles (EVs), will the Government inform this Council:

(1) given that the Government launched the "One-for-One Replacement" Scheme (the Scheme) in 2018, under which car owners who scrap their old private car (PC) and then purchase a new electric PC (e-PC) can enjoy a higher first registration tax (FRT) concession, of the total amount of FRT concessions granted to EV owners under the Scheme each year since its launch;

(2) as it has been reported that due to the huge amount of tax concessions under the Scheme, quite a number of people have purchased quotas of eligible old PCs (i.e. PCs with internal combustion engines or e-PCs) in order to obtain tax concessions under the Scheme, of the number of newly purchased EVs whose registered vehicle owners changed within one month of registration since the implementation of the Scheme;

(3) whether the Government knows the situation mentioned in (2), and whether measures are in place to plug the loophole concerned; if so, of the details; if not, the reasons for that;

(4) given that the Government has provided free EV charging facilities in many of its public car parks, of the expenditure on electricity tariffs incurred by the Government in each of the past three years;

(5) as the Government has earlier indicated that tests on the imposition of EV charging fees are expected to be first conducted at Kwai Fong Car Park in the first half of this year, but it is learnt that these tests have not yet commenced, of the reasons for that; the earliest time for the introduction of EV charging fees as planned by the Government, as well as the level of such fees; and

(6) as it is learnt that with more and more members of the public purchasing EVs, the EV charging facilities in public car parks under the Government are insufficient to meet the demand, whether the Government has plans to further increase such facilities in its public car parks; if so, of the details?

Reply:

President,

At present, transport makes up around 20 per cent of total carbon

emissions in Hong Kong. To work towards the goal of achieving carbon neutrality before 2050 in Hong Kong, development of green transport is paramount. The Government has been striving to promote the use of electric vehicles (EVs) to reduce the emission of air pollutants. The Government has implemented various measures in recent years to encourage citizens switching to EVs while avoiding vehicular growth. An example is the provision of first registration tax (FRT) concession arrangement for EVs, which includes the "One-for-One Replacement" Scheme.

Hong Kong has made notable progress in promoting the popularisation of EVs in recent years. The percentage of electric private cars (e-PCs) among all newly registered private cars (PCs) has soared from 6.3 per cent in 2019 to 64.3 per cent in the first eight months of this year.

In consultation with the Transport and Logistics Bureau, the reply to the question raised by the Hon Edmund Wong is as follows:

(1) The amount of FRT concessions granted to e-PC owners in each year since the launch of the "One-for-One Replacement" Scheme on February 28, 2018 is tabulated below:

Year	Amount of FRT concessions granted (\$ million)
2018	65
2019	452
2020	955
2021	2,381
2022	5,295
2023 (January to August)	4,850
Total	13,998

(2) and (3) According to the record of the Transport Department (TD), as at October 10, 2023, the number of e-PCs purchased through the "One-for-One Replacement" Scheme over the past five years with ownership transferred within one month after first registration is 30 752.

The objective of the scheme is to provide existing vehicle owners with incentive to opt for EVs when they replace their cars on the premise of not increasing the total number of PCs, in order to improve roadside air quality. The TD ensures that an applicant for the scheme meets all eligibility criteria, including that the vehicle owner must have been the registered owner of the "old PC" (PC with an internal combustion engine or e-PC) for 18 months or more without interruption, and the registered owner of the old PC must be identical to the first registered vehicle owner of the "replacement e-PC" (a new e-PC).

The TD handles matter in relation to transfer of vehicle ownership in accordance with the Road Traffic (Registration and Licensing of Vehicles)

Regulations (Cap. 374E). New vehicle owner must submit to the TD a notice of transfer of ownership, completed and duly signed by the existing owner and the new owner, together with relevant documents such as the registration document relating to the vehicle, in order to complete the transfer of vehicle ownership procedures. If the TD suspects someone to have committed illegal acts such as forgery and using a false instrument, they will refer these cases to the Police for investigation and follow up.

The Government has been paying attention to the trading of e-PCs in the second-hand market, and is aware of the transfer of ownership not long after the registration of newly purchased EVs. We will review the situation and make adjustments as needed.

(4) and (5) The government expenditures on electricity incurred by provision of free charging services for EVs in the past three years are tabulated as follows:

Year	Electricity expenditure (thousand dollars)
2021	3,200
2022	8,900
2023 (January to August)	14,000

The Government announced the Hong Kong Roadmap on Popularisation of Electric Vehicles (the EV Roadmap) in March 2021. The EV Roadmap specified that the Government would begin to impose charging fees in government car parks from 2025 to marketise EV charging services, so as to promote their sustainable development in the long run. To expedite the initiative, the Government will advance the marketisation of EV charging services provided in government car parks progressively, starting before end-2023.

The Government has completed the installation of self-service payment kiosks for EV chargers and related tests at Kwai Fong Car Park and Kennedy Town Car Park, and is preparing for a tender exercise to engage operators to progressively take over the operation of public EV charging facilities in government car parks, and impose charging fees. The related fee levels will be set by the operators, with reference to the fee of charging services offered in the same district, upon the Government's approval.

(6) Charging at home or usual parking spaces are sufficient to meet general daily operational needs of e-PCs. Therefore, the EV Roadmap set out that owners should mainly charge their e-PCs at home, work place or places they travel to or park at regularly, while public charging facilities mainly provide ad hoc top-up charging services for e-PCs in need while driving.

To expand the EV charging network in private buildings, the Government, through the measure of gross floor area concessions, encourages the

installation of EV charging-enabling infrastructure (EVCEI) in parking spaces of newly built private buildings. As at September 2023, the Government has approved over 78 000 relevant parking spaces, of which about 30 800 parking spaces have been completed and equipped with EVCEI. As for existing private buildings, the Government has launched the \$3.5 billion EV-charging at Home Subsidy Scheme to assist owners in installation of EVCEI. We anticipate that the entire subsidy scheme will support some 140 000 parking spaces in around 700 car parks of existing private residential estates to install EVCEI by the scheme's completion in 2027-28.

As for enhancing charging facilities in parking spaces in government buildings, the Chief Executive's 2022 Policy Address sets out the target of providing 7 000 additional parking spaces with EV charging facilities in government buildings in the following three years. Government buildings under construction or planning will provide EV chargers so long as the provision is technically feasible and will not affect the progress of the works. As at the end of June 2023, over 6 100 public chargers were provided by the Government and private organisations, achieving ahead of schedule the EV Roadmap target of having at least 5 000 public chargers by 2025. In addition, the Government endorsed in July this year the refinements to the land lease conditions for petrol filling stations (PFSs). The aim is to incentivise PFS operators to install EV charging facilities in available space within the about 180 existing PFSs in Hong Kong. Preparatory work for tenders is also underway for conversion of two PFS sites into quick charging stations.