

LCQ21: Promoting popularisation of electric taxis

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Transport and Logistics, Mr Lam Sai-hung, in the Legislative Council today (March 20):

Question:

To further promote the popularisation of electric taxis (e-taxis), the Government launched the Dedicated 100% Loan Guarantee Scheme for Battery Electric Taxis (the Loan Scheme) last year to encourage the taxi trade to convert existing taxis to battery e-taxis, with a view to meeting the target of introducing about 3 000 e-taxis by the end of 2027. In this connection, will the Government inform this Council:

(1) of the current number of banks joining the Loan Scheme, as well as the respective numbers of applications received and approved by each of the banks and the numbers of taxis involved;

(2) as it is learnt that some banks are not keen on joining the Loan Scheme and that some banks which have joined the scheme only accept the relevant applications by existing taxi mortgage clients, whether the authorities will introduce measures to encourage more banks to join the scheme or even require banks offering taxi mortgage loans to join the scheme; and

(3) as taxi owners can apply for subsidies under the New Energy Transport Fund to test the new generation e-taxis, and the subsidies granted will be used towards loan repayment if the owners are also borrowers under the Loan Scheme, but it is learnt that the application quota of the fund is already full, and some owners are reluctant to apply for loans as they are not able to apply for the subsidies, thus slowing down the progress of conversion to e-taxis by the taxi trade, whether the authorities will draw reference from the approach adopted previously to promote the replacement of liquefied petroleum gas taxis by taxi owners and provide them with one-off subsidies directly to expedite the popularisation of e-taxis; if so, of the details; if not, the new measures in place to promote the cash-strapped taxi trade to expedite the conversion to e-taxis?

Reply:

President,

After consulting the Environment and Ecology Bureau and the HKMC Insurance Limited (HKMCI), the reply to the Hon Frankie Yick's question is as follows:

The Government announced the Hong Kong Roadmap on Popularisation of Electric Vehicles (the EV Roadmap) in March 2021, guiding Hong Kong towards the target of zero vehicular emissions by 2050. According to the EV Roadmap,

the Government is actively promoting the trials of various electric public transport and commercial vehicles, including electric taxis (e-taxis), and will formulate a citywide green transformation roadmap and timetable for taxis in 2024, with a view to achieving the target of introducing about 3 000 e-taxis by end-2027.

The Government has been adopting a multi-pronged approach to promote the use of e-taxis, which includes launching the Dedicated 100% Loan Guarantee Scheme for Battery Electric Taxis (the Loan Scheme) on September 4, 2023, to encourage the taxi trade to switch to battery e-taxis. The loan application period lasts for five years from the launch of the Loan Scheme, so as to allow taxi owners to switch to battery e-taxis according to their operational needs in an orderly manner. The Government will review and extend the application period if necessary. The Transport Department (TD) will continue to disseminate information about the Loan Scheme to the taxi trade through various channels, including the TD's website, the regularly published "Taxi Newsletter", publicity leaflets and regular meetings with the taxi trade. The Loan Scheme is administered by the HKMCI, whereas the participating lending institutions (PLIs) are responsible for vetting loan applications.

(1) At present, four lending institutions which operate taxi hire purchase financing businesses have joined the Loan Scheme. The list of the relevant lending institutions is available at the following link:

www.hkmc.com.hk/dlgs. Among the PLIs, three of which have started to accept applications since the launch of the Loan Scheme, and the remaining one has started to accept applications since December 2023.

Since the launch of the Loan Scheme until March 11, 2024, the PLIs have received a total of five applications, involving a total of five taxis. Four applications were approved and one is being processed.

(2) As the administrator of the Loan Scheme, the HKMCI has been maintaining close communication with lending institutions which operate taxi hire purchase financing business and encouraging them to participate in the Loan Scheme, so as to provide more application channels for interested taxi owners to apply for the Loan Scheme. That said, different lending institutions would have their own commercial considerations in deciding whether to join the Loan Scheme. For example, some lending institutions have substantially downsized their businesses of taxi financing in recent years and are therefore not keen to participate in the Loan Scheme. Nevertheless, the HKMCI will continue to actively seek participation of more lending institutions in the Loan Scheme. Meanwhile, the HKMCI will maintain communication and co-ordination with various parties (including the lending institutions, the taxi trade and the TD) and provide appropriate assistance to taxi owners in need (including those whose existing taxi mortgages and loan applications involve different lending institutions), with a view to facilitating their applications.

Eligible persons who wish to apply for the Loan Scheme may approach the relevant lending institutions, or call the hotline set up by the HKMCI (2536 9788) for any enquiries. The TD, the HKMCI and the PLIs will continue to communicate with the taxi trade, including organising briefing session for the trade so that they may have better understanding of the details of the

Loan Scheme and prepare the necessary documents in advance.

(3) The Government has been subsidising the taxi trade to test e-taxis via the New Energy Transport (NET) Fund. Under the Applications for Trial (ATs) of the NET Fund, there are limits on the number of each subsidised technology. The current trial limit for e-taxis is 90 vehicles. Since 2022, the NET Fund has approved the ATs of about 50 new generation e-taxis, and the number of ATs of e-taxis received and being processed as of now has exceeded 40, meaning that the trial limit for e-taxis has been reached. Taking into account factors such as the trial results and processing status of e-taxis, views of the trade, models available in the market, prices, charging network development, and policy goals, the NET Fund Steering Committee will make timely recommendations to the Government on the inclusion of e-taxis into the Applications for Use category and put forward the relevant proposals (including the mode, level and cap of the subsidy), so as to further encourage the trade to adopt e-taxis. In addition, the Environment and Ecology Bureau will continue to encourage vehicle suppliers to introduce more e-taxis suitable for local application, so as to promote positive market competition.