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Dear

**Regional Cooperation Plan on Building a Quality Living Area Consultation**

HKGCC lauds the objectives to build a quality living area in the Greater Pearl River Delta. Residents in the region will benefit from the plan, in addition to tripartite cooperation among the three governments under different administrative systems, each of which has the same objectives of providing well balanced sustainable economic, social and environmental development.

After consulting with our members, HKGCC has come up with the following comments:

To ensure The Plan is smoothly executed, determining which government authority will assume the role of coordinator of the project is crucial. In addition to being able to make the final decision on recommendations, as well as monitor the project's development, the coordinator will also need to be able to manage differences in legal and economic structures of the three areas, and take on a leadership role in case of disputes. In light of this, we recommend that a unified standard be established to facilitate implementation of the "Joint Management Mechanism".

The Plan also requires a timeline for planning and implementing the many initiatives set out in the 10-year plan. To assist in the planning stage, drafting a list of priorities for each sector would be useful, as well as facilitate cooperation between businesses and communities. We also suggest that governments introduce various funding schemes, together with labour, capital and technology transfer programmes, to encourage tripartite cooperation.

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## **Specific Proposals**

### **1. Improving the Environmental and Ecological Quality of the Greater PRD Region**

The Plan recommends that “The Bay Area of the Pearl River Estuary should become the core area for preserving the ecosystem in the Greater PRD region,” through various initiatives. As such, there will likely be constraints on future developments in the Bay Area. Our members hope to learn more about the details of the Bay Area coverage, and the regional ecosystem preservation plan. In particular, they highlighted concerns about proposals to protect ecological resources along the coastline, enhance wetland protection, as well as comprehensive environmental and resources feasibility assessments for future major land use development projects at the Bay Area.

Regarding “expediting the setting up of large-scale systems at major ports to collect and treat wastewater, used oil and sludge arising from port-related activities or restricting the scale and location for land reclamation so as to avoid causing significant adverse impacts on the water environment”, our members are concerned about who will be required to shoulder the set up and installation costs. The government could subsidize the costs involved, which is the prevailing practice of other environmental initiatives. Moreover, the timeline for setting up such facilities should be clearly identified and communicated with businesses.

On controlling air pollutant emissions from vessels in Greater PRD waters, some of the suggestions that we received have been discussed and a consensus reached among different sectors during Green Harbour Workshops facilitated by Civic Exchange. For instance, examining measures to encourage the use of cleaner fuels when entering port areas, and establishing an “Emission Control Area” were agreed upon among various stakeholders attending the workshops. However, a consensus on adopting an onshore power supply is still lacking. Issues covering the maturity and availability of technology; standardization of components; charging mechanism between power utility companies, container terminal operators and shipping lines; schedule of enacting relevant regulations etc., all require further debate.

### **2. Promoting Low-Carbon Development in the Greater PRD Region**

In its previous submission to the HKSAR Government, HKGCC supported initiatives to develop a low-carbon economy in Hong Kong, and accepted, in principle, the proposed carbon intensity reduction target of 50%-60% by 2020. We believe that the targets have formed a solid basis for putting in place the appropriate reduction strategies for Hong Kong, as well as showcasing best practices for the region.

As pollution transcends boundaries, we support regional cooperation proposals to promote low-carbon communities. Some of our members have plans to enhance energy efficiency on their premises, including office buildings and container handling equipment. Therefore, to facilitate their efforts, we hope a timeline formulating a set of commonly adopted green building standards for the region can be made public.

Regarding the proposal to promote the wider use of low-carbon vehicles, some of our members have already introduced electric vehicles (EVs) in their businesses. With the advancement in battery charging technology, EVs are expected to become one of the most popular low-carbon vehicles in the region. While it was reported that the Chief Executive of HKSAR has earmarked HK\$180 million for franchised bus companies to purchase 36 electric buses for trial runs, it is recommended that similar government subsidies should be made available to other businesses to promote the wider use of low-carbon vehicles. Standardizing the EVs infrastructure (e.g. repairing and battery charging facilities) with Guangdong will also be necessary to encourage greater use of EVs for cross boundary transportation operators.

We believe the Greater PRD region should take a more proactive role in encouraging regional cooperation in Clean Development Mechanism (CDM) projects. HKGCC has long urged the government to expand its CDM efforts. Under the CEPA framework, we succeeded in lobbying the Central Government to allow Hong Kong companies to take up majority interests in CDM projects in 2008. In particular, advanced technologies can be imported and financing tools in Hong Kong should be fully utilized for projects that reduce emission of greenhouse gases.

In 2010, HKGCC published a study advocating the development of a regional circular economy. We envision that cross-border partnerships relating to processing, recycling and re-manufacturing of waste into reusable materials could nurture a green manufacturing supply chain, with the added advantage of reducing greenhouse gasses and pressure on landfill sites.

### **3. Taking Forward Coordinated Spatial Development in the Greater PRD Region**

Regarding proposals to expedite the formulation of land use standards for different trades and industries, and phasing out low-end, polluting industries, we recommend that the Plan clearly lists out these industries that are being targeted. We also suggest improving technologies currently in use, because relocating those industries away from the Greater PRD region is not a solution to the pollution problem.

### **4. Facilitating the Development of Green Transportation and Convenient Boundary Crossing in the Greater PRD Region**

On raising the fuel and emission standards for motor vehicles in the Greater PRD region, we recommend announcing if the implementation of National IV Emission Standard will also be applicable to non-road mobile machinery inside container terminal ports (e.g. tractors, rubber-tyred gantry cranes, empty stackers, heavy duty forklifts, etc). We also recommend stipulating when the study on the coordinated development of multi-modal transportation, including container terminal ports, will be commissioned.

Regarding proposals to facilitate cross-boundary transport, container terminal operators in Hong Kong have discussed some of the suggestions and reached a consensus. These include the simplified clearance process, 24-hour land boundary checkpoints, cross-boundary transportation services, etc. They also suggested that the public should be notified when the suggested measures would be implemented.

This submission contains the essence of our members' views. As this subject has long been at the forefront of HKGCC's advocacy work, we will continue to solicit members' views and look forward to contributing further in due course to the success of the Greater PRD regional cooperation project.

Best regards,

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