



Hong Kong General Chamber of Commerce
香港總商會1861

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5 September 2023

Mr TSE Chin Wan, BBS, JP
Secretary for Environment and Ecology
Environment and Ecology Bureau
16/F, East Wing, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

Dear Mr Tse,

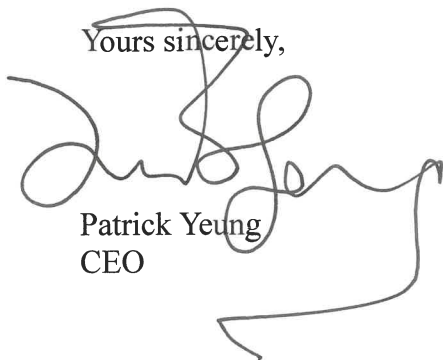
Re: Proposal to Regulate and Phase Down Hydrofluorocarbons for Implementation of the Kigali Amendment to the Montreal Protocol

The Hong Kong General Chamber of Commerce welcomes the Bureau's proposal to regulate and phase down Hydrofluorocarbons (HFCs), which are powerful greenhouse gases with high global warming potential (GWP), to fulfil Hong Kong's international obligations under the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer (the Amendment).

While the proposal could mitigate climate change through the incremental removal of HFCs, we suggest that the Government takes into account the operational practicalities that businesses would be faced with in implementing the Amendment and defer the implementation of the ban on sale and supply, as well as on-product labelling requirement to allow businesses more time to comply with minimal disruptions.

These and other comments are set out in the attached. We hope you will find our comments useful.

Yours sincerely,



Patrick Yeung
CEO

**Consultation on the Proposal to Regulate and Phase Down Hydrofluorocarbons for
Implementation of the Kigali Amendment to the Montreal Protocol
Response by the Hong Kong General Chamber of Commerce**

1.1. The Hong Kong General Chamber of Commerce (“HKGCC”) welcomes the opportunity to respond to the captioned consultation.

1.2. We support the Environment and Ecology Bureau’s proposal to mitigate climate change through the incremental removal of Hydrofluorocarbons (HFCs), which are powerful greenhouse gases with high global warming potential (GWP), to fulfil Hong Kong’s international obligations under the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer (the Amendment). However, we would call on the Government to take into account the operational practicalities that businesses would be faced with in implementing the Amendment.

1.3. The following sets out our responses to the various issues raised in the Consultation Paper (“CP”).

Timing

1.4. The CP proposes that the effective date for the prohibition of import and manufacture will start from 2025 at the earliest, followed by a subsequent one-year window for equipment owners to sell their existing inventories. In the interest of operating certainty, the Government should ensure beforehand that there is a sufficient supply in the market of refrigerants that are compliant with the proposed regulations. Otherwise, the effective dates for the ban on sale and supply, as well as on-product labelling requirement, should be extended to allow businesses more time to achieve compliance with minimal disruptions.

Transition Support

1.5. To accelerate the phasing-out of non-compliant refrigerants, it would be helpful if financial support be provided by the Government to affected companies through such means as direct subsidies. This is because switching to the use of low-GWP products often requires wholesale retooling, which would necessarily involve heavy investment.

1.6. Natural refrigerants, including ammonia and propane, are viable HFC alternatives with the advantages of a smaller environmental impact and higher energy efficiency. However, adoption of such substitutes in commercial refrigeration in Hong Kong is not widespread due to prevailing charge limits. To encourage the switch to low-GWP alternatives, we suggest that the Government review the maximum flammable refrigerant amount, particularly for A2 and A3 refrigerants. Consideration could be given to replicating the International Electrotechnical Commission’s revised standard published in 2019. Under the amended rules, the charge limit for flammable refrigerants in

self-contained commercial refrigeration appliances has been increased. In the case of A3 refrigerants, which are the most flammable, the charge limit has been raised from 150g to 500g while the limit for mildly flammable alternatives, such as A2 and A2L refrigerants, was revised from 150g to 1.2kg.¹

1.7. The CP proposes the mandatory recovery of spent Scheduled Refrigerants whereby all persons handling Scheduled Refrigerant, including in-house staff, must register with the Environmental Protection Department. Failure to do so would result in the penalization of both the equipment owner and refrigerant handler. To ensure that technicians have the knowledge and capability to handle refrigerants, we support the Government's proposed training and certification requirement on refrigerant handling. We further suggest that the Government provide financial support to employers on reimbursing costs for upskilling their workforce.

1.8. Consideration should also be given to differentiating the proposed training and certification based on the types of appliances being handled. Reference could be drawn from the US Environmental Protection Agency's refrigerant technician certification system², which is based on a four-tier certification standard that ranges from the servicing of small appliances to low- and high-pressure equipment to equipping technicians with proper refrigerant handling techniques.

1.9. To facilitate refrigerant recovery, we suggest that the Government set up a central refrigerant recovery and reclamation facility, as well as a working group that would be charged with coordinating recovery works between government departments and industry stakeholders.

Enforcement

1.10. Although the CP currently excludes used product and equipment from the proposed restriction on supply of high-GWP product and equipment in the market, we feel that containment and recovery measures such as leakage control should be adopted to reduce harm on the environment associated with the disposal of redundant HFC-based assets. In this connection, consideration could be given to replicating the EU's preventive measures to reduce HFC leakage from existing refrigeration and air conditioning equipment by requiring checks, proper servicing and recovery of the gases at the end of a product or equipment's life³.

1.11. For newly imported or manufactured air-conditioning and refrigeration equipment, we suggest that a two-pronged approach be adopted whereby apart from the foregoing restriction, the Government should also strengthen enforcement measures to address violations and abuses.

HKGCC Secretariat
September 2023

¹ <https://www.danfoss.com/en/about-danfoss/our-businesses/cooling/refrigerants-and-energy-efficiency/refrigerant-faq-iec/>

² <https://www.epa.gov/section608/section-608-technician-certification-0>

³ https://climate.ec.europa.eu/eu-action/fluorinated-greenhouse-gases/eu-legislation-control-f-gases_en