

MINUTES of the meeting of the Hong Kong Business Coalition on the Environment (BCE) held on 6 December 2007 at 4:00 pm in the Hong Kong General Chamber of Commerce.

Chairman

James Graham Convenor, Hong Kong Business Coalition on the Environment

Guests

Mary Tsang Environmental Protection Department (EPD)

K L Tsang Hong Kong Productivity Council (HKPC)

Raymond Wong Environmental Protection Department

Members

Jack Maisano American Chamber of Commerce in Hong Kong

Andrew Thomson Business Environment Council

Tze-kong Wai Chinese General Chamber of Commerce

Jens-Erik Olsen Danish Chamber of Commerce Hong Kong

Wolfgang Ehmann German Chamber of Industry & Commerce HK, S China, Vietnam

Alex Fong Hong Kong General Chamber of Commerce

Glenn Frommer Hong Kong General Chamber of Commerce

W K Chan Hong Kong General Chamber of Commerce

Ben Law Hong Kong Trade Development Council

Howard Kang Korean Chamber of Commerce in Hong Kong, The

James T N Wong New Zealand Chamber of Commerce in Hong Kong

Peggy Lee New Zealand Chamber of Commerce in Hong Kong

Peter Chow Singapore Chamber of Commerce (Hong Kong)

Stewart Ballard US & Foreign Commercial Service, American Consulate General HK

Meeting Secretary

Thinex Shek Hong Kong General Chamber of Commerce

1. Presentation on "Promoting Cleaner Production to Hong Kong-owned Factories in PRD Region"

The Chairman welcomed EPD Assistant Director Ms Mary Tsang, HKPC General Manager for Environmental Management Mr K L Tsang, and EPD Senior Environmental Protection Officer Mr Raymond Wong to the BCE meeting.

Mr K L Tsang told members that a Cleaner Production Technical Support Pilot Project was commenced in November 2006, following the recommendation made by the 2006 Industry Forum. In addition to preliminary assessments on 15 participating factories from seven sectors, the HKPC also conducted detailed assistance programme to four selected factories to implement cleaner production and consolidated the findings into four Guidebooks. The Project was concluded at a joint conference with HKSAR and Guandong governments on 16 October 2007.

With the support of the HKSAR Government, the Pilot Project was extended to become the Cleaner Production Partnership Programme announced in the Policy

Address. Ms Mary Tsang added that subject to approval by Legco, the proposed \$93 million funding would be provided to encourage and facilitate Hong Kong-owned factories in the PRD to reduce air pollution and emissions through awareness programme, 800-1,000 on-site assessments, 90 demonstration projects and improvement verification. Eight proposed sectors were targeted for the funding scheme. The EPD would consult the LegCo Environment Affairs Panel in mid December 2007 and seek funding from the LegCo Finance Committee in January 2008. A Project Management Committee (PMC) would then be formed with members of major business associations.

Mr Peter Chow of the Singapore Chamber of Commerce asked about the cost of on-site assessment and possible subsidies to factories to implement cleaner production. Ms Mary Tsang said that each assessment would cost about \$30,000 based on the experience of the HKPC, and the funding would be on a 50:50 basis subject to a cap of \$15,000. The Government would not provide direct subsidies for machinery and equipment, but participating companies could make use of the green loans in the market or apply for technology support funds of the government. Mr Stewart Ballard of the US & Foreign Commercial Service told members that a clean technology trade delegation from the US would be visiting Hong Kong on 12 January 2008, and advised that the P2E2 model could be used as a platform and an effective operating mechanism to introduce clean technologies so as to achieve win-win situation.

Mr K L Tsang supplemented that the actual on-site assessment fee could vary due to the level of operational complexity of factories. The HKPC would compile a list of certified environmental consultants to participating companies for negotiation. Understanding that there would be a need to outsource professional services, Mr Tze-kong Wai of the Chinese General Chamber of Commerce asked about the details of screening process and timing. Mr K L Tsang said that the HKPC would ensure the best quality of services to be provided and would select the consultants based on experience and qualification. The PMC would monitor the selection process of consultants and other project matters prior to the formal launch of the programme. Dr Glenn Frommer of the Hong Kong General Chamber of Commerce suggested that the Government could consider seeking input from the Hong Kong Institute of Environmental Impact Assessment.

Dr W K Chan of the Hong Kong General Chamber of Commerce asked if there would be any opportunities for technology transfers by BCE members. Mr K L Tsang told members that the HKPC had already approached foreign consulates, and were open to technologies which were not available here, in developing solutions for cleaner production.

Mr Wolfgang Ehmann of the German Chamber of Industry & Commerce asked if there was a timetable to release the results of the programme. Ms Mary Tsang and Mr K L Tsang said that it would be a five-year programme, so they looked for gradual achievements rather than immediate results.

The Chairman felt that PRD manufacturers were generally concerned of their cost competitiveness, so it might not be easy to get their involvement in the programme. Ms Mary Tsang and Mr K L Tsang believed that there had been a growing awareness of cleaner production as a result of the tightening environmental control

by the Guangdong Government. The Programme was therefore a timely initiative that could help PRD factories understand technologies available and utilize materials more effectively.

Mr Jens-Erik Olsen of the Danish Chamber of Commerce believed that it would be critical to promote and highlight the concept of cost saving as an incentive to implement cleaner production. Ms Mary Tsang echoed that this would be the key objective of the demonstration projects, of which the results would be publicized on a larger scale than the completed pilot projects.

The Chairman thanked Ms Mary Tsang, Mr K L Tsang and Mr Raymond Wong for coming to the BCE meeting, who left the meeting at this point.

2. Confirmation of Minutes

Minutes of the BCE meeting held on 29 June 2007 were confirmed and signed.

3. BCE Projects

Meeting with Secretary for the Environment Mr Edward Yau

The Chairman briefed members that 15 BCE members met with the Secretary for the Environment Mr Edward Yau on 5 October 2007, who gave an overview of Government's major environmental policies and initiatives concerning waste treatment, air and water pollution. At the meeting, Mr Yau was invited to a joint luncheon to be open to all BCE members.

Some members felt that there was a lack of urgency in the Government in dealing with waste treatment. One of the examples given was that there had been no concrete policy towards waste incineration.

Mr Jens-Erik Olsen and members supported a joint BCE luncheon to continue the dialogue with Mr Edward Yau.

Project CLEAN AIR

Dr W K Chan briefed members that a certification pilot scheme was being conducted with professional consultancy of the Business Environment Council. It would hopefully be completed early next year so that the full certification scheme would be launched.

4. BCE Members Update

Environmental Initiatives of BCE Members

Dr Andrew Thomson of the Business Environment Council told members that he was working with the InterCham Sustainable Development Committee to organize a PRD Leadership Forum to be held on 22 April 2008 in Guangzhou. Senior

officials from the State Environmental Protection Administration, provincial and Hong Kong governments would be invited to address the seminar.

It was agreed that the PRD Leadership Forum would be supported by BCE.

Mr Wolfgang Ehmann told members that an energy efficiency seminar was held in early December. On the Building Energy Codes proposed in the Policy Address, it was believed that mandatory implementation by means of legislation was essential.

Convenorship

The Chairman informed members that he would step down from the convenorship after serving BCE for 3 years, and nominated Mr Jens-Erik Olsen to be the new convenor. Members unanimously agreed. The outgoing Chairman urged BCE members to render full support, as always, to the BCE and Mr Olsen.

Mr Jens-Erik Olsen proposed and members unanimously agreed to pass a vote of thanks to Mr James Graham for his excellent leadership in the past three years.

There being no other business, the meeting adjourned at 5:30 pm.

Confirmed by

Secretary
18 December 2007

Chairman