



The Government of the Hong Kong Special Administrative Region
Att. Mr. Donald TSANG Yam-kuen, Chief Executive
Central Government Offices
Hong Kong

Copy to: Mr. John TSANG Chun-wah, Financial Secretary

September 2, 2011

2011 Policy Address

The Swedish Chamber of Commerce ("SwedCham") is pleased to submit this statement to the Hong Kong government ahead of the 2011 Policy Address in October. Some of the points made herein were also aired at a consultation session with the Financial Secretary on August 15, 2011.

While Hong Kong undoubtedly is one of the most sophisticated business and finance centers in Asia, SwedCham believes that new policies are needed for Hong Kong to retain and develop this position.

Founded in 1986 and with some 300 members, SwedCham represents a wide range of Swedish and Swedish-related businesses and professionals in Hong Kong. During its 25 years, SwedCham has raised a number of issues related to Hong Kong's environment. Several years ago we were one of the leading advocates for an overhaul of the slope protection program. During the past twelve months we have participated actively in policy processes like the ban on idling engines, Hong Kong's climate change policy, and the trawling ban.

In the opinion of SwedCham and supported by our most recent Business Confidence Survey among our members, improved air quality ranks as Hong Kong's single most significant policy challenge today.

Resolve and forceful initiatives in this area would significantly improve general quality of life in Hong Kong, something all residents would benefit from. It would also improve Hong Kong's status as a business and financial center and help attracting foreign top talent to live and work in Hong Kong. In addition, it would make a significant positive impact financially in terms of fewer sick-days, less absence from work and school, and decreased healthcare costs (see for example widely published research by the Hong Kong University).

There is no shortage of suggestions (from Legco and elsewhere) for measures to be implemented to yield substantial air quality improvements at a very affordable investment. In this context, SwedCham is hereby endorsing the following proposals:

Swedish Chamber of Commerce in Hong Kong

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1. Allocate funds to retire old commercial vehicles

There are over 4,000 old (pre-Euro, Euro I, Euro II) buses in Hong Kong. Together with other old commercial vehicles they produce a hugely disproportionate share of roadside pollution. Allocating funds towards the accelerated retirement of these vehicles would represent one of the most efficient – if not the most efficient – approaches to counter roadside emissions.

2. Greening marine transport

The shipping industry has recently introduced cleaner fuels to Hong Kong waters through the Fair Winds Charter (the “FWC”), under which approximately 80% of all container vessels visiting Hong Kong switch to low sulphur fuel at berth in Hong Kong.

In addition, the FWC signatories have urged the Hong Kong government to take a lead and work with the Guangdong Government to regulate use of low sulphur fuel in the Pearl River Delta region by December 31, 2012. SwedCham too is urging the Hong Kong government to follow through on this golden opportunity to achieve change working in tandem with one of Hong Kong’s key industries, shipping.

3. Develop visionary pedestrian and bicycle schemes

In many of the leading cities of the world, the ability to walk or ride a bicycle through the city center serves as a point of attraction for people enjoying healthy lifestyles, as well as a source of cleaner urban environments. In Hong Kong, walking (let alone cycling!) through parts of Central, Causeway Bay or Mongkok is often a challenge due to the intensity of motorized traffic and the resulting roadside pollution. The government has an opportunity to follow the lead of cities like London and Stockholm to turn this point of weakness into a visionary scheme that could serve as a source of pride for Hong Kong and its residents.

4. Introduce new air quality objectives aligned with the World Health Organisation guidelines

The government owes it to the people and businesses of Hong Kong to introduce a revised set of Air Quality Objectives that make it possible to compare air quality here with other locations around the world. Progress with improving air quality will be possible to measure only with fair and transparent air quality objectives.

SwedCham understands that there is a cost associated with the proposed measures. It is important to note, though, that there are also real costs associated with maintaining the status quo.

These come in the form of increased healthcare expenses (which are quantifiable and by now relatively well-documented) and the cost of missing out on business opportunities when foreign firms elect to invest and trade elsewhere (these are more difficult to calculate but by all accounts substantial).



SwedCham believes that the economic case for taking action to clean up the air is overwhelming. In fact, a city aspiring to be "Asia's World City" can no longer afford not to act decisively in this area.

We thank you for this opportunity to share our thoughts ahead of the Policy Address.

Yours faithfully,

Kristian Odebjør,
Director & Chair of the Environmental Committee
Swedish Chamber of Commerce

Stefan Ronnquist, Chairman,
For and on behalf of the Board of Directors,
Swedish Chamber of Commerce