



## Exhausting work

If Hong Kong doesn't get the "carrots and sticks" formula right, it will continue to be hard to replace the old and highly polluting commercial diesel bus and truck fleet. There is no doubt about the harm these vehicles cause. Government data shows they are the principal emitters of roadside pollution, accounting for 88 per cent of the highly health-damaging particulates and 76 per cent of nitrogen dioxide, another pollutant.

Overseas research shows that those living within 500 metres of busy and congested roads are the worst affected. Negative health impacts include asthma, allergies, impaired lung functions in children and cardiovascular problems for the elderly.

Government data also shows how many old clunkers Hong Kong has. Of the 117,000 diesel commercial vehicles under licence, 23,000 date back to before the progressively tighter Euro emission standards were introduced; 15,100 are Euro I, 28,000 Euro II, 31,000 Euro III, 20,000 Euro IV and 150 Euro V. Anything below Euro II are truly awful polluters and should be off the road.

Including the Euro II vehicles, this means 66,100 of the total fleet should be retired. The very worst culprits total 38,100; these pre-Euro and Euro I vehicles generate a staggering 73 per cent of all the particulate emissions of the commercial diesel fleet.

There is no technical argument about what Hong Kong needs to do; the debate is over how to do it. In 2007, the government provided a subsidy scheme for truck owners to replace the pre-Euro and Euro I clunkers, but uptake has been slow. Some say the subsidy is too low, while others say there was no "stick".

The government tried to get legislators to increase the vehicle licensing fee but none of the parties were willing to back the measure. Dispirited, environmental officials lost the will to fight.

The government floated a new idea in the 2010 budget. On top of the existing subsidy scheme, the financial secretary announced HK\$540 million to subsidise the replacement of Euro II vehicles. At the same time, environmental officials have returned to ask legislators, yet again, to consider raising licence fees. This is the right idea, but only if it works. If the first scheme doesn't work, how can we expect the second one to work?

It is thus critical to understand why the original scheme never took off. According to people in the trade, the replacement of pre-Euro and Euro I diesel vehicles was slow because banks would not lend during the financial crisis. Simultaneously, fuel-cost increases and sagging business made survival the priority. Even with a subsidy, the trade was not interested.

Irrespective of costs, the lack of "sticks" meant polluters were not penalised for polluting. Legislators have failed to support a higher licence fee – a relatively small stick. Now, officials are asking them to give this further thought. A bigger stick would be to outlaw pre-Euro and Euro I trucks altogether. The government doesn't object to this in principle, but it is concerned about objections from the trade and politicians.

At a Legislative Council meeting on Wednesday, the early replacement of old diesel commercial vehicles was the subject of deliberations. Naturally, environmental groups expressed the greatest concern over the 38,100 pre-Euro and Euro I vehicles still on the road. They supported the government's proposal to increase licence fees for the worst polluters and proposed a clear timetable and a pollution-based – or "worst polluters pay the most" – fee scale. Trade representatives objected to penalising pre-Euro and Euro I vehicles without offering any additional incentive to clean up.

To get results this time round, the government needs to determine the right subsidy, help truck owners get bank loans, increase the licence fee and make the retirement of vehicles mandatory after a reasonable time – 20 years has been suggested but that may be too long. The Legco meeting may have served one purpose: focusing everyone's mind on getting the "carrots and sticks" formula right and not losing sight of the urgency of protecting public health. Let's hope this won't be a long wait.

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