

Speech by CS at RICS Hong Kong Annual Conference 2019 (English only) (with photo/video)

Following is the speech by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, at the Royal Institution of Chartered Surveyors (RICS) Hong Kong Annual Conference 2019 this morning (May 24):

Mr Myles (Managing Director of RICS Asia Pacific, Mr Will Myles), Mr Brooke (President of RICS, Mr Chris Brooke), Mr Franco (Managing Director of RICS Greater China, Mr Pierpaolo Franco), Mr Hallam (Chair of Hong Kong Advisory Board and Chair of Organising Committee of RICS Hong Kong Annual Conference 2019, Mr Dave Hallam), Clare (Chief Operating Officer of RICS Greater China, Ms Clare Chiu), distinguished guests, ladies and gentlemen,

Good morning. It gives me great pleasure to join you all today to open the Hong Kong Annual Conference 2019. First of all, I would like to express my warmest congratulations to the organising committee on the successful launch of this year's Conference.

With the theme of "Resilient and sustainable: Putting the green revolution at the forefront of our future", this year's Annual Conference provides a timely opportunity for industry leaders across the globe to explore the impacts of climate changes, risks posed to the built environment, and how Hong Kong should navigate the challenges ahead and embrace such unique opportunities to become an exemplar.

Climate change is a global challenge which calls for immediate, decisive and robust action requiring cross-sectoral and cross-domain collaboration. This is a responsibility that the Hong Kong Special Administrative Region (HKSAR) Government takes seriously. We have accorded top priority to formulating comprehensive and coordinated climate actions to meet the commitments formalised under the Paris Agreement. A Steering Committee on Climate Change chaired by me has been established to co-ordinate actions of government policy bureaux and departments in combating climate change holistically with one heart, one mind and one purpose.

We released Hong Kong's Climate Action Plan 2030+ in 2017, setting out in detail the key measures to be taken, as well as the target. By 2030, we will reduce Hong Kong's carbon intensity by between 65 per cent and 70 per cent, compared with the 2005 level. This is equivalent to an absolute reduction of 26 per cent to 36 per cent, or reducing our per capita emissions to 3.3 to 3.8 tonnes, down from the 5.7 tonnes in 2016.

To meet this ambitious target, the HKSAR Government has geared up for challenges arising from global climate change. We are leading by example and, at the same time, engaging the public to jointly mitigate climate change, adapt to it and build resilience. I am pleased to share with you

some of our latest initiatives in this endeavour.

Development of renewable energy

Renewable energy plays an increasingly important role in helping to reduce pollution arising from power generation and thus mitigating climate change. Last year, the HKSAR Government and the power companies introduced Feed-in Tariff (FiT) to provide incentives for the community to invest in renewable energy. We have also relaxed building restrictions so that village house owners will find it easier to install photovoltaic systems on their rooftops. In the next few years, we will be funding and installing such systems for hundreds of schools and welfare organisations in Hong Kong. As for the public sector, we have earmarked HK\$2 billion for building small renewable energy systems on Government's own premises. We will continue to scale up our efforts in installing larger scale renewable energy facilities in reservoirs and landfills.

Energy efficiency and conservation

As the bulk of our energy consumption is still not carbon-free, we must also reduce consumption if we are to combat the negative impact of climate change. In Hong Kong, buildings account for about 90 per cent of the electricity used and over 60 per cent of our carbon emissions. Promoting energy saving in buildings is clearly our priority.

In addition to tightening statutory standards for building energy efficiency and providing financial incentives, we have established a "4Ts Dialogue Platform" to engage major developers and property managers. We call this "4Ts" since our partners agree that there must be a carbon-related reduction "Target" and a "Timeline"; that the efforts made should be reported in a "Transparent" manner; and that everyone must work "Together" to make this initiative a success.

We feel most grateful for these partners' commitment to adopting the same approach as we do for Government buildings. They have agreed to reduce electricity consumption by 5 per cent over a five-year period, from 2015 to 2020. I am pleased to report that both the Government and our business partners are making good progress.

Planning and building technology

Apart from promoting energy efficiency, we are also applying planning and building technologies to enhance construction efficiency, thereby reducing carbon emissions arising from construction material wastage. We encourage the building sector to use Modular integrated Construction (MiC) method in the construction process in order to shorten construction time. We have also introduced facilitation measures to assist the industry in meeting relevant statutory standards and requirements and formulating streamlined measures and guidelines.

The HKSAR Government also plays an active role in promoting the Building

Information Modelling (BIM) in the construction industry. BIM helps avoid changes in the construction process and thus reduce wastage during construction. To take the lead, the Government has mandated the use of BIM technology in the design and construction of major government capital works projects since last year and expanded the scope of its application this year. In 2018, BIM provisions were included in more than 100 works tenders and consultancies.

To promote the wider use of BIM technology in private works projects, the Government collaborates with the Construction Industry Council to provide a wide range of BIM-related training courses and develop BIM standards and guidelines for the industry. We have also established the Construction Innovation and Technology Fund to subsidise BIM training and procurement of hardware and software to facilitate adoption of BIM in Hong Kong. The response from the construction industry has been very positive.

Climate Change Working Group on Infrastructure

As regards adaptation measures to enable Hong Kong to respond to climate change, the HKSAR Government has established a Climate Change Working Group on Infrastructure chaired by the Civil Engineering and Development Department to co-ordinate planning studies and implementation of measures to ensure our public infrastructures are climate-ready.

We have also updated design guidelines and manuals on port works, geotechnical engineering and stormwater drainage to better prepare Hong Kong for changes in mean sea water levels and rainfall intensity. We are now pressing ahead with reviews of design guidelines on road drainage and relevant building regulations.

There are numerous critical public infrastructures in Hong Kong, and we have been ascertaining the enhancement works necessary for strengthening their resilience. Last year, we carried out a scoping study to look into the design considerations of government infrastructures under extreme temperatures. This year, we will conduct more studies on the frequency of extreme sea levels and gauge the potential impact on our critical infrastructures if they were hit directly by super typhoons.

Green finance

Whilst transforming the city into a low-carbon economy is a challenge, it also opens up new opportunities for our economy. Riding on the accelerating global demand for green financial products, Hong Kong can ride on its strength as an international financial centre and the global business hub to develop the city into a leading regional hub for green finance. In particular, focus could be placed on developing this gateway to Mainland China into a premier financing platform for international and Mainland green enterprises and projects in raising funds through issuing bonds, initial public offerings and other channels (such as fund distribution) in Hong Kong.

With our sound legal and regulatory system, deep and liquid capital

market, our robust financial infrastructure and a wealth of financial intermediaries and talent, Hong Kong is well-placed to become a regional green finance hub.

The HKSAR Government is determined to develop Hong Kong into a leading hub for green finance in the region, focusing on Mainland China and economies along the Belt and Road countries. To this end, we will take forward various initiatives to attract more enterprises to issue green bonds in Hong Kong. For example, the Green Bond Grant Scheme subsidises eligible green bond issuers to obtain certification, while the Pilot Bond Grant Scheme provides financial support to eligible enterprises that issue bonds, including green bonds, in Hong Kong for the first time. The Government's Green Bond Programme is also introduced to encourage more issuers to raise funds through our capital markets for their green projects and expand the bulk of green investors in Hong Kong. In parallel, we are proactive launching promotional campaigns on Mainland China and overseas markets to enhance our international visibility in green finance.

Last year, about US\$11 billion's worth of green bonds were issued in Hong Kong by notable issuers from Hong Kong, Mainland China and abroad including multilateral agencies such as the World Bank, the Asian Development Bank and the European Investment Bank. This attests to the strengths of our financial platform in supporting Hong Kong to become a major green financing hub in the region.

Promotion of sustainable development in Hong Kong

Any discussion on tackling climate change would be incomplete without a vision to foster sustainable development. The HKSAR Government attaches great importance to promoting sustainable development in Hong Kong and has invested considerable resources for this purpose. We have established the Sustainable Development Fund with an initial injection of HK\$100 million to finance community initiatives which encourage sustainable practices. We have also established the Council for Sustainable Development to advise us sustainability issues and help raise public awareness.

The Council for Sustainable Development adopts a bottom-up engagement model to collect public opinions on key sustainability issues. Through public engagement processes, the Council helps the community understand better issues in question and build consensus among different interested groups. Experience shows that public engagements bring about a change of mind-set which is what we need to drive policy and behavioural changes at the institutional, corporate and individual levels. So far, the Council for Sustainable Development has conducted seven rounds of public engagements, addressing issues such as waste management, sustainable consumption, energy saving and more.

Next public engagement

As a follow-up to the Paris Agreement, Hong Kong will strive to formulate and communicate by 2020 our long-term decarbonisation strategy up

to 2050. In this regard, the HKSAR Government has invited the Council for Sustainable Development to initiate a public engagement for the purpose. Through a bottom-up approach, the Council will raise public awareness of the impact of carbon emissions, collect feedback and make recommendations to the Government. It will issue the consultation document for this engagement exercise soon. We encourage all of you to actively participate in the exercise and provide your views and suggestions to help us chart the way forward.

Public education

Apart from engaging the public through the Council for Sustainable Development, the HKSAR Government has also rolled out a series of publicity and public education programmes to promote sustainable development. We regularly publish materials about climate change through a dedicated Climate Ready website (www.climateready.gov.hk). If you are looking for a more personal experience, you may try using our Low Carbon Living Calculator to assess your carbon emission level and obtain some useful tips about reducing carbon emission in daily life.

Conclusion

No country or city can escape from the impact of climate change. It is a global challenge that can and should only be tackled by collective actions through sharing of knowledge and experiences, and mobilising resources for capacity. Menaces of climate change respect no boundaries and, likewise, the solutions must lie with cross-border collaborations and concerted action.

On this note, let us all join hands to promote energy saving and combat global climate change. We need to strengthen partnerships to maximise opportunities for creating a sustainable and climate-ready ecosystem for our future generations. I would like to extend my warmest gratitude to the Royal Institution of Chartered Surveyors for offering this valuable platform for industry professionals to exchange ideas and share experience on such an important and timely subject. I wish the Hong Kong Annual Conference 2019 a great success. I look forward to your wise counsel on propelling Hong Kong's green development forward.

Thank you.

