



PRESS RELEASE

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Hong Kong poised to overtake China in low-carbon goals

HONG KONG, 30 March 2010: According to a new report commissioned by international NGO The Climate Group, Hong Kong has the opportunity to adopt or overshoot China's target of reducing carbon intensity (i.e. carbon emission per unit of GDP) by 2020.

The study, which will be published in April, was conducted by China's Energy Research Institute (ERI) of the National Development and Reform Commission and reveals that Hong Kong has the potential to reduce its carbon emission level by up to 19% by 2020, and by up to 53% by 2030 compared to 2005 levels through the implementation of various energy and low carbon policies, such as the promotion of energy efficiency and renewable energy.

If actions are not taken, Hong Kong's energy demand is expected to increase above 2007 levels by 20% by 2020, and by 36% by 2030, leading to a 23% rise in carbon emissions (10.4 million tonnes CO₂e) by 2020, and by 38% (16.9 million tonnes CO₂e) by 2030 compared to 2005 levels. If realized, this would be equal to the effect of adding 3.8 million cars and 6.2 million cars on the road in Hong Kong by 2020 and 2030 respectively.

The study, commissioned by The Climate Group, an international NGO working with business and government leaders to catalyze the development of a low carbon economy, projects greenhouse gas emissions in Hong Kong formulated using a computer model (IPAC-AIM/Technology Model) developed by ERI. The same computer model was used by ERI to project China's greenhouse gas emissions prior to the COP15 at Copenhagen last December leading to Beijing's announcement of a 40-45% carbon intensity reduction target by 2020.

The Climate Group suggests that Hong Kong, as a developed economy, has the capacity to take on a more ambitious emissions reduction target than China. The Organization also proposes that in order to promote energy efficiency, Hong Kong should aim for a more ambitious legislation on the Building Energy Codes, and introduce policies to encourage the application of advanced technologies and elimination of inefficient equipment.

Changhua Wu, Greater China Director of The Climate Group, believes that combating climate change requires concerted effort from the government, the business sector and the general public: "The transition to a low carbon society would require government policies that favor green investment and deployment of clean technologies, the integration of climate change into business decisions, and a change to a low carbon lifestyle".

According to **Dr Kejun Jiang, Director of Research Management and International Collaboration Division at the ERI**, and principal investigator on the study, Hong Kong should think beyond its geographic limits in the development of renewable energy: "Hong Kong should seek opportunities to reduce its emissions from energy consumption through enhancing the integration of its energy network with that of Guangdong, such as by establishing renewable energy power plants within Guangdong Province."

Wu sees a role for Hong Kong to play in China's low carbon development: "Hong Kong can contribute to low carbon development in the Pearl River Delta Region through its strength in financing and innovation, as well as through its established infrastructure and expertise, a robust university education system and comprehensive protection on intellectual property. Hong Kong should aim to position itself as the 'brain' of the region by focusing on research and development, as well as the deployment of low carbon technologies such as electric vehicles, green buildings, and information and communication technologies."

The study also reveals that the implementation of low carbon policies does not necessarily lead to an increased cost to society, but can benefit it by cutting energy consumption and reducing the operating cost of energy supply in the long run.

The study was sponsored by the Rockefeller Brothers Fund and supported by the HSBC Climate Partnership.

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About The Climate Group:

The Climate Group (www.theclimategroup.org) is an independent, not-for-profit organisation working internationally with government and business leaders to advance smart policies and technologies to cut global emissions and accelerate a low carbon economy. Its global coalition of 78 leading companies, states, regions and cities around the world recognise the economic and environmental imperatives of taking decisive action now. The Climate Group was founded in 2004 and has operations in Australia, China, Europe, India and North America. A full list of The Climate Group corporate and government members is at <http://www.theclimategroup.org/our-members/>

About The HSBC Climate Partnership:

The HSBC Climate Partnership is a five-year programme between HSBC, The Climate Group, Earthwatch Institute, Smithsonian Tropical Research Institute and WWF, to inspire action on climate change.

Since 2007, it has been working around the world - with a focus on Brazil, China, India, the UK and USA - to:

- Reduce the carbon emissions of major cities
- Measure the effects of climate change on the world's forests
- Help prepare major rivers and waterways - and the millions of people who depend on them - for climate change
- Engage thousands of people in climate action and research, equipping them to act as 'climate champions' in their workplace and community
- Build HSBC employees' capability and commitment to sustainable business practice.