

FRED KAN & CO.

Solicitors & Notaries

URBAN PLANNING AND ENVIRONMENTAL LAW QUARTERLY

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簡家驄律師行 · 城規環保簡訊

Fred Kan & Co. offer an annual prize for the best dissertation submitted by a candidate for the M. Sc (Environmental Management) degree as assessed by the Faculty of Science, University of Hong Kong, provided the dissertation has sufficient objective merit. In 2006, two dissertations could not be separated, so the award was given jointly. The successful dissertations were on two unrelated but very topical environmental issues : the scope for renewable energy in Hong Kong and the threat of tropical disease from our unrestricted and unmonitored importation of tropical reef fish. In this and the next edition of the Quarterly we review the successful dissertations.

The Editors

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Award winning dissertations

In 2006, two MSc (Environmental Management) (HKU) candidates were awarded jointly the Fred Kan & Co. prize :

Tse Man Sze : *Benefits and Costs of Developing Renewable Energy in Hong Kong*

and

Yeung Lau Kong : *Review of Food Safety Policy in Hong Kong : Challenges Brought by Ciguatera on the Safe Consumption of Live Reef Fish*

We warmly congratulate the successful candidates on their well written and thought – provoking dissertations which describe the authors’ research into important environmental issues facing Hong Kong today. Major points made in the *Renewable Energy* dissertation are summarised below.

SCOPE FOR SOURCING POWER FROM RENEWABLE SOURCES IN HONG KONG

Hong Kong’s poor record

The author makes an introductory, valid point, that Hong Kong has been much slower than most other industrialised nations to address environmental problems. During the last two or three decades, the government’s focus has been on economic development, rather than environmental protection.

[Indeed, many would say that remains the case.]

This backward attitude has applied also to the notion, or policy, of sustainable development. Whereas twenty years ago other developed countries were taking some steps to incorporate “sustainable development” as a fundamental plank in government policies, it was not until 2001 that the government recognised that at the very least the principle of “sustainability” had to be observed (to some extent, at least) when it established the *Sustainable Development Unit*; and in 2003, the *Council for Sustainable Development* was appointed by the Chief Executive. However, the influence of these bodies is difficult to detect.

Energy from non-fossil fuel, renewable sources is a vitally important, discrete aspect of “sustainable development”. The factors which make it so important include :

- (a) economic : prices of fossil fuels, e.g. oil, coal and natural gas, have escalated in recent years;
- (b) national security : the oil crises of 1973 and 1979 made the world realise how a few countries control the oil resources that we traditionally all heavily depend on; and
- (c) environmental : the burning of oil, coal and other fossil fuels significantly contributes to air pollution and global warming.

The author notes that it is the comparatively wealthy countries which have so far led the way in the development of renewable energy. In 1974,

the International Energy Agency (IEA) was set up by the Organisation for Economic Co-operation and Development to promote the use of renewable energy globally. In 2004, the Gross National Income per capita (GNI) of the 26 members of IEA ranged from Luxembourg (US\$56,230) to Turkey (US\$3,750).

However, Hong Kong cannot blame national poverty for its reluctance to pursue renewable energy alternatives. In 2004, Hong Kong would have ranked 18th with GNI of US\$26,810 – just below Australia and just above Italy.

Thus, Hong Kong is a developed territory in terms of its GNI, “*but its development of renewable sources of energy has fallen short of the other countries with comparable economic performance and geographical location*”.

Existing power generation

Hong Kong’s Current electricity sources and the foreseeable demand for electric power are summarised by the author as follows :

“According to the energy information from International Energy Agency in 2003, major sources of energy supply in Hong Kong were coal, petroleum products gas and electricity, which constituted a total of 16,525 kilo-tonnes of oil equivalent (ktoe). About 52% of the total primary energy supply in Hong Kong was supported by oil, 30% by coal and 13% by gas (APERC, 2003). The remaining 5% was supported by electricity imported from the Daya Bay Nuclear Plant. Major sources of generating electricity from the two local electricity suppliers, China Light Power Limited (CLP) and Hong Kong Electric Company Ltd (HEC), were coal and natural gas. Whereas the contribution of power supply from renewable sources is negligible. As the population of Hong Kong is expanding, it is estimated that the annual energy demand for fossil fuels will increase by approximately 4% (APERC, 2002). By 2020, the energy demand of Hong Kong will almost double to 31,300 ktoe. Due to the decreasing fossil fuel stock in the coming decade, as well as the global trend of sustainable development and effort against greenhouse gases emissions, Hong Kong could not wait further to develop its own renewable energy options for future energy demand.”

It is stated (without source) that the government’s attitude to our future energy supplies is that renewable energy is one of the strategies to achieve sustainability, and so investment in alternative power sources is inevitable.

Current status of main renewable energy options

The author summarises technical aspects and feasibility factors for several “mainstream” alternative energy options possibly open to Hong Kong.

Wind power

The author notes that :

“Hong Kong is located in the sub-tropical region facing the South China Sea. Wind direction from September to May is mainly from the north, north-east and east, whereas in the period of June to August it is from easterly to south-westerly. Weather condition is relatively unstable in the tropical cyclones season from May to November, when the cyclones bring high wind episodes to the coast of Pearl River Delta region. Natural resources for developing wind energy include the wind speed and land. When compared with the Scandinavian countries, Hong Kong possesses adequate wind resources in terms of wind speed and wind power (Li, 2000). Since availability of land for constructing wind farms is hardly available, land wind farms can only be installed in sparsely populated area which is not in the navigation channel.

In view of the constraints on land availability in the urban areas, Li (2000) has suggested that marine wind farms can be constructed in the outlying islands as an alternate option. Small scale wind farm installed on top of roof buildings is also possible for local light power output and consumption.”

Since 2000 the government has installed eight experimental wind turbines, four of which are combined with solar power facilities. The private sector has installed just two wind turbines: Hong Kong Electric’s experimental turbine at Tai Ling on Lamma Island, and a turbine set up by China Light and Power Research Institute at Shek Kwu Chau Drug Rehabilitation Centre.

Solar power

In Hong Kong, as elsewhere where the sun has a role in electricity generation, solar power has been relied on in two distinct ways : as solar hot water systems, and as a general power generator by use of photovoltaic cells (PCs).

Hong Kong’s first solar hot water system was installed in 1981. By 2005, there were seven systems in various government buildings. The largest government installation is at Sheung Shui Slaughter House and has a total 882 square metre panel area.

One problem with solar powered water systems is that thermal storage is required to meet peak demand for hot water. Thus, systems for large-scale use require extra roof (or similar space) and installation costs can be high.

Electric power for all uses can be generated by PCs. Facilities needed include the “solar panels” for generating the heat or power. However, the limited roof areas of most residential buildings limits the capacity for installation of these systems, although PCs systems require a smaller area than solar water heating systems, and so are more suitable for Hong Kong.

Interestingly, in 2006 a project was undertaken to research the potential of a large scale solar hot water system for a residential building. The author describes the project and its key findings as follows :

“ ... the government’s attitude to our future energy supplies is that renewable energy is one of the strategies to achieve sustainability, and so investment in alternative power sources is inevitable.”

The project was “*an attempt to study the potential of a domestic heat water application of a domestic heat water application of a centralized solar water heating system in a high-rise residential building in Hong Kong (Chow et al., 2006). This study was based on a hypothetical residential building with 28 storeys, a floor-to-floor height of 3m and 8 apartment flats per floor level. In the study, the solar collectors were installed on the southern and western building façade of the hypothetical building, with a total area of 840 m². The increase of installed solar collectors has largely increased the capacity of the solar water heating system in the building. The installation was estimated to provide 53.4% of the hot water supply of the residential building with a payback period of 9.2 years. Since the practicability of installing solar collectors at the façade of building is yet to be further investigated and developed, the current focus on solar power is still on solar photovoltaic system.*”

Energy from waste

Energy can be generated from waste in a number of different ways, including : biofuel from waste cooking oil and food; steam from combustion process in domestic and livestock waste; and, gasification from waste landfills and incinerators.

Hong Kong already generates electricity from twelve landfill gasification plants. Recent research has shown that it is also technically feasible to refine bio diesel from food-waste, and energy from biomass, such as bamboo and rice husks.

Energy generated from waste is a realistic alternative power source for Hong Kong.

Wave power

Compared with solar and wind power, in Hong Kong wave power is not well researched. Wave power is similar to wind power, in that both comprise turning a power-generating turbine by natural force, i.e. wind or waves. Therefore, the stronger the waves, the more electricity will be generated.

Hong Kong probably does not have sufficient wave energy for viable wave-generators, and the potential of this alternative energy source is less than other alternatives.

Geothermal power

Geothermal power is electricity generated by a turbine driven by steam created by heating water by use of the earth's subterranean heat.

The process involves drilling deep holes to a point where the earth's temperature is very high, and then circulating water through the dull-holes, capturing the steam to drive the turbine, and re-circulating the condensed water. In New Zealand, for example, a significant proportion of electricity is generated by this method.

Areas of high volcanic and geothermal activity hold the most potential for using this alternative energy source. Hong Kong does not have this geology, and so geothermal power is probably not a practical alternative energy source. However, limited use of geothermal properties has been employed in a cooling system at the Hong Kong Wetland Park.

Biomass

Biomass energy is electricity generated by the release of the energy – by internal combustion or burning – stored in plants, animals and animal waste. The released energy, or heat, is used to create steam which drives a generator.

Since 2001 research has been conducted on the viability of biomass fuel for Hong Kong. Factors which limit biomass as an alternative energy source include Hong Kong's very small area of arable land on which to grow the grain and other crops needed to create the biomass. Therefore, this alternative energy source is probably not cost effective.

Recommendation

The author concludes that there is a strong potential for Hong Kong to source its electricity from at least three renewable sources : landfill gases and solar and wind power.

It is likely that there would be economic, as well as environmental, benefits for the community were we to rely more on renewable energy sources. The government should look

at providing subsidies and tax disincentives to encourage a switch to renewable energy.

In any serious study of the benefits of changing to renewable energy sources, away from our traditional coal and gas fired generators, environmental costs should be factored in.

There are some environmental costs in establishing and maintaining the three alternative energy sources most likely to be suitable for Hong Kong : e.g. impacts on immediate ecosystems; visibility and landscape intrusion (especially with wind turbines); some noise impacts from mechanical equipment, e.g. turbines; air pollution from the manufacture of renewable energy equipment; and depletion of natural resources to provide the equipment and structures required for the generating facilities.

However, these impacts are far less severe than the installation and on-going adverse impacts of fossil fuel generators, especially in the context of global warming.

Quarterly's comment

The author's timely and well presented examination of Hong Kong's renewable energy capacities and policies is yet another reminder of the need for private and public decision-makers to become more proactive in pursuing renewable energy options. It is fundamentally important, for the sake of our environment and economy, that we do so.

Clearly it is time that our government gave urgent attention to formulating and implementing a realistic renewable energy policy.

LEGISLATION DIGEST

Hazardous Chemicals Control Bill

[Date of Gazette: 12 May 2006]

The object of this Bill is to regulate the manufacture, export, import and use of chemicals that are not pesticides and have potentially harmful or adverse effects on human health or the environment (including such chemicals that are subject to the regulation of the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade or the Stockholm Convention on Persistent Organic Pollutants).

Part 1 (Clauses 1 to 5) contains preliminary provisions. In particular—

- (a) Clause 2 defines certain terms used in the Bill;
- (b) Clause 3 provides for the application of the Bill to a non-pesticide hazardous chemical that is specified in Part 1 of Schedule 1 or 2 to the Bill ("scheduled chemical"), although it further provides that the Bill does not

apply to a scheduled chemical to the extent provided in Part 2 of those Schedules; and

- (c) Clause 4 provides that the Bill (if enacted) binds the HKSAR Government.

Part 2 (Clause 6 to 9) deals with the restrictions on the manufacture, export, import, and use of Type 1 chemicals and Type 2 chemicals. This Part provides that, except under and in accordance with a permit, a person is not permitted to manufacture, export, import or use any Type 1 chemical or Type 2 chemical, or cause any such chemical to be manufactured, exported, or imported.

Part 3 (Clauses 10 to 18) deals with matters relating to permits. In particular—

- (a) Clause 10 provides for the issue and renewal of a permit;
- (b) Clause 11 empowers the Director of Environmental Protection ("the Director") to impose conditions on a permit;
- (c) Clause 12 empowers the Director to refuse an application for a permit;
- (d) Clause 13 empowers the Director to vary the conditions of a permit;
- (e) Clause 14 imposes a duty on the Director to notify the permit holder of the Director's decision regarding the variation of the conditions of his permit;
- (f) Clause 16 provides for the return of a permit to the Director after the variation of the conditions of the permit takes effect;
- (g) Clause 17 empowers the Director to issue a new permit, with its conditions varied, to the permit holder; and
- (h) Clause 18 provides that a contravention of a permit condition that falls within a defined category in Clause 11(1) is an offence, and provides for the penalty in respect of the offence.

Part 4 (Clauses 19 to 31) deals with the cancellation and suspension of permits. In particular—

- (a) Clause 19 empowers the Director to cancel a permit;
- (b) Clause 21 requires the return of a permit to the Director on its cancellation;
- (c) Clause 22 empowers the Director to give directions regarding the disposal of any scheduled chemical when he cancels a permit;
- (d) Clause 23 empowers the Director to vary such directions;
- (e) Clause 24 imposes a duty on the Director

to notify the permit holder as to whether he decides to vary such directions;

- (f) Clause 26 provides that a failure to comply with any such directions is an offence and provides for the penalty in respect of the offence;
- (g) Clause 27 empowers the Director to suspend a permit;
- (h) Clause 29 requires the return of a permit to the Director on its suspension; and
- (i) Clause 30 requires the return of a permit to the permit holder after the expiry of the suspension period.

Part 5 (Clauses 32 to 37) sets out the enforcement powers of authorised officers and mandates forfeiture of goods seized by such officers. In particular—

- (a) Clause 32 confers powers on an authorised officer to carry out routine inspections;
- (b) Clause 33 confers powers on an authorised officer, who has obtained a warrant from the court, to enter any premises;
- (c) Clause 34 empowers the court to issue such a warrant to an authorised officer; and
- (d) Clause 37 deals with the forfeiture of goods seized by an authorised officer.

Part 6 (Clauses 38 to 51) contains miscellaneous provisions. In particular—

- (a) Clause 38 empowers the Director to appoint any public officer to be an authorised officer for the purposes of the Bill;
- (b) Clause 39 empowers the Director to issue a duplicate permit;
- (c) Clause 40 creates offences in relation to the provision of false or inaccurate information, etc. and provides for penalties in respect of those offences;
- (d) Clause 42 provides for an appeal against a decision of the Director;
- (e) Clause 43 provides for the admissibility of certain documents in any proceeding;
- (f) Clause 44 provides for the service of a notice or other document required or permitted to be served or sent under the Bill;
- (g) Clause 45 and 46 empower the Secretary for the Environment, Transport and Works (“the Secretary”) to make regulations;
- (h) Clause 47 empowers the Secretary to grant an exemption from any provision of the Bill in a particular case;
- (i) Clause 48 empowers—

- (i) the Secretary to delegate his functions under Clause 47 (exemptions) to a public officer; and
- (ii) the Director to delegate his functions under the Bill, other than his functions under Clauses 38 (appointment of authorised officers) and 48 (2), to a public officer;
- (j) Clause 49 empowers the Director to specify any form to be used for the purposes of the Bill;
- (k) Clause 50 empowers the Secretary to amend schedules 1 and 2; and
- (l) Clause 51 and Schedule 3 provide for related amendments to be made to the Import and Export (General) Regulations (Cap. 60 sub. leg. A).

TOWN PLANNING

Concern group outlines vision for more vibrant Central waterfront

An urban planning concern group, Designing Hong Kong (DHK), has urged the government to rezone the Central waterfront to improve the area’s vibrancy and diversity. DHK has proposed fundamental changes to the government’s zoning plans for the central waterfront. DHK said that the changes were based on a thorough study of different concern groups’ opinions during the past five years.

The group has proposed replacing high-rise buildings with smaller ones, for better views and air ventilation, and introducing more developers to increase competition. It has also proposed extending the tram network to the waterfront and converting the Statue Square “corridor” into a park, enabling the Star Ferry Clock Tower to be returned to its original site.

Other proposals include: reducing the width of major roads in the area, and the maximum height of new buildings between IFC and the ferry piers; turning half of the PLA barracks into open space; and moving the military berth 20 metres offshore to free-up more harbourfront space.

The group has submitted its proposals to the Town Planning Board, which has scheduled a meeting to discuss them in August.

[SCMP, 30/05/07]

Harbour-front advisers to be reappointed

On 14 June the Harbour-front Enhancement Committee received a letter from Secretary for Housing, Planning and Lands indicating that the new administration will reappoint it for another term. However, the format and membership of the committee remained unclear, and there have been calls for it to be given more teeth.

One core Committee member said the letter expressed the government’s appreciation for their contribution. But members have no idea how the Committee would be run in the future.

Critics said the Committee should be upgraded to an independent harbour authority with power to manage land for public benefit. “Without real power granted to an authority to manage the waterfront land, the Committee will always remain a talk-shop, even if the government renews the appointment,” one legislator said.

A former Committee member commented that the Committee was a good platform to raise awareness of harbour planning and had developed a grass-roots engagement process, seeking people’s views before planning started. But the Housing, Planning and Lands Bureau was not supportive, and the Committee was excluded from a government study of how to improve the Central waterfront.

Current Committee members include major harbour groups, environmental watchdogs, professional organisations and district councils. The Committee’s mandate is to advise the government on planning, land use and development concerning the existing and new harbourfront, with a view to: protecting the harbour; improving accessibility, use and vibrancy of harbourfront areas; and safeguarding public enjoyment of the harbour through a balanced, effective and public participation approach, in line with the principle of sustainable development.

[SCMP, 15/06/07]

Lone challenger to West Kowloon sale

One Sham Shui Po resident submitted an application to the High Court to seek the court’s leave to apply for judicial review of decisions made by the Town Planning Board and Planning Department affecting the Hoi Fai Road site in Tai Kok Tsui.

The applicant is challenging the decision of the “Town Planning Board and/or Planning Department to designate all that piece of land situated at the west seashore of Tai Kok Tsui and registered in the Land Registry as KIL 11146 as residential use”.

He claims that the decision was “made in breach of the statutory duty to properly follow the Town Planning Urban Design Guideline and the spirit of the Town Planning Ordinance, by selective adoption of such guidelines without reasonable and objective standard and consistence”.

He is asking for an order to compel the two government bodies to reconsider their decisions, especially in light of high-rises erected on the north and south side of the lot up for sale.

[SCMP, 12/06/07]

KCRC change of heart: a breath of fresh air

The wall effect, created by lines of tall buildings, has recently risen to prominence in public debate about urban planning and development. The blocking of sea breezes and light by the situation and design of large buildings has been a negative feature of our Hong Kong's urban planning for decades. However, the KCRC is reported to have proposed significantly reducing the scale of major developments along the West Rail that have the potential to add to the wall effect.

In one case, at Nam Cheong station, the KCRC wants to remove one of 10 high-rise buildings originally planned on a heavily built site. A study of the development's impact on air ventilation is said to have shown that this will have a positive influence on local air flows.

At Tsuen Wan West, the KCRC plans to reduce by 10 storeys the height of one of three development sites consisting of 11 residential towers which form a wall. A research team is studying how to make this proposed development more people-friendly. The corporation is also reviewing three other projects with a total potential development area of 60 hectares.

Hopefully, KCRC's argument that at the end of the day these are win-win proposals for the community, the developers and the government, will be convincing enough to persuade officials to accept a potential loss in land premiums.

To tackle the air flow problem, the government should introduce planning rules for newly developed areas to ensure that air flow is a major planning consideration. Architects should be encouraged to develop street-level designs with features such as archways that allow the air to pass through.

In older urban areas there is a need for a more innovative planning approach to open them up to more fresh air. For example, when leases expire there could be an option for swapping land-use rights in another part of the territory and putting the old sites to more environmentally-friendly use, such as urban parks.

The KCRC is setting a good example. People hope the move by the rail operator will encourage other developers to take a socially responsible attitude to the long-term benefits of ensuring that we do not "wall-off" our city from cleansing sunlight and breezes.

[SCMP, 13/07/07]

Fresh start for decaying city

Urban renewal has become a hot topic in recent years as the government looks to breathe new life into the city's older districts, where many neglected buildings have turned grey and are in disrepair. Leading the fight against urban dilapidation is the quasi-government Urban

Renewal Authority (URA), which inherited 25 unfinished projects from the Land Development Corporation in 2001.

Since the establishment of the URA's rehabilitation programmes in 2003, 16,000 units and 178 buildings have been rehabilitated, three times as many are currently being redeveloped, and 200 projects are in the pipeline. These include projects such as the preservation of 22 traditional Cantonese-style buildings in Wan Chai—with a focus on structure, exterior and functionality—and the recent rehabilitation of residential blocks and urban streets in Tai Kok Tsui.

The URA will spend more than HK\$30 billion on the implementation of new urban renewal plans from 2006 to 2011, including large scale changes to Kwun Tong Town Centre, which will cost HK\$25 billion and affect nearly 600,000 residents.

Hong Kong has more than 11,000 buildings in old districts, such as Sheung Wan, Wan Chai, Sham Shui Po and Mong Kok, which do not have owners' corporations which would normally look after their upkeep. The URA provides subsidies and educates the public in methods of maintaining safety in older buildings. Financial help and advice are offered, as well as interest-free loans. In a nutshell, the URA preserves, redevelops, rehabilitates and revitalises urban sprawl in Hong Kong.

Gammon Construction's director of human resources sees redevelopment and urban renewal as a team effort. Many aspects of engineering and design are needed. People who specialise in environmental protection are also needed. Many of the people looking to build, rebuild or revitalise are very conscious of the environmental impact of the project.

[SCMP, 13/07/07]

Greens see red over development plans in revised Lantau blueprint

The government unveiled a revised plan for Lantau's development that puts emphasis on conservation, recreation and green tourism but still includes heavy infrastructure development. According to the Lantau Concept Plan, the objective "is to capitalise on the nature, cultural and heritage resources of Lantau, enrich and provide education experience and enhance the local economy and community".

The Plan also shows that the government is still working on building a controversial logistics park at Siu Ho Wan and a Hong Kong-Zhuhai-Macau bridge. The government also wants three berths to be operating at the planned Container Terminal 10 by the first half of the next decade and three more berths at a later date, although a site has not yet been chosen. The Plan lists northwestern Lantau and southwestern Tsing Yi as possibilities.

Green initiatives listed in the Plan include the already proposed Lantau North (Extension) Country Park and Marine Park, cycle tracks and mountain bike trails.

The draft Plan states that many proposals are still only concepts which require further study to confirm their feasibility and implementation.

A green group immediately criticised the revised Plan for deepening the conflict between development and conservation. The public affairs manager of the Conservancy Association said "...green tourism is different from eco-tourism. The government should not capitalise on nature to develop mass tourism. They should think about how much the natural environment can shoulder, otherwise green tourism will damage Lantau's ecology".

[SCMP, 28/05/07]

HONG KONG BRIEFING

Better approach to urban renewal

The Urban Renewal Authority (URA) has been criticised for its plans to redevelop parts of Hong Kong that residents do not want to see changed, for historical or sentimental reasons. But its most ambitious project at a 5.3 hectares site in Kwun Tong district would seem to be meeting little public resistance.

Part of the reason for this is that the sort of heritage concerns which have arisen elsewhere are not present in the case of Kwun Tong. However, the process adopted by the URA has also got the project off to a good start. There are lessons here the government could learn, as it considers the wider development of our city.

The project will cost HK\$30 billion, with almost half going towards compensating residents. Industrial buildings, shops and a bus station will rise together with an up-scale development of apartments centred on a 70-storey building and glass-domed government complex. At least 30 per cent will be devoted to green space. There will be none of the "curtain effect" of banks of buildings blocking air flow that other high-rise developments elsewhere in the city have created.

It is worth noting that the URA's plans for Kwun Tong involve a real sense of feeling the pulse of the community. Indeed, it was decided to lower the plot ratio in response to public demands, a move that will make it harder to ensure the development is financially sustainable.

Three architectural firms were approached for designs and the plan unveiled combined elements of each. There will be a nine-month public consultation period. Objections and suggestions will be considered when the final plan is drawn up. Work is expected to start in 2010.

The scheme has been on the drawing boards since

1998, and a careful planning process has been possible. Announced by the Land Development Corporation, the re-development plan was passed to the URA in 2001 when the corporation was dissolved.

The Kwun Tong proposal is being handled sensibly. The plan has been released and is open for public scrutiny and a reasonable amount of time will be permitted for residents to have their say.

[SCMP, 24/04/2007]

HK urged to take action by UN climate change chief

Rajendra Pachauri, chairman of the UN's Intergovernmental Panel on Climate Change, warned that Hong Kong would not be spared the consequences of climate change, such as rising sea levels and flooding. Hong Kong must therefore address the critical issue of our increasing greenhouse gas emissions.

Speaking at the International Conference on Climate Change ("IPCC"), Dr Pachauri said there was an urgent need to find solutions to halt the "all-time high" warming trend from human activity, and a territory like Hong Kong should be involved, as it is an internationally renowned centre.

Global average temperatures are expected to rise by between 1.9 and 4.6 degrees Celsius by the end of the century, even if greenhouse gas emissions are stabilised at the year 2000 level. Even if all emissions stopped now, sea levels will still keep rising for hundreds of years, as greenhouse gases, such as carbon dioxide, remain in the atmosphere for up to 3,000 years.

Greenhouse gas levels have risen by 70 per cent from 1970 to 2004 and will increase by a further 25 to 90 per cent from the 2000 level by 2030.

The next two decades will be crucial for nations to grasp opportunities to stabilise greenhouse gases so as to avoid catastrophic impacts. Stabilisation of emissions will cost the global economy only 3 per cent of gross domestic product. A member of the IPCC likened the future climate crisis to a state of war, when most ordinary people would suffer from resource shortages.

[SCMP, 31/05/2007]

Conversion of landfill gas for domestic use helps environment and economy

A project which converts gas generated by landfills to gas for household use has cut tens of thousands of tonnes of Hong Kong's greenhouse gas emissions and may lead to a minor drop in our gas tariffs.

The HK\$230 million project launched in April - jointly implemented by Hong Kong and China Gas and Far East Landfill Technologies, which

is a landfill contractor under Swire Sita Waste Services - cut carbon dioxide emissions by 3,250 tonnes in its first month of operation.

The project involves the collection of gases naturally generated by waste buried at the North-Eastern New Territories Landfill ("NENT"), which are then treated at a plant that removes unwanted impurities and carbon dioxide to produce a natural gas substitute. The treated gas is then sent via a 19km pipeline to Towngas' production base in Tai Po, where it is further refined as usable household gas.

Towngas said the plant had an hourly processing capacity of 15,000 cubic metres of landfill-gas, which can be converted into 8,000 cubic metres of natural gas substitute. It is one of only a few plants in the world capable of converting landfill-gas for domestic use, and is probably one of the largest.

The project was made possible by a 25 year tripartite agreement signed in 2004, under which the government will receive a royalty from Far East Landfill Technologies at a single-digit rate, while Towngas will pay Far East at an agreed progressive rate.

However, it takes time for the landfill to generate enough gas to support large-scale commercial applications. NENT completed at a cost of HK\$1 billion in 1995, is now producing approximately around 6,000 cubic metres of gas per hour, and generation is not expected to hit maximum capacity before 2015. NENT receives gas about 2,000 tonnes of waste a day.

[SCMP, 01/06/2007]

Harbour group urges public's voice be heard

Reclamation to improve the harbour-front should be carried out only if it is in the public interest and with people involved at an early planning stage, according to a revised version of the *Harbour Planning Guidelines* presented to the outgoing Harbour-front Enhancement Committee.

In February, the draft was issued to 130 relevant organisations and stakeholders and was also uploaded onto the Harbour-front Enhancement Committee Web site, since when written comments have been received. Some suggested the guidelines be mandatory as part of the *Hong Kong Planning Standards and Guidelines* of the Planning Department, to ensure effective implementation. Sustainability principles, such as preserving the harbour, conserving cultural heritage and enhancing environmental quality, should also be included.

However, as an advisory body, the Harbour-front Enhancement Committee might be unable to force the government to incorporate the guidelines in the *Hong Kong Planning Standards and Guidelines*. They can only encourage it.

Rita Lau Ng Wai-lan, permanent secretary for

housing, planning and lands, promised that the guidelines will be incorporated in the *Hong Kong Planning Standards and Guidelines*. The government Web site would also provide hyperlinks to the guidelines posted on the committee's Web site.

Harbour-front Enhancement Committee chairman said the public engagement process has been effective in soliciting opinions on major projects over the past three years, a view shared by government officials. Ng Fong Siu-mei, of Friends of the Earth, suggested the incoming committee strengthen bonding with universities and create a space for students to offer their opinions.

One of the Committee members said the revised guidelines should be followed, and that the proposed environment bureau could see the light of day and realise the Chief Executive's promise of sustainable development as soon as possible.

[The Standard, 15/06/2007]

Court bid to stop wall-like development fails

Residents of West Kowloon say they will continue to fight against the erection of a massive, wall-like building on the waterfront, even though their application for judicial review was dismissed.

Mr Justice Anselmo Reyes in the Court of First Instance dismissed an application by Ng Ngau-chai to review a decision by the Town Planning Board and the Planning Department to zone a parcel of waterfront land in Tai Kok Tsui as residential, with no height restriction.

A member of the *Harbourview Planning and Environmental Concern Group* said the case had been a first test for the community movement to stop wall-like developments. He said that the government never listens to citizens, or looks at how these developments will affect their lives, but instead tries to make everything "convenient for the developers".

He said that the natural assets of air flows, sunlight and view corridors, were three essential elements of making a city liveable; and, in Hong Kong, people's right to these natural attributes was being auctioned to the highest bidder.

In dismissing the application for judicial review, Mr Justice Reyes said the applicant could not identify the legislation he was suggesting had been breached.

Mr Ng's only argument was that the *Urban Design Guidelines*, issued by the Planning Department, generally "articulate that the building erected along the seaside shall be lower than the building inland and shall make special preservation for breezeways and view corridors". However, Mr Ng was unable to produce the document containing the guidelines, and the court was therefore unable to determine whether or not they had any legal effect.

Reyes J. also noted that it was rather unclear what decision of the government Mr Ng was seeking to challenge. It was, the judge said, incumbent on people seeking judicial review to provide the court with sufficient materials so it could identify what decision it was supposed to be reviewing, the circumstances under which the decision was made and the way in which the decision-making party had allegedly offended due process.

[SCMP, 05/07/2007]

Quality of harbour water improves

Water quality in eastern Victoria Harbour has improved significantly, but the western side remains largely unchanged, according to a university study which was begun by five local universities in 2004.

A team of 10 marine scientists is investigating whether the first stage of the government's Harbour Area Treatment Scheme (HATS) has been cost-effective, and how well the harbour has recovered from pollution with the implementation of HATS.

Initial data indicated that water quality from east of Central to Tung Lung Chau had improved between 2004 and last year. Dissolved oxygen samples from various sampling points, except Kwun Tong, increased from about 5.5mg per litre to above 6mg per litre. However, water quality on the western side of the harbour, from Kennedy Town to Peng Chau, remained unchanged, with oxygen levels at about 6mg per litre.

Dissolved oxygen allows fish to breathe. An oxygen level of 5mg per litre or above is required for healthy fish.

The study also found that the level of toxic ammonia in the western part of the harbour had increased slightly. However, the level of ammonia in Kwun Tong grew fourfold to 0.8mg per litre, partly because the old airport runway blocks water flows. The Agriculture, Fisheries and Conservation Department suggested a safe ammonia level would be 0.7mg a litre.

The government commenced the multibillion-dollar construction of HATS in 1994 to divert the flow of sewage being dumped into Victoria Harbour to the new treatment plant at Stonecutters Island.

The Environmental Protection Department (EPD) said that prior to HATS, sewage generated by about 4.5 million people on both sides of the harbour was discharged into the harbour virtually untreated. The EPD, which records changes in oxygen content in percentage terms, says improvement of between 2 per cent and 21 per cent were seen at 11 stations from 2000 to 2003.

It was pointed out that one reason water quality on the western side of the harbour had not improved was that treated sewage from Stonecutters Island was being dumped there. Water pollution from the Pearl River Delta could also explain why the

water quality at Peng Chau was still low.

The next phase of the HATS, which will cost HK\$20 billion, will take sewage from the northern and southwestern areas of Hong Kong Island to Stonecutters Island.

[SCMP, 08/07/2007]

KCRC has design re-think on West Rail sites

The Kowloon-Canton Railway Corporation (KCRC) is planning to reduce the size of projects along its West Rail line in what is a ground-breaking initiative by a developer or government corporation to heed public outcry over the wall-effect of major property developments. The move comes amid mounting public pressure for an end to massive, wall-like developments that block sunlight and sea breezes from surrounding areas.

Developments set for a trim include those planned for Nam Cheong and Tsuen Wan West KCR stations, which had drawn fire from environmentalists. Others are under review. Included also are plans to transform developments along the line to make them more people-friendly and to attract the public with markets, cafes, walkways and open spaces.

The government will need to cut land premiums by about HK\$1 billion to attract developers to the reduced Nam Cheong project. The likely land premium reduction cost at Tsuen Wan West is still being calculated.

The original plan for Nam Cheong was for ten closely aligned high-rise buildings of 46 storeys to 52 storeys, with ten low-rise buildings taking up the balance of the small, elongated site. Air ventilation study shows the new proposal is more favourable to better air flows.

Apart from Nam Cheong and Tsuen Wan West, HCRC is reviewing projects Pat Heung, Yuen Long, and Tin Shui Wai.

Three sites totalling 9 hectares are currently designated for development at Tsuen Wan West. The original plan was for twenty high-rise buildings of 41 to 61 storeys forming three separate walls along the coast of Tsuen Wan. In the revised plan for one site, the heights of nine of eleven buildings will be cut to about 30 storeys, though the development density is still under review.

In the revised plan for Tsuen Wan West, the old urban area will revitalised by re-shaping Tai Ho Road as a main street, and to include leisure activities. The road will form a promenade from the MTR station in the town centre to the KCRC development, with the intention of increasing the use of West Rail and compensating KCRC for the reduced return from the development.

A Town Planning Board member welcomed the

proposals, saying the KCRC was setting a good example and putting pressure on other developers to follow suit.

[SCMP, 13/07/2007]

Green groups call for LNG plant plans to be scrapped

CLP Power's controversial proposal to build a liquified natural gas terminal on South Soko Island was discussed at a Legislative Council panel meeting recently.

Some members from green groups and other concerned parties attending the environmental affairs panel meeting opposed the plan on the bases that marine life at the site should not be compromised for the cleaner air LNG would bring, and the government should not take the lead in damaging the ecosystem. It is worth noting that the island's surrounding waters are the only habitat of the endangered Chinese white dolphin.

Supporters of the plan said the project would provide a significant contribution to the reduction of local emissions, and Hong Kong might have to pay even higher prices for natural gas for further delay.

The Environmental Protection Department has conditionally approved the environmental impact assessment report for the project and the issuing of a building permit. One of the conditions of the permit is that CLP must fulfil a series of environmental requirements, including submitting an environmental enhancement plan.

The Secretary for the Environment said there is no construction timetable for the HK\$8 billion project.

Another special meeting on the issue has been scheduled for mid-September.

[The Standard, 21/07/2007]

REGIONAL & INTERNATIONAL

China

China's plan for tough car fuel policy in disarray

China's plans to impose tough new car emissions standards this year have been thrown into confusion after the main economic planning agency in Beijing said implementation of the rules should be delayed because of the poor quality of available fuel.

The government has planned to introduce nationally on 1 July a standard for cars known as Euro III, which reduces carbon monoxide and other emissions. The National Development and Reform Commission ("NDRC"), which is partly responsible for developing such standards, is

pushing for the rules to be put on hold for up to two years because it said the lack of compatible fuel could damage new engines. However, the government's main environmental agency, the State Environmental Protection Administration (SEPA), which also polices emissions standards, is insisting the rules be implemented as scheduled.

The intra-government dispute and the lack of available fuel underline the difficulties Beijing is facing in trying to implement some of its ambitious environmental and energy-use targets.

As well, air pollution has become one of the most important issues facing the government. Coal-fired power stations are the main culprit, but emissions are becoming a growing problem in big cities due to the rise in car ownership. China already has tougher fuel-economy standards than the US.

In order to meet its growing oil needs, China has been buying large quantities of cheaper crude with a higher content of sulphur, which is a big contributor to air pollution. Engineers say high-sulphur fuel can also damage catalytic converters, which help reduce car emissions.

Li Wanli, a senior official at the NDRC's industrial policy department, said the main oil companies, Sinopec and PetroChina, would not be able to supply most of the eastern and central regions of the country with low-sulphur Euro III-compatible fuel until late 2009. According to Mr Li, customers might complain about the high price of Euro III cars if they cannot get the matching fuel supply. He said that therefore the rules should be introduced only when higher quality fuel was available.

Beijing and Guangzhou already had such a supply and introduced the Euro III standard last year. But analysts said that extending the supply would take billions of dollars of investment in China's refining capacity.

SEPA refused to comment, but government officials said it was sticking to the 1 July deadline for the new emissions policy. Multinational carmakers in China said they were ready to introduce the new engines from August 2007.

[*Financial Times*, 20/06/2007]

Heavy industrial polluters to be refused bank loans

According to the state media, Beijing will use economic leverage in its attempt to curb widespread pollution and rein in unruly industrial polluters, with "green loans" and other economic incentives to be introduced soon.

Pan Yue, deputy director of the State Environmental Protection Administration (SEPA), said SEPA and the China Banking Regulatory Commission would unveil a green-credit policy. Companies which failed to pass mandatory environmental assessment, or violated green laws and regulations, would not

be able to get loans from banks or other financial institutions. Companies that had received loans would be asked to return the money if they were found to be involved in causing pollution.

Additionally, SEPA will also start to study and introduce other environmentally friendly economic policies on insurance, security and taxation with various government departments.

The director of SEPA's policy research centre for the environment and economy said that the policy was aimed at encouraging enterprises, especially those in energy intensive and heavily polluting industries, to realise the cost to the community of pollution and to improve their conduct.

Six industries which had been blamed for causing most of the country's air and water pollution were targeted by the policy. These are the: power generation, steel, construction materials, chemicals, petroleum processing, and non-ferrous metals industries.

The environmental track record of companies will be scrutinised by banks and other financial institutions with the help of the database of SEPA and local government offices.

[*SCMP*, 06/07/2007]

Polluters will be forced to pay more

China plans to increase significantly charges for the release of pollutants and effluents, said Bi Jingquan, vice-minister of the National Development and Reform Commission.

Mr Bi recently told a forum held by the new China Centre for Public Finance at Peking University that the move was to push companies to more actively clean up the environment by imposing greater share of the financial burden. The discharge cost for sewerage will be at least double the current level of 0.67 yuan per tonne, while the charge on sulphur dioxide emissions may also be doubled from the current 0.63 yuan per tonne.

In its development plan for the 2006-10 period, China said it would cut energy consumption per unit of gross domestic product by 20 percent, or 4 percent each year. It would also cut the release of major pollutants by 10 percent during that period. However, energy consumption fell by just 1.23 percent last year. In the first half of this year, China has not met the goal set for energy consumption, and the level of discharge of major pollutants has also not significantly declined.

The State Council, China's Cabinet, set up a special task force in June to press on with the country's campaign to cut energy consumption and pollutant discharges. It has launched a series of energy-saving measures, including strict control of the indoor temperature of public buildings and restrictions on decorative lighting for large buildings. The Ministry of Construction said China has built 1.06 billion square meters of energy-efficient buildings, but they account for

only 7 percent of the total floor space of all the existing buildings in China's urban areas. Due to structural economic defects, many of China's industries have been heavy polluters.

Mr Bi warned that the situation remains severe. China's major rivers and one-third of its soil have been hit by acid rain. Waste treatment is also ineffective. China's waste treatment would cost much more if waste were burned, which will require more financial input from the firms.

Mr Bi suggested that the current environmental clean-up regime should be reformed by introducing more market mechanisms. In some places, newly established waste burning facilities cannot find adequate waste for treatment, because the local environmental protection department encourages the waste to be transported to landfills that belong to the government. Mr Bi also called for more rigorous collection of fees, which is rather loose at present.

[*Business Daily Update*, 27/06/2007]

Pollution forces water supply cut-off

Authorities in China's eastern Jiangsu province cut off water supplies to 200,000 people for nearly two days after a local river was found to have dangerous levels of ammonia nitrogen.

Pan Yue, deputy head of the State Environmental Protection Administration (SEPA), said the traditional approach of growth through industrialisation has pushed China's resources and environment close to breaking point, and the daily lives of the people are seriously threatened as a result. World Bank and government researchers recently estimated that 60,000 people in China are dying prematurely each year because of poor quality water, mainly in rural areas.

Water pollution has become a hot topic following huge outbreaks of algae in China's Taihu, Chaohu and Dianchi lakes. Wen Jiabao, the premier, this month ordered local officials to strengthen supervision and ban factories from discharging pollutants into the lakes.

In a description of the scale of the challenge, Mr Pan of SEPA said 26 percent of water in China's seven biggest river systems had been found to be unable to support animal life, or was dangerous even to bathe in. He said seven of the nine main lakes monitored by the state had been found to be wholly polluted.

For more than 10 years the state has spent huge sums to deal with pollution in the drainage areas of the 'three rivers and three lakes', but the pace of action has fallen far behind the pace of destruction. Now areas that had improved are suffering renewed pollution.

In other areas, water quality had steadily worsened. On one tributary of the northern Hai river, for example, pollution had killed all animal life in the "blackish-green, acrid-smelling" water and seriously harmed the lives of the people of

13 townships and 119 villages.

To try to force action against the most egregious polluters, Mr Pan said SEPA would not issue any approvals for new industrial projects in six cities, two counties and five industrial zones, with the ban remaining in place until they improved water quality enforcement.

The move is likely to have little direct effect, since SEPA officials said their influence with local officials was limited. Past SEPA controls on development appear to have been widely ignored. SEPA clearly hopes public opinion will help make up for its lack of clout. Mr Pan said SEPA would issue regular updates on targeted companies and areas in order to allow all of society to supervise river basin water pollution prevention.

[*Financial Times*, 05/07/2007]

Campaign to clean the Yangtze under way

A Chinese campaign to close polluting factories on the Yangtze River appears to be yielding results after the names of the country's worst water polluters were published and they were ordered to stop production or shut permanently.

According to Su Huimin, director of the State Environmental Protection Administration (SEPA) in Chaohu, three factories in eastern Anhui province have stopped production after they were named by SEPA in Beijing. Another three have closed permanently and demolition of the factories has begun.

Political pressure on senior officials to act on improving protection of the environment is rising. Li Yuanchao, who is the party secretary of neighbouring Jiangsu and is tipped for promotion this year to a senior position in Beijing, recently said he would be willing to sacrifice 15 percent of economic growth in Jiangsu to ensure that a large lake in the province was cleaned up.

Water supplies from Tai lake were cut off in May after a blue-green algae caused by pollution from nearby factories covered the surface. The incident was an embarrassment for Mr Li, who has campaigned for officials to be judged on their record on protecting the environment.

[*Financial Times*, 10/07/2007]

Thailand

Island's waste problem mounting

The Phuket Municipal Authority (PMA) has warned that the rubbish problem on Phuket could soon get out of control because the Natural Resources and Environment Ministry has rejected a proposal to build a second waste incinerator.

Prachoom Suriya, director of the PMA's Health and Environment Department, said the municipality had to deal with more than 500 tonnes of waste each day. The existing

incinerator could handle only 250 tonnes. The rest was being sent to a dump which would be filled by the end of the year. The landfill had been in use since 1993 and had capacity to take about one million tonnes of garbage.

The Office of Natural Resources and Environmental Policy and Planning, under the ministry, recently rejected a proposal to build a second incinerator capable of handling about 250 tonnes of garbage a day. The Office said there was no guarantee a second incinerator, which would cost about 1.3 billion baht, would be adequate to cope with Phuket's increasing mountain of garbage.

Phuket has been declared a "pollution control zone" which requires local authorities to come up with a plan on environmental protection and pollution control. Pollution Control head, Supat Wangwongwatana, said during a recent inspection of garbage facilities in Phuket that there was no need to build a costly incinerator to deal with the problem. Mr Supat said Phuket's garbage problem could be sorted out simply by effective waste management, including garbage reduction, separation and recycling.

To support the island's waste management procedures, the Office had introduced an action plan on garbage reduction in the five-year environmental protection plan for Phuket, which begins this year. Under the plan, Phuket's garbage will be reduced by 15 percent by 2009.

The PMA, however, disagreed with the plan and commented that Phuket's garbage problem cannot be solved by a recycling or waste reduction campaign. An emergency, rather than a long-term, solution is required.

According to the PMA, the island's generation of waste had rapidly increased, due mainly to increased domestic waste from residents in the municipality areas. Phuket residents and tourists are expected to generate over 1,000 tonnes of garbage and other waste per day within the next 10 years.

[*Bangkok Post*, 23/07/2007]

Japan

Whaling ban to stay

Japan has failed in its attempt to lift a moratorium on commercial whaling after annual talks of the International Whaling Commission (IWC), and warned that it might pull out of the organisation.

Top Japanese delegate, Akira Nakamae, said at the end of the IWC meeting in Anchorage, Alaska, that Japan would review its role in the IWC, including the option of withdrawing from the IWC and setting up a new organisation. Japan would also consider defying the two-decade whaling ban by unilaterally hunting whales within its exclusive economic zone.

The decision was announced after Japan abandoned its application at the IWC meeting for Japanese coastal communities to hunt whales, following strong opposition from anti-whaling nations.

A day after leading 27 nations in a boycott of a vote on a non-binding resolution urging Japan to suspend "lethal aspects" of its scientific whaling programme, Japan declined to call for a vote on lifting the moratorium. It also withdrew its bid to host the annual IWC talks in Yokohama in 2009 as a rebuff to the Commission.

[*SCMP*, 02/06/2007]

Australia

Horticultural growers in the zone

Benefiting from major adjustments made by horticulture producers, Australian agriculture has reduced the amount of ozone-depleting methyl bromide it uses by 97 percent in eight years. Farmers have slashed the amount of gas in the stratosphere above Melbourne by about 40 percent, significantly helping to reduce the hole in the ozone layer. This will eventually help reduce Australia's annual \$300 million skin cancer health care bill.

Under the Montreal Protocol signed in 1987, Australia committed to reduce use of methyl bromide, which is the industry's major fumigant for disease and weed control. Methyl bromide is also known to boost crop production. Ten years ago vegetable growers depended on this chemical for pathogen and weed removal. According to Victorian Department of Primary Industries (DPI), methyl bromide is 60 times more powerful than chlorofluorocarbons in degrading the ozone layer.

The phase-out began in 1995 and methyl bromide is now rarely used, although it is important for quarantine purposes. Australian vegetable and strawberry industries were recognised with an award from the US Environmental Protection Agency for their role in leading the global phase-out of methyl bromide.

DPI researchers have worked with farmers to reduce the reliance on methyl bromide. The industry was first encouraged to use the chemical at lower rates and then moved into developing alternative methods. Environmentally-friendly options, such as integrated pest management, have played a larger role in Australian horticulture after the phase-out. Steam disinfection and breeding disease-resistant varieties were other methods being considered.

DPI Plant Pathology principal research scientist, Dr Ian Porter, said Australia had led the world in reducing the use of ozone-depleting substances. But he warned that the remaining uses of methyl bromide would be tougher to remove or reduce.

Dr Porter said research revealed that the hole in the ozone layer over Australia should begin to decrease in size within the next few years.

The challenge is to phase out remaining uses in developed countries and ensure that developing countries continued their efforts to phase out methyl bromide by 2015.

[The Weekly Times (Australia), 25/07/2007]

North Korea

Wildlife preserve in Demilitarised Zone

North Korea has taken a first step towards creating a wildlife preserve in the Demilitarised Zone ("DMZ"). Since the Korean war ceasefire in 1953, the heavily fortified land separating communist North Korea and capitalist South Korea has been all but off-limits to human beings. The result is a 240 km strip of nearly pristine nature. Environmentalists are trying to preserve the ecosystem and the rare wildlife that the zone shelters. As North Korea controls half of the DMZ, winning Pyongyang's cooperation is a key to success.

The DMZ Forum, a US-based non-profit group campaigning to preserve the frontier, said it had agreed with North Korean authorities to establish a base in the country and to begin a project aimed at attracting the rare red-crowned crane.

DMZ Forum said its staff would create a seven-hectare rice field north of the area which will lure the birds with fallen grain. It will also serve as a bridge with the North Korean government for other projects, such as a possible assessment of critical habitat areas. DMZ Forum is trying to raise US\$400,000 to fund the initial initiative.

According to the group, hundreds of bird species winter in the zone, among them at least two endangered species – the white-naped and red-crowned cranes. Fifty types of mammals live there, including the rare Asiatic black bear, Amur leopard and the Siberian tiger. More than 1,000 different plant species thrive in the DMZ.

[SCMP, 08/06/2007]

Cambodia

Illegal logging linked to prime minister

A study by Global Witness, an independent research group, revealed that Cambodia's most powerful illegal logging operation was run by relatives and friends of Prime Minister Hun Sen.

Based on a two-year investigation, Global Witness identified a syndicate linked to Hun Sen's cousin, brother-in-law of Hun Sen's forestry minister and father-in-law of his director-general of Cambodia's forest administration. The syndicate cuts and smuggles large trees worth an estimated US\$13 million a year from the Prey Long forest.

Relying on photographic evidence of logging camps, timber factories and smuggling operations, as well as business documentation,

Global Witness is demanding urgent action from the Cambodian judiciary and international donors to stamp out Cambodia's rampant illegal logging.

The international community pumps US\$600 million a year into the Cambodian economy – the equivalent of half the national budget. The report stated that some donors were wary of pulling out, fearing it would push Cambodia closer to China, which has strengthened trade and diplomatic ties with Phnom Penh in recent years.

Hun Sen moved to ease international concern by personally announcing the 2002 logging moratorium. The study noted that companies got around it by exploiting so-called economic land concessions and rights to rubber plantations. Rampant logging in violation of the 2002 moratorium on harvesting timber has seen Cambodia lose 29 per cent of its primary forests during the past five years.

The report also highlighted extensive discrepancies between figures showing Cambodia's exports of sawn timber and plywood and the mainland's imports from Cambodia. Cambodia officially recorded no exports of sawn wood to anywhere between 2000 and 2004, in keeping with the moratorium. Beijing, however, declared regular sawn wood imports from Cambodia of US\$34 million between 2003 and this year. The report noted that Cambodian timber has also surfaced in Australia, Singapore, Taiwan and Vietnam.

[SCMP, 02/06/2007]

Vietnam

Ho Chi Minh City facing serious environmental pollution

Ho Chi Minh City, Vietnam's largest economic hub, is reportedly suffering serious and massive environmental pollution as thousands of cubic metres of untreated wastewater is directly dumped into local waterways daily.

The municipal Natural Resources and Environment Department said about 600,000 cubic metres of wastewater was being discharged in the city daily. However, only 60% of it was treated before being discharged. The department noted that only 5 out of 19 state-owned central hospitals in the city had wastewater treatment systems, and three of those five systems have failed to meet city standards.

The metropolis is moving polluting factories to concentrated industrial zones in an attempt to limit environment pollution in the inner city. But industrial zones themselves suffer from alarming levels of pollution. Wastewater and toxic substances leaked from industrial zones have resulted in a network of toxic streams running across the Ho Chi Minh city.

The Natural Resources and Environment Ministry has recently conducted environment inspections

at five industrial zones in the city, which revealed that only 1 out of 21 production units in the five industrial zones meets regulations on environmental protection.

[Vietnam News Briefs, 23/07/2007]

This Quarterly Report does not constitute legal advice given on any particular matter. Whilst all effort has been made to ensure completeness and accuracy at the time of publication, no responsibility is accepted for errors and omissions. Further information and enquiries in respect of this quarterly should be directed to Fred Kan & Co.

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Convictions under environmental legislation: April to July 2007

[Note: the EPD no longer classifies second (and subsequent) offences.]

The EPD's summary of convictions recorded and fines imposed during the above period is as follows:

April 2007

Twenty-four pollution convictions in April 2007

Thirteen of the convictions were under the Air Pollution Control Ordinance, four under the Noise Control Ordinance, four under the Waste Disposal Ordinance, and three under the Water Pollution Control Ordinance.

The heaviest fine in April was \$40,000, assessed against a person who imported controlled waste without a permit. Another charge against the person of failing to engage the services of a waste collector also resulted in a fine of \$40,000.

May 2007

Fifty-seven convictions were recorded last month (May) for breaches of anti-pollution legislation enforced by the Environmental Protection Department.

Twenty-six of the convictions were under the Air Pollution Control Ordinance, 23 under the Waste Disposal Ordinance, five under the Water Pollution Control Ordinance, two under the Noise Control Ordinance, and one under the Ozone Layer Protection Ordinance.

The heaviest fine in May was \$80,000, assessed against a company which imported controlled waste without a permit.

A person, exporting controlled waste without a permit and failing to engage services of a waste collector, received a concurrent sentence of two months' imprisonment for each offence.

June 2007

Thirty-one convictions were recorded last month (June) for breaches of anti-pollution legislation enforced by the Environmental Protection Department.

Seventeen of the convictions were under the Air Pollution Control Ordinance, seven under the Waste Disposal Ordinance, three under the Noise Control Ordinance, two under the Water Pollution Control Ordinance, and two under the Environmental Impact Assessment Ordinance.

The heaviest fine in June was \$60,000, assessed against a company which imported controlled waste without a permit.

July 2007

Thirty-five convictions were recorded last month (July) for breaches of anti-pollution legislation enforced by the Environmental Protection Department.

Twenty-two of the convictions were under the Air Pollution Control Ordinance, nine under the Waste Disposal Ordinance, and two under the Noise Control Ordinance and the Water Pollution Control Ordinance respectively.

The heaviest fine in July was \$40,000, assessed against a company which imported controlled waste without a permit.

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