

# FRED KAN & CO.

Solicitors & Notaries



簡家聽律師行·城規環保季刊

This edition introduces a new, regular segment covering the Northern Metropolis, a massive urban development project in the New Territories. The main article provides an overview of key aspects of the project drawing on various reports and publications, such as GBA (Greater Bay Area) press releases.

The Editors

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The Northern Metropolis: Hong Kong's Grandiose Urban Development Project

#### **Background**

Creating the Northern Metropolis (NM) is the objective of the *Northern Metropolis Development Strategy*, which was announced by then Chief Executive, Carrie Lam, in her 2021 Policy Address. The Strategy was presented to the public as a "visionary plan to address Hong Kong's long-lasting land and housing shortages, while boosting economic integration with mainland China."

The NM follows, but takes to another level, earlier proposals for establishing new towns plus New Development Areas in the New Territories, with focus on creating a more comprehensive metropolitan framework and facilitating increased innovation and technology (I&T) as well as cross-border collaboration, particularly with Shenzhen:

The Central Government's inclusion of Hong Kong in its 14<sup>th</sup> Five Year Plan was an added stimulus for Hong Kong to formulate, and now, implement the Strategy.

The government's 2022 Policy Address emphasised the need to accelerate implementation of the Strategy, and to increase the scale of the proposed NM. The government published the *NM Action Agenda* on 30 October 2023 which outlined in more detail the blueprint for the NM.

In 2025 both Hong Kong's Chief Executive, John Lee, and the director of the Hong Kong and Macao Office of the State Council reiterated the government's joint priority to establish the NM as quickly as reasonably possible. Thus, the NM is a major development being supported and encouraged by Hong Kong and Beijing, although it is Hong Kong which carries most of the fiscal responsibility.

## **Broad description**

The NM has been described as being "a major urban development strategy in Hong Kong aimed at transforming the northern New Territories into a vibrant economic and residential hub. Covering approximately 30,000 ha, will include universities & dormitories, an integrated hospital for teaching, research, eventually, private dwellings (flats), about one-third of Hong Kong's land area and a potential place to house one-third of Hong Kong's population, across the Yuen Long and North Districts (such as new towns in Tin Shui Wai, Yuen Long and Fanling/Sheung Shui), it seeks to integrate Hong Kong more closely with Shenzhen and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), fostering innovation, economic growth, and sustainable living and supporting Hong Kong to become an international l&T centre under the new industrial pattern of "South-North dual engine (finance-l&T)".

The entire area will eventually develop as a metropolitan area with a residential population of about 2.5 million and providing about 650,000 jobs. The existing population and jobs provided in Yuen Long District and North District are about 980,000 and 134,000. The government says the ultimate goal of the development plan is to build a "carbon-neutral", "climate resilient", "liveable" and sustainable city."

The actual employment and housing capacity of the NM (when completed) is unclear, as an Invest HK's Greater Bay Area press release states that (on current plans) 500,000 new housing units and 500,000 new jobs will be created. The press release also notes that the Strategy adopts "an 'industry-driven' and 'infrastructure-led' approach as its key planning axle" so that the NM "will forge a major hub for Hong Kong to integrate into the overall development of our country".

Ultimately, the NM is planned to create 905,000–926,000 residential units to accommodate 2-5 million residents, at the rate of 35,000 units per annum. This is a somewhat ambitious target. In 2022, only 10,587 units were completed.

#### Land-use zones

The NM will not be simply another "new town" (or city). Rather, it is planned as an urban space devoted to various integrated land uses, with an emphasis on I&T. Thus, NM will have four initial land-use zones of varying series integrated by road and rail corridors. The zones are briefly described by one commentator as follows:

- 1. High-ended Professional Services and Logistics Hub:
  - Centred in areas like Hung Shui Kiu/Ha Tsuen, this zone will leverage proximity to Shenzhen's Qianhai Cooperation Zone and Nanshan District to develop finance, professional services, and logistics.
  - Projects include the Hong Kong-Shenzhen Western Rail Link to enhance connectivity.
- 2. Innovation and Technology Zone:
  - Together with the Hong Kong-Shenzhen Innovation and Technology Park (HSITP) at the Lok Ma Chau Loop, San Tin Technopole has a total development area of over 600 ha, half of it will be I&T land. The I&T land is capable of accommodating about 7 million square metres of gross floor area, equivalent to 17 Science Parks, and comparable to the size of the 300 ha I&T zone in Shenzhen on the other side of the Shenzhen River.
  - It aims to create synergy with Shenzhen's I&T zone, fostering a cross-border innovation ecosystem. The first HSITP buildings are slated for completion by late 2024, with San Tin land formation starting in 2024 and finishing by 2026.
- 3. Boundary Commerce and Industry Zone:
  - Focuses on commercial and industrial activities near boundary control points to capitalize on cross-border trade and economic activities.
  - Project highlights of the New Territories North New Town include Gateway Economy (such as providing business, financial, professional, leisure, retail, etc. service), emerging industries (such as modern logistics, food-related uses, advanced construction, etc.), Cultural, Education and Sports Hub (including 40ha land for post-secondary education use and 50ha land for cultural, arts and sports facilities), and the 8km-long Green River Valley connecting the west and east part of the New Department Area.
- 4. Blue and Green Recreation, Tourism, and Conservation Circle:
  - Emphasises environmental conservation, with plans to protect 2,000 hectares of wetlands, including the Mai Po Inner Deep Bay Ramsar Site, through three Wetland Conservation Parks (WCPs) and the proposed Robin's Nest Country Park.
  - Aims to balance development with ecological preservation, promoting eco-tourism in area like Pak Nai and Bei Tsui.

In future editions of the UPELQ, we may look more extensively at the individual zones, as well as providing a short report in each edition concerning progress in establishing the NM.

### Location and components

The NM will cover Yuen Long and North Districts, including new towns in Tin Shui Wai, Yuen Long and Fanling/ Sheung Shui, plus various new Development Areas and their neighbourhood areas, with a total eventual area of approximately 30,000 ha adjacent the border with Shenzhen.

The CEDD said in a press released on 16 July 2025 that the government "is actively taking forward the development of the NM. Large New Development Areas, such as Kwun Tung North, Yuen Long South and San Tin Technopole (including the Hong Kong-Shenzhen Innovation and Technology Park are under construction."

As well, relevant planning studies for new land development projects, such as New Territories North New Town, Ngau Tam Mei, Lau Fau Shan and Ma Tso Lung areas "are in progress".

The centrepiece of the NM is, or will be, the San Tin Technopole. This is an area of 626 hectares dedicated to I&T businesses, described by the CEDD as being "strategically positioned to be a hub for clustered I&T development that creates synergy with the Shenzhen I&T Zone. It will contribute to the development of the South-North dual engine (finance + I&T) and will become a new community for quality, healthy and green living."

The central component of the Technopole is an I&T Park, partly located in the Lo Ma Chau Loop, a 0.97km<sup>2</sup> area on the southern bank of the Shurn Chun River. (This land was transferred by Mainland China to Hong Kong on 3 January 2017). The I&T Park will occupy approximately 300 ha (equivalent to the size of the Shenzhen I&T Zone on the other side of the Shenzhen River) to the north of San Tin Highway/Fanling Highway.

The Technopole will provide approximately 7 million square metres of floor space and will be serviced by two cross-boundary rail links with China. Additional HK-Shenzhen/China rail links will service the entire NM via seven land-based boundary control points.

#### Environmental risks

The government's Northern Metropolis Newsletter notes that the NM "has diverse habitats, such as large areas of wetlands, fish ponds, marshes, reedbeds and mangroves in its west. The area covering mangroves, wetlands and fish ponds in Mai Po and Inner Deep Bay, in particular, are listed as a wetland of international importance under the Ramsar Convention and is a priority ecological environment for conservation in the Guangdong-Hong Kong-Macao Greater Bay Area and even in Southern China."

The NM will directly encroach on or indirectly impact existing and disused fish ponds as well as the ecologically sensitive Deep Bay mangrove forests and wetlands.

This area is of world – not merely local – ecological importance. Approximately 400 species of migratory birds, more than 50,000 – 80,000 in total, use Hong Kong's wetlands as a resting and recovery site in their journey on the East Asia-Australia Flyway. Most of Hong Kong's 6640 ha of wetlands are in the locality.

The WWF has noted that under the Strategy "a comprehensive system of some 2,000 ha of wetlands and coastal conservation will be formed. This will include five wetlands conservation parks which will be proactively managed. The major functions of the proposed parks would be for ecological conservation, preservation and promotion of modernized aquaculture industry, scientific research, and education plus recreation opportunities. These are all worthwhile aims, but the aquaculture should be expanded to cover the traditional pond fish culture, which is exemplary of the wise use of wetlands. Another aim should be added with respect to climate resilience."

WWF also notes that the government "has committed to incorporating most of the fish ponds in the Wetland Conservation Area (3,000 ha) into three wetland conservation areas" within the NM. However, the first of these conservation areas – Sam Po Shue Reserve – is not due to be established until 2039. There is no timeline given for establishing the other two Reserves. On the other hand, other components of the NM are due to be completed within a much shorter time frame, which is a fair – if unintended – reflection of the government's order of priorities.

The future for Hong Kong's rare and precious Deep Bay wetlands ecology is bleak on the face of NM's massive scale and proximity. Indeed, already parts of the wetlands are being destroyed. For example, the Conservancy Association and Greenpeace have identified 78.7 ha of wetlands destroyed between July 2022 and December 2023. They also noted that in November 2023 the government reduced the size of the proposed Sam Po Shue Reserve by 35%, from 502 ha down to 338 ha.

#### Current status

A recent press release (11/04/25) by the Task Force for Collaboration on the Northern Metropolis summarises progress and the present status of developing the NM. We partially quote from the release below:

"The Deputy Financial Secretary, Mr Michael Wong, and Vice Mayor of the Shenzhen Municipal People's Government Mr Tao Yongxin, leading delegations of the governments of the Hong Kong Special Administrative Region (HKSAR) and Shenzhen respectively, held the sixth meeting of the Task Force for Collaboration on the Northern Metropolis Development Strategy in Hong Kong today (April 11).

In the morning, the delegation of the HKSAR Government accompanied the delegation of the Shenzhen Government to visit the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone (Hetao Hong Kong Park). They were briefed by representatives of the Civil Engineering and Development Department and the Hong Kong-Shenzhen Innovation and Technology Park Limited on the planning, design and construction work of the Park, and toured the newly completed talent accommodation building therein.

At the afternoon meeting, the HKSAR Government presented the achievements made in taking forward the development of the Northern Metropolis in the past year, including the development proposals for Ngau Tam Mei, the New Territories North New Town and Ma Tso Lung announced at the end of last year; and an earlier invitation for submissions of expressions of interest on three large-scale land disposal pilot areas. The HKSAR Government also introduced the Development Outline for the Hetao Hong Kong Park promulgated in November last year, which clearly sets out the major development directions, strategy and targets of the Park.Both sides also exchanged views on the planning progress for the Hong Kong-Shenzhen Western Rail Link (Hung Shui Kiu-Qianhai), the implementation of the Wutong Mountain (Shenzhen)-Robin's Nest (Hong Kong) Ecological Corridor and the planning and development of Hong Kong-Shenzhen control points."

As said, regular reports on the status of the NM will be included in future editions of the UPELQ.

## **TOWN PLANNING**

## Approved Lam Tei and Yick Yuen Outline Zoning Plan amended

On 13 June 2025, the Town Planning Board announced amendments to the approved Lam Tei and Yick Yuen Outline Zoning Plan (OZP).

The amendments mainly involve:

- 1. Rezoning a site near San Hing Road from "Residential (Group E)" and "Village Type Development" to "Residential (Group A)1" ("R(A)1") for higher-density residential development; and
- 2. Rezoning a site near Light Rail Transit Lam Tei Station from "Residential (Group B)1" to "R(A)2", also for residential development.

[Town Planning Board Press Release, 13/06/2025]

## Approved Tuen Mun Outline Zoning Plan amended

On 13 June 2025, the Chief Executive in Council approved the draft Tuen Mun Outline Zoning Plan (OZP).

The approved OZP provides a statutory land use planning framework to guide the development and redevelopment within the Tuen Mun area.

The planning scheme area covers approximately 2,260 hectares and is located at the head of Castle Peak Bay in the North West New Territories. It is bounded by the ridges of Castle Peak to the west, Lam Tei Interchange of Castle Peak Road to the north, Tai Lam Country Park to the east, and extends to the Siu Lam Interchange of Tuen Mun Road to the southeast, and the Tap Shek Kok power station to the southwest.

The approved OZP has incorporated the amendments shown on the draft Tuen Mun OZP No. S/TM/40, which mainly involve:

- 1. Rezoning a site northwest of Light Rail Transit Goodview Garden Station from "Government, Institution or Community" ("G/IC") to "Residential (Group A)29" ("R(A)29") for private residential development;
- 2. Rezoning part of the Oceania Heights residential development from "G/IC" to "R(A)" to reflect the as-built conditions;
- 3. Rezoning a site east of Tuen Mun Town Plaza from "Green Belt" ("GB") and an area shown as 'Road' to "R(A)30" for private residential development; and
- 4. Rezoning a site west of Hing Fu Street from "GB" to "G/IC(5)" for columbarium use.

[Town Planning Board Press Release, 13/06/2025]

## Approved Kwun Tong (North) Outline Zoning Plan referred back for amendment

On 20 June 2025, the Town Planning Board announced that the Secretary for Development has referred the approved Kwun Tong (North) Outline Zoning Plan (OZP) back to the Board for amendment to reflect the latest land use proposals.

The amended OZP will be exhibited for public inspection in accordance with the provisions of the Town Planning Ordinance.

The Kwun Tong (North) OZP was last approved by the Chief Executive in Council in January 2016.

[Town Planning Board Press Release, 20/06/2025]

## Two approved Outline Zoning Plans referred back for amendment

On 8 August 2025, the Town Planning Board announced that the Secretary for Development has referred two approved Outline Zoning Plans (OZPs) to the Board for amendment to reflect the latest land use proposals. The two OZPs are:

- 1. The approved Kwun Tong (South) OZP; and
- 2. The approved Nam Sang Wai OZP.

Each OZP, incorporating the respective amendment(s) ,will be exhibited for public inspection in accordance with the provisions of the *Town Planning Ordinance*.

The Kwun Tong (South) OZP was last approved by the Chief Executive in Council in July 2024, while the Nam Sang Wai OZP was last approved in March 2025.

[Town Planning Board Press Release, 08/08/2025]

## DIGEST OF LEGISLATION

## **Buildings Energy Efficiency (Amendment) Ordinance 2025**

The Hong Kong Government has enacted the *Buildings Energy Efficiency (Amendment) Ordinance 2025* and gazetted its related commencement notice. The legislative update is a core part of the city's broader environmental strategy, by which the government aims to improve energy management in buildings and advance its carbon neutrality targets.

A spokesperson for the Environment and Ecology Bureau stated that the ordinance strengthens local energy efficiency governance by broadening coverage to additional building types, requiring more frequent energy audits, and enhancing transparency through the disclosure of audit data. These enhancements are expected to lower electricity expenses for building operators, decrease carbon emissions, stimulate green economic opportunities, and reinforce Hong Kong's path toward carbon neutrality by 2050.

The new regulations will be rolled out in two stages. After undergoing negative vetting in the Legislative Council, revised criteria for registering energy assessors will take effect on September 20, 2025, facilitating early sign-up for professionals. The rest of the provisions will follow on September 20, 2026, allowing sufficient time for industry preparation. The Electrical and Mechanical Services Department will provide guidance and promote awareness to help building owners comply with the updated requirements.

Once fully implemented, the amended ordinance is projected to save an extra 500 million kilowatt-hours of electricity annually by 2035—equivalent to the power consumed by roughly 150,000 three-member households each year.

[Press Release, Government of Hong Kong, 18/06/2025]

## Gas Safety (Amendment) Ordinance 2025

The government has officially gazetted the *Gas Safety (Amendment) Ordinance 2025*, which introduces a comprehensive regulatory framework to oversee the use of hydrogen as fuel.

As stated by a spokesperson from the Environment and Ecology Bureau, the amendment expands the definition of "gas" under the *Gas Safety Ordinance (Cap. 51)* to include "regulated hydrogen." This change ensures that hydrogen intended for use as fuel in vehicles, trains, machinery, and other equipment will now fall under government regulation. The Ordinance aims to manage all aspects of hydrogen fuel, including its importation, production, storage, transportation, supply, and use.

The new legislation empowers the Chief Executive in Council to introduce regulations related to "regulated hydrogen." Subsidiary legislation on this matter will be proposed to the Legislative Council for negative vetting in 2026, with both the ordinance and the regulations taking effect simultaneously.

To ensure the regulations are practical and effective, the Electrical and Mechanical Services Department (EMSD) will engage industry stakeholders during the drafting process. According to the spokesperson, the legislation will provide a clear and stable legal framework for hydrogen's entire supply chain, encouraging both local and international investment in hydrogen-related industries.

[Press Release, Government of Hong Kong, 25/07/2025]

## WEST KOWLOON CULTURAL DISTRICT

## The 124th Board Meeting of the West Kowloon Cultural District Authority

The 124<sup>th</sup> meeting of the Board of the West Kowloon Cultural District Authority (the "**Authority**") was held on 15th May 2025, when the CEO of the Authority provided updates on the progress of various initiatives within the West Kowloon Cultural District ("**WestK**").

#### **Events**

WestK has continued to attract strong visitations, with over 1,300 events in 2024 drawing more than 15 million attendees, and approximately 3.8 million recorded in March and April 2025 alone. Key highlights were the opening of M+'s The Hong Kong Jockey Club Series and Picasso for Asia—A Conversation, which welcomed over 110,000 visitors. International efforts featured a delegation to Riyadh and Abu Dhabi in April 2025 to foster cultural exchanges, alongside upcoming collaborations such as M+'s I. M. Pei: Life Is Architecture in Doha. The WestK Shanghai Week from 18 to 22 June 2025 will showcase seven programmes, including HKPM's City Rhythms: Chinese Traditional Culture Reinterpreted and the musical The Impossible Trial. Upcoming exhibitions at M+ include Trevor Yeung: Courtyard of Detachments from 14 June and Canton Modern: Art and Visual Culture, 1900s–1970s from 28 June, while HKPM's The Ways in Patterns: An Immersive Digital Exhibition opened on 14 May, followed by Wonders of Imperial Carpets from 18 June. Performing arts highlights encompassed the Hong Kong edition of Hedwig and the Angry Inch at Freespace, the new WestK Cabaret Nights series from May to July, and Chinese Tea and Music on 31 May.

### **Projects**

In terms of construction projects, the Southern Landing Facility's concrete structures and off-site prefabricated mechanical platform were completed in March 2025. Chilled water pipe restoration and steel structure installation is ongoing, due for completion in June and July respectively. Excavation for the Integrated Basement and Underground Road in Zone 2 is set to begin next month, with a barge transfer station expected by July. The WestK Performing Arts Centre has ongoing installations of decorative ceilings, mechanical and electrical equipment, and curtain walls, with testing underway. The Artist Square Towers project has commenced roof structure construction, targeting completion in 2027.

[West Kowloon Cultural District Authority Press Release, 15/05/2025]

## NORTHERN METROPOLIS

## CE vows new ways to fast-track Northern Metropolis

Chief Executive John Lee has pledged to accelerate the development of the Northern Metropolis (NM), describing the project as a matter of "burning urgency" for Hong Kong's future housing and economic growth.

In an interview ahead of the third anniversary of his term, Lee emphasised his commitment to transforming the northern New Territories into a 30,000-hectare integrated hub that will accommodate 2.5 million people and provide approximately 650,000 jobs.

"This is one-third of Hong Kong's geographical area. It is also a place to house one-third of our population," Lee said.

He underscored the government's policy priority to fast-track the NM for both residential development and innovation and technology advancement, while ensuring the growth of supporting industries.

To speed up the process, Lee said the administration would take inspiration from construction practices on the mainland and consider external support for key infrastructure and planning tasks. The government will also collect public feedback during consultations for the upcoming Policy Address in September, with a focus on economic growth and livelihood improvement.

Lee affirmed that he would devote his full energy to pushing the project forward during his time in office but refrained from commenting on whether it should remain under the same leadership in the future. He stressed that good policies should outlast political terms:

"Every government and chief executive would be wholly devoted to advancing the city's interests," he said.

On governance, Lee expressed satisfaction with his current team, particularly after the recent appointment of Culture, Sports and Tourism Minister Rosanna Law and Transport and Logistics Chief Mable Chan. He praised the team's cohesion and alignment with his vision:

"So far, I'm satisfied with them, and I believe their performance will continue to meet my standards."

[RTHK, 14/06/2025]

#### Land resumption notices issued

Section 4 of the Lands Resumption Ordinance (Chapter 124) and section 4 of the Land Acquisition (Possessory Title) Ordinance (Chapter 130) will be invoked in relation to imminent new stages of the Northern Metropolis project.

For San Tin Technopole (STT) (Phase 1) (First Batch), 1,309 private lots with an area of about 62 hectares will be resumed by the government. government land, occupied by 20 graves and 42 urns, as well as 25 fishponds of about 700 square metres and about 7.5 hectares respectively, will also be acquired. In addition, for the establishment of Sam Po Shue Wetland Conservation Park (SPS WCP) (First Phase), about 85.2 hectares of government land occupied by 110 fishponds will be acquired by the government. The land will revert to and vest in the government upon the expiry of a period of three months from the date of affixing the notices (i.e. on October 11, 2025).

The abovementioned land reversion date and land vesting date are not the departure deadlines for the affected households and business undertakings. The Lands Department (LandsD) will post notices in relevant areas about three months before the departure deadlines for the affected parties. According to the project programmes, the affected parties are scheduled to depart in batches. The estimated departure date for STT Phase 1 Stage 1 works will be in batches mainly from the first quarter of 2026 to the second quarter of 2027, whereas the estimated departure date for SPS WCP (First Phase) will be in batches mainly from the fourth quarter of 2026 to 2027. The LandsD and its appointed Community Liaison Service Team will closely liaise with the affected parties to handle compensation and rehousing matters.

The STT (excluding the Loop), with an area of about 540 hectares, will be developed in two phases, with Phase 1 development comprising approximately 365 hectares. The works for Phase 1 development will be divided into two stages, with an area of about 158 hectares for Stage 1 works and about 207 hectares for Stage 2 works. The Stage 1 works commenced late last year. As previously stated publicly, the government will not carry out pond filling works before commencing works for SPS WCP in 2026/2027. Upon full development, the STT will provide about 50,000 residential flats, accommodating a new population of more than 150,000. It will also create about 160 000 employment opportunities. The first population intake of about 18,000 under Phase 1 Stage 1 development will start progressively from 2031.

SPS WCP, spanning over 300 hectares, will also be developed in two phases. The works of SPS WCP (First Phase) covering an area of about 150 hectares will commence in 2026/2027 (including the abovementioned proposed acquisition of land of about 85.2 hectares) for completion in 2031. The park serves multi-functions to conserve the Deep Bay wetlands, facilitate the modernisation of the aquaculture industry, as well as create environmental capacity and compensate for the impact on ecology and fisheries resources. The entire park is expected to be completed by 2039 to align with the estimated time for full operation of the STT.

[The Government of the Hong Kong Special Administrative Region Press Release, 10/07/2025]

## Northern Metropolis attracts global companies

Since the second quarter of 2025, Invest Hong Kong (InvestHK) has secured interest from more than ten local and international enterprises to participate in development projects within the NM, covering sectors such as industrial manufacturing, logistics, supply-chain management, innovation technology, tourism, and education.

The initiative reflects the government's push to promote the NM as a strategic hub for high-value industries and cross-border collaboration.

"We've strengthened cooperation with various government bureaus to showcase investment opportunities," said Alpha Lau Hai-suen, Director-General of Investment Promotion, in a social media post.

Hybrid promotional sessions co-organised with the Development Bureau have been instrumental in highlighting the NM's land policy, infrastructure planning, and long-term vision to both local and overseas investors. The Innovation, Technology and Industry Bureau has also briefed InvestHK's teams stationed in 34 offices globally, ensuring alignment in messaging and policy updates related to the mega project.

Efforts to expand global outreach include:

- Hosting briefings for UAE investment companies
- Highlighting biotechnology strengths and infrastructure developments at the BIO International Convention 2025 in the United States

In the last two months, InvestHK has also:

- Facilitated meetings between interested industry players and the Northern Metropolis Coordination Office
- Assisted potential investors in submitting letters of intent

Meanwhile, lawmaker Peter Shiu Ka-fai has urged the government to engage overseas family offices more proactively by clearly outlining how they can participate in NM development projects, with the aim of attracting long-term capital and strategic partnerships.

"We must present clear opportunities to overseas family offices to draw in targeted investment," said Shiu during a Legislative Council panel on commerce, industry, innovation and technology.

[The Standard, 15/07/2025]

### Government to promote "headquarters economy" and Northern Metropolis development

Attracting global enterprises and cultivating high-end industries in the NM are among the government's key development strategies, Chief Executive John Lee said during a public consultation town hall on August 3, 2025, ahead of his forthcoming Policy Address in September.

The consultation process has drawn over 5,500 submissions since June, reflecting a 10 percent increase compared to last year. Lee emphasised the importance of establishing Hong Kong as a regional hub by encouraging international firms to set up their headquarters in the city, a strategy he described as vital to retaining talent and strengthening Hong Kong's global competitiveness.

"Statistics show that Hong Kong has recorded a new high in the number of newly-registered non-local companies," Lee noted. "We have attracted international enterprises, including many from the mainland, as well as global companies."

A central focus of the meeting was the NM, a flagship development project envisioned to transform the northern part of the New Territories into a hub for high-end industries and cross-boundary innovation. Lee reiterated the government's commitment to positioning the metropolis as a key driver of economic transformation.

During the discussion, community members raised various concerns, including support for non-Chinese speaking students learning Putonghua to enhance employment opportunities in the Greater Bay Area. Lee affirmed that ethnic minorities are an integral part of Hong Kong society and pledged to enhance education policies to support their integration.

"The ethnic minority population, in my mind, is a major part of our family," he said. "We are listening to people's opinions to improve our measures."

Other issues highlighted included tourism, digital inclusion, elderly care, and the development of Chinese medicine. On the broader economy, Lee acknowledged ongoing economic restructuring, but pointed to signs of positive growth.

He also noted that the government has improved its responsiveness in handling extreme weather events and power outages, aiming to safeguard public welfare amid growing climate challenges.

[RTHK, 03/08/2025]

## Arup to provide management services to the NM

Arup (an engineering advisory company), in a joint venture with Mace, has been appointed by the Civil Engineering and Development Department (CEDD) of Hong Kong SAR Government to provide programme management services for two key components of the Northern Metropolis (NM), namely Kwun Tung North/Fanling North Fanling North New Development Area (KTN/FLN NDA) and the San Tin Technopole (STT) Projects.

These strategic projects mark a significant step in transforming the NM into a new engine for Hong Kong's growth. Construction is already underway at the KTN/FLN, the first NDA in the NM to reach the implementation stage, and it will provide land for developing around 86,200 housing units or about 227,000 residents. Meanwhile, the STT, with adjacent the Loop – together spanning over 700 hectares – will form a major hub for innovation and technology (I&T). The area will offer dedicated I&T lands and integrated community facilities, fostering stronger synergy with Shenzhen's I&T clusters.

Given the scale, complexity and ambitious timelines of these projects, Arup will provide comprehensive programme management services to ensure efficient and high-quality delivery. The scope includes ongoing project governance and interface management, the implementation of an overarching Programme Management Information System (PMIS) for performance monitoring and data-driven insights, as well as performance reporting and strategic recommendations to optimise project delivery.

This appointment marks the first implementation of the Programme Management Office (PMO) model in NM. With a strong global track record in managing complex, large-scale infrastructure projects, the two teams combine world-class expertise with in-depth understanding of local conditions to ensure smooth execution, maximum value, and long-term success of these projects.

Arup has played a key role in the NM for several years, offering multidisciplinary services across various initiatives. Arup's involvement dates back to 2006, when it supported the planning framework to guide the conservation and development of the frontier Closed Area. Since then, Arup has contributed to a series of planning studies, design and engineering works, embedding long-term sustainability and resilience in urban design and city development.

"The scale of the Northern Metropolis is unprecedented. It is a massive and complex programme and the PMO will provide support, and oversight to help us navigate the challenges ahead. This ties in directly with CEDD's strategic goal of fostering team spirit, empowering colleagues, and enabling everyone to reach their full potential. It's not just about managing scale, it's about working smarter. The PMO is designed to streamline workflows, enabling CEDD to operate more efficiently and effectively," said Mr. FONG Hok-shing, Michael, JP, Director of Civil Engineering and Development Department.

[Arup Press Release, 08/08/2025)]

## HONG KONG BRIEFING

#### Reducing maritime emissions in Hong Kong

Clean Air Network submitted a policy recommendation to the Environment and Ecology Bureau and Transport and Logistics Bureau on 16 July with four policy recommendations to reduce maritime emissions in Hong Kong water.

Shipping remains the largest local emission source of NOx, PM10, PM2.5, and the second largest source of SO2 and carbon monoxide (CO), or 19% of NOx and 11% of PM10 of total HKSAR emissions.

CAN expresses its support for the HKSAR Government's commitment to reinforce Hong Kong's position as an international maritime centre. as it could potentially bring environmental and health benefits to the general public.

The Action Plan on Maritime and Port Development Strategy, published by the Transport and Logistics Bureau in 2023, set out the strategic vision to establish Hong Kong as a green shipping fuels trading and bunkering hub, includes supplying low-and-zero-carbon fuels, such as green methanol and to serve as a node in international and regional green shipping corridors.

Given the latest development of global shipping industry to become greener and cleaner, Clean Air Network emphasizes the need for the HKSAR Government to consider Marine Electrification, comprising Onshore Power Supply (OPS) and Electrification of Harbour Craft, as a vital strategy to further improve air quality and reduce public health risk in Hong Kong.

#### **Policy recommendations**

With the overall goals to further improve air quality and reduce public health risk in Hong Kong, Clean Air Network proposes the following policy recommendations:

- Formulate an OPS development policy and timetable for implementation
- Formulate strategy on electrification of vessels
- Establish regional coordination on marine emissions
- Advance research on quantifying marine emissions

[Clean Air Network Newsletter, 07/2025]

## Human activities linked to over one-third of cetacean strandings

In 2024, over one-third of the 41 cetacean strandings in Hong Kong were connected to human activities, according to the Ocean Park Conservation Foundation Hong Kong ("OPCFHK"). The NGO, collaborating with the Agriculture, Fisheries and Conservation Department, reported that 14 cases were tied to human impact, with six directly caused by entanglements in ropes, boat strike trauma, or infections like pneumonia.

Notable cases included a Chinese white dolphin and her stillborn neonate found near Pui O, Lantau, in July 2024, showing signs of blunt force trauma suggestive of a boat strike. Another incident involved a Longman's beaked whale stranded near Shek Tsai Po, Lantau, in November 2024; a synthetic bag was found in its stomach.

The chair of OPCFHK remarked that cetaceans are vital for preserving the health and equilibrium of marine ecosystems. The NGO urges the public to reduce plastic use, avoid littering in marine environments, and refrain from harassing dolphins to help protect these vital species.

[HKFP, 04/07/2025]

## Climate change drives more extreme weather

Hong Kong is set to experience more extreme weather due to climate change, a former Hong Kong Observatory official warned after the city issued its fourth black rainstorm signal in a week. On August 5, 2025, the Observatory recorded 355.7 millimetres of rain in Tsim Sha Tsui by 2pm, marking the highest daily rainfall for August since records began in 1884.

Former assistant director of the Hong Kong Observatory commented that climate change intensifies these variations, leading to increasingly erratic and severe weather.

The heavy rainfall caused widespread flooding, submerging around 20 cars in a Po Lam car park and affecting Queen Mary Hospital's entrance. The Drainage Services Department reported 25 flooding cases by 1pm. Leung urged better coordination among government departments, such as the Drainage Services Department and the Civil Engineering and Development Department, to mitigate impacts. He also advised residents in flood- and landslide-prone areas to take protective measures, citing past events, like the 1972 landslide and the 2023 "once-in-500-years" flooding.

[*HKFP*, 05/08/2025]

### Scientist installs nest boxes to save Hong Kong's endangered cockatoos

Hong Kong's yellow-crested cockatoo population faces a precarious future. A researcher from the University of Hong Kong is installing artificial nest boxes in urban trees to provide breeding sites for the birds, of which only 1,200 to 2,000 remain globally, with about one-tenth residing in the city as one of the largest cohesive wild groups. The yellow crested cockatoo is related to the sulphur crested cockatoo, which is in abundant numbers in its native habitats in Australia.

The initiative addresses habitat loss, with around 80 percent of natural tree cavities vanishing due to typhoons and government pruning. The researcher plans to deploy about 50 boxes citywide to boost reproduction and enable observation of the birds' behaviour, which has not been comprehensively studied.

It is the researcher's view that without the boxes, the cockatoos will face declining opportunities to grow or sustain their population as individuals die.

The cockatoos, an introduced species likely from escaped pets, have thrived in Hong Kong's urban parks but are threatened by suspected black market trade. The researcher has developed a forensic test to detect wild-caught birds, aiding enforcement against illegal sales. The local population could serve as a genetic backup for devastated native habitats in East Timor and Indonesia.

[*HKFP*, 23/08/2025]

#### CAN's submission to the government following 2025 Policy Address

Clean Air Network submitted a policy recommendation to the Hong Kong government on 15 August in response to the ongoing public consultation for the 2025 policy address.

Over the past decade, Hong Kong has made significant progress in enhancing ambient and roadside air quality. With shifting public health risks and demographic changes, it is imperative that we continue to strengthen the clean-air efforts. Specifically, as there is lack of systematic and sufficient management of indoor air quality across places in Hong Kong, it poses considerable risks especially to vulnerable groups such as children, the elderly, and individuals with pre-existing health conditions.

We believe the Policy Address should outline the government's plans to achieve clean air for all in Hong Kong in the following areas -

- 1. Continuing to Tackle Air Pollution Issues to Enhance Public Health
  - Despite improvements, Hong Kong's ambient and roadside air quality continues to lag behind other major cities. In 2023, the city achieved only 75% of its short term Air Quality Objectives (AQOs) with significant gaps in Nitrogen Dioxide and Ozone levels. Notably, in 2024, the roadside Nitrogen Dioxide exceeded the World Health Organization's most stringent standards by 550%.
  - Lung cancer remains the leading cause of death in Hong Kong, and air pollution contributes significantly to other serious health issues.
  - The situation is particularly dire for vulnerable groups such as children, the elderly, individuals with pre-existing conditions, and low-income communities.
  - Furthermore, air pollution undermines the productivity and attractiveness of Hong Kong as a tourism, business and international financial hub.
- 2. Strengthening Measures to Address Ambient and Roadside Air Quality
  - Tightening the Air Quality Objectives
  - Promotion of adoption of new energy vehicles
  - Formulating an Action Plan based on the Completed Study on Regional Ozone
  - Marine Electrification
  - Onshore Power Supply (OPS) for Ocean-Going Vessels (OGVs)
  - Electrification of Harbour Craft and Domestic Vessels
- 3. Addressing Indoor Air Quality (IAQ)
  - Tackling IAQ with an Inter-Bureau and Departmental Approach
  - Legislating for IAQ
  - Developing Support for Pre-Schools and Hospitals
  - Setting Role Models for Data Transparency
  - Expanding the IAQ Certification Scheme

[CAN Press Release, 29/08/2025]

#### Mega Lantau project postponed

Hong Kong authorities have shelved a controversial reclamation project to build artificial islands in the sea of Lantau, with the development minister saying the government does not have the "necessary conditions" to start.

Secretary for Development Bernadette Linn Hon-ho made it clear for the first time on Wednesday that the current administration would not begin the HK\$580 billion (US%74.6 million) project in the waters off Kau Yi Chau, as it was a lower priority than the Northern Metropolis mega development near the city's border with mainland China.

"The government has not yet formulated a timetable for the implementation of the Kau Yi Chau project. In fact, we do not have the necessary condition for the reclamation project to be carried out within this term of government," she said in a written reply to engineering sector lawmaker Lo Wai-kwok.

The 1,000-hectare (2,471 acres) reclamation project, first floated more than a decade ago and also known as the Lantau Tomorrow Vision, was conceived as the city's third central business district, with up to 210,000 homes for 550,000 residents.

Last December, the Civil Engineering and Development Department submitted the project's environmental impact assessment (EIA) report to authorities, who notified it in February that the document was suitable for public inspection. But the report has not been uploaded to the relevant website.

[SCMP, 11/09/2025]

## ADVISORY COUNCIL ON THE ENVIRONMENT (ACE)

The 269th meeting of the Advisory Council on the Environment (ACE), held on 12 May 2025, focused on advancing Hong Kong's environmental goals through two major agenda items: (i) tightening the allocation of Emission Allowances for power plants under the Tenth Technical Memorandum (TM) and (ii) reviewing the Environmental Impact Assessment (EIA) report for the Proposed Comprehensive Development with Wetland Enhancement at Nam Sang Wai and Lut Chau. Both discussions reflect Hong Kong's commitment to balancing development with environmental protection and achieving its climate goals.

#### Allocation of emission allowances for power plants

The Council reviewed the proposal to further tighten Emission Allowances for power plants starting in 2030, as presented in ACE Paper 6/2025. The Tenth TM aims to reduce emissions of sulphur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), and respirable suspended particulates (RSP) in line with Hong Kong's climate and public health objectives.

## Road map for reduction of air pollutants

Members supported the proposed tightening of Emission Allowances, recognising the significant reductions in SO<sub>2</sub>, NO<sub>x</sub>, and RSP as a step toward improving air quality and public health. A Member suggested developing a detailed road map for reducing air pollutants that aligns with Hong Kong's zero-carbon target by 2050. Such a road map would provide transparency and encourage public participation by demonstrating the link between achieving carbon neutrality and reducing air pollutants.

In response, Mr. Leung Wai-man, Principal Environmental Protection Officer, explained that the Tenth TM focuses on biennial reviews of Emission Allowances for power plants, while broader Air Quality Objectives (AQOs) are reviewed every five years to ensure they meet international standards. He highlighted the positive correlation between reductions in carbon emissions and SO<sub>2</sub> emissions, noting that both are primarily associated with fossil fuel combustion.

A Member proposed using interim milestones, such as the 2035 goal of achieving 60–70% zero-carbon energy in electricity generation, to provide a clearer picture of potential reductions in air pollutants. Mr. Leung acknowledged the uncertainties surrounding future fuel mixes and technological developments but assured Members that each TM review would incorporate updated data and reflect progress.

## Proposed emission allowances

The Council discussed the differences in Emission Allowances between the two main power companies in Hong Kong: CLP Power Hong Kong Limited (CLP) and the Hongkong Electric Company Limited (HEC). Members noted that CLP supplies over half of Hong Kong's electricity and faces increased demand due to large-scale developments in the Northern Metropolis. This demand limits CLP's capacity to reduce significantly their emissions compared to HEC, which plans to install a new gas-fired generating unit in 2029, enabling a greater reduction in coal usage.

Mr. Leung clarified that the allocation of Emission Allowances considers factors such as fuel mix, power generation fleet, and operational efficiency. He emphasised that both companies are committed to phasing out coal-fired power plants by 2035, with coal retained only for emergency purposes after that date.

## Renewable energy

The Council reviewed the role of renewable energy (RE) in reducing emissions. Government representatives highlighted initiatives such as the Feed-in Tariff (FiT) Scheme, landfill gas power generation, and the Pilot Scheme on Building-Integrated Photovoltaics. These measures have led to increased RE uptake, with RE accounting for 1% of Hong Kong's fuel mix in 2024 and projected to rise to 2% by 2030.

Members queried the timeline for importing an additional 1,500 GWh of zero-carbon energy from Mainland China. Mr. Cheng Koon-man, Chief Electrical and Mechanical Engineer, explained that the enhanced Clean Energy Transmission System, to be completed in 2026, would increase capacity for importing zero-carbon energy. This initiative is expected to raise the share of zero-carbon energy in Hong Kong's fuel mix to 35% by 2026 and 60–70% after additional infrastructure is completed in Tseung Kwan O.

## Internal discussion session

During the closed-door session, Members reiterated their support for the proposed tightening of Emission Allowances under the Tenth TM. They acknowledged the significant progress achieved under the Ninth TM and expressed confidence that stricter emission standards would further improve air quality. It was noted that all power stations have consistently complied with allocated Emission Allowances in previous years, demonstrating the feasibility of the proposed reductions.

## Proposed Comprehensive Development with Wetland Enhancement at Nam Sang Wai and Lut Chau

The Council reviewed the EIA report for the Proposed Comprehensive Development with Wetland Enhancement at Nam Sang Wai and Lut Chau, which aims to balance residential development with the conservation of ecologically sensitive wetlands. The project proponent provided detailed responses to public comments and Member concerns regarding the ecological and environmental impacts of the project.

#### Impacts on habitats

Members discussed the project's potential impacts on habitats and the proposed mitigation measures. The proponent outlined efforts to minimise ecological disruption, including planting a mix of native and exotic Eucalyptus trees to support roosting cormorants, limiting building heights near sensitive areas, and implementing measures to reduce light pollution.

The Council also discussed the relocation of reedbeds, which are crucial habitats for reedbed-dependent bird species, such as Great Bitterns. The proponent explained that relocating reedbeds to both Nam Sang Wai and Lut Chau enhances ecological value by diversifying habitats and providing a contingency in case of pest infestations. Members acknowledged the importance of this approach in balancing conservation and fisheries priorities.

## Baseline survey

Concerns were raised about discrepancies in the EIA report and the adequacy of baseline data. The proponent acknowledged minor errors, such as the miscount of bird species, and assured Members that these inaccuracies do not affect the overall conservation conclusions. Updated ecological surveys will be conducted prior to construction to refine conservation management plans (CMPs).

The proponent clarified that cormorant roost locations, which are mobile and change annually, have been surveyed over multiple winters. Future surveys will inform adjustments to project design and implementation as needed.

## Public-private partnership

The long-term management and funding of wetland enhancement works were addressed through the Public-Private Partnership (PPP) arrangement. The proponent assured Members that sufficient funding would be allocated for wetland conservation and that they would maintain communication with government agencies to ensure effective implementation.

## Project timeline

The Council discussed the phased construction timeline, which prioritises the establishment of wetland enhancement areas before residential development to minimise environmental impacts. Members questioned the feasibility of proposed timelines for habitat establishment, particularly for reedbeds and fish ponds. The proponent clarified that timelines vary depending on habitat type, with less vegetated habitats requiring shorter establishment periods.

## Draft conditions and recommendations

Members reviewed and refined the draft conditions and recommendations for endorsing the EIA report. The following conditions were agreed upon:

- Completion of wetland enhancement works: Construction at the residential development site will not proceed until wetland enhancement works at Nam Sang Wai and Lut Chau are completed and approved by the Director of Environmental Protection, in consultation with the Agriculture, Fisheries and Conservation Department.
- **Updated CMP:** The proponent will prepare an updated CMP detailing enhancement measures, long-term management plans, financial arrangements, and implementation schedules. The CMP must be submitted to the Director of Environmental Protection for approval before wetland enhancement construction begins.
- **Environmental advisory group:** An Environmental Advisory Group will be established to provide advice on environmental aspects of the project.

The following recommendations were also endorsed:

• Biomass management: The proponent should explore reusing and recycling biomass, such as fallen trees and vegetation.

- Minimising wildlife disturbance: Specific measures should be implemented to reduce wildlife disturbance during construction and
  operation, including avoiding floodlights and directing outdoor lighting away from sensitive habitats.
- **Bird-friendly practices:** The proponent should consult the Agriculture, Fisheries and Conservation Department to develop bird-friendly practices for project design, construction, and operation.

Members emphasised the importance of clear and specific conditions to ensure effective implementation and enforceability. These recommendations and conditions were submitted to the Director of Environmental Protection for consideration.

#### Conclusion

Members supported the Tenth TM's proposal to tighten Emission Allowances, recognising its potential to improve air quality and align with the city's zero-carbon goals. Similarly, the Council endorsed the EIA report for the project, subject to conditions and recommendations aimed at ensuring sustainable wetland conservation and minimising ecological impacts.

## **CLIMATE CHANGE**

#### **CLIMATE CHANGE**

#### **Historic International Court decisions on climate**

The International Court of Justice (ICJ) and the Inter-American Court of Human Rights (IACtHR) each recently determined that States must do more to address climate change. The IACtHR affirmed the human right to a healthy climate. The ICJ affirmed that all States have legal obligations to reduce Greenhouse gas emissions. These landmark opinions provide authoritative interpretations of existing international law, underscoring the legal duties of States in addressing the climate crisis and its devastating environmental and human rights impacts, and offering guidance for future legal action and accountability.

Both courts expressed deep concern about the climate emergency. They declared that States have legal duties that include establishing national climate frameworks, setting mitigation targets and adaptation plans, and instituting effective enforcement mechanisms.

#### Highlights of the Inter-American Court of Human Rights Opinion

Following an unprecedented number of submissions from civil society, academics, States, and international organizations, the IACtHR issued its Advisory Opinion on Climate Change and Human Rights. The climate emergency is defined, according to the Court, by the urgency of effective action, the severity of its impacts, and the complexity of the response required. Therefore, the court emphasized that States must abstain from any behaviour that sets back, delays, or undermines the results of measures necessary to protect human rights from climate-related harms.

Interpreting the principle of prevention, the court concluded that States are obliged to exercise *enhanced due diligence* in the face of climate change. Moreover, States' duties include enacting domestic legislation to guide both State and private actors, grounded in the best available science as well as traditional, local, and Indigenous knowledge systems.

The court referred to the *imperative prohibition* against causing massive and irreversible damage to the environment. From the right to a healthy environment, it derived the human right to a healthy climate, imposing specific obligations on States. Moving beyond a purely human-centered view, the IACtHR highlighted nature and its components as rights-holders, which contributes to a development model that respects planetary boundaries (the earth's natural limits) and safeguards enough vital natural resources for both current and future generations.

The court addressed a wide range of substantive and procedural rights at risk in the context of the climate emergency, including the right to life, personal integrity, health, private property, adequate housing, freedom of movement and residence, water, food, work, social security, education, democracy, science, access to information, public participation, access to justice, and the right to defend human rights.

"The Advisory Opinion issued by the IACtHR elevates the protection of environmental defenders," says Luciano Coco Pastrana, ELAW Defenders Team Attorney. "The Court affirms the autonomous nature of the right to defend human rights and recognizes environmental defenders as rights-holders who, because of their work, are entitled to specific protections. Drawing on the Escazú Agreement, the opinion reinforces States' obligations to ensure participation, transparency, and protection, making Escazú a key interpretive source in the Court's jurisprudence. This opinion positions the defense of the environment not only as a matter of public interest, but as a fundamental pillar of democratic and climate governance across the Americas."

## **Highlights of the International Court of Justice Opinion**

The ICJ gave its advice on two questions referred to it by the UN General Assembly:

- What are the legal obligations of States regarding climate change caused by anthropogenic greenhouse gas emissions?
- What are the legal consequences of non-compliance by a State with those legal obligations?

The Court considered the written and oral submissions of many States, international organizations, and civil society organizations before issuing its Advisory Opinion on July 24, 2025. The Advisory Opinion unanimously affirmed that States have legal obligations under climate change treaty law to undertake collective measures to reduce greenhouse gas emissions to meet the 1.5 °C standard for temperature increase. In doing so, States must take adequate measures that align with the principle of common but differentiated responsibility and the precautionary principle.

The Court also opined that States have a legal obligation to submit regular Nationally Determined Contributions required under the UN climate convention framework, which should be progressive – meaning increased efforts and measures to reach the 1.5°C standard. The Court held that States have a legal obligation to cooperate to achieve the temperature limitation of 1.5°C. Additionally, the Court, having examined customary international law, opined that States are legally obligated to prevent significant harm to the environment and to the climate system, as well as to ensure that their actions and omissions do not cause harm to other States through their greenhouse gas emissions.

Addressing the second question of legal consequences for non-compliance, the Court said that a State in breach of any of its climate obligations is internationally responsible for a wrongful act, which implies the duty to cease the wrongful actions or omissions, to guarantee they don't repeat the actions, and to provide full reparation to injured States.

#### Overview

These opinions demonstrate how different branches of international law are interconnected, as the courts elaborated on existing duties under human rights treaties, environmental conventions, customary law, and principles of international law. They all inform and strengthen States' climate obligations.

"These Advisory Opinions will certainly shape the global legal landscape for future climate action," says ELAW Attorney Letícia Aleixo. "They will serve as vital references for domestic courts and policymakers, and set the stage for civil society to demand government and corporate responsibility in addressing climate change."

[Elaw Press Release, 15/08/2025]

## Ozone layer repair is contributing to global warming

A new study has revealed an unexpected consequence of the successful global effort to heal the Earth's ozone layer: it is c up to 40% more warming than previously estimated.

The study was published in *Atmospheric Chemistry and Physics*. The research team, led by Bill Collins from the University of Reading, used advanced computer models to assess the warming effects of ozone from 2015 to 2050. The analysis accounted for complex interactions involving humidity, cloud formation, and surface reflectivity.

#### Ozone: a double-edged sword

While the Montreal Protocol—a landmark 1987 treaty to phase out ozone-depleting substances like CFCs and HCFCs—has been hailed as one of the greatest environmental success stories, the study shows that the resulting ozone recovery is having unintended climate consequences.

By 2050, researchers estimate that ozone will become the second-largest contributor to global warming, after carbon dioxide.

"The very act of saving the ozone layer is contributing to warming," the researchers noted. "But it's still absolutely the right thing to do."

## Balancing climate and health

Despite the warming effect, scientists emphasise that repairing the ozone layer remains essential. A healthy ozone layer protects humans, ecosystems, and agriculture from harmful ultraviolet (UV) radiation—which can cause skin cancer, eye damage, and crop failures.

Some of the additional warming caused by ozone can be mitigated by targeting ground-level ozone, a pollutant formed by vehicle emissions and industrial activity. Reducing air pollution can help limit the heat-trapping effect of tropospheric ozone, which differs from the protective stratospheric ozone layer.

## Implications for climate policy

The findings suggest that climate strategies may need revision to account for the unavoidable warming tied to ozone recovery. Whilst ozone-depleting substances have been largely phased out, the climate system's response to the changes is more complex than initially assumed.

This research adds nuance to the understanding of climate feedback loops and reaffirms the need for integrated policies that jointly address air quality, ozone protection, and greenhouse gas reductions.

[The Guardian, 04/09/2025]

## Business rift over Australia's 2035 climate target

A major rift has emerged within Australia's business community over the country's 2035 emissions reduction target, as mining giant Fortescue—led by billionaire Andrew Forrest—publicly challenged the Business Council of Australia (BCA) over its newly released climate modelling.

The BCA's report, which outlines several investment scenarios to reach emissions cuts of 50%, 60%, or over 70% by 2035, estimates that Australia would need up to A\$530 billion in capital investment to meet the most ambitious target. However, Fortescue and other critics argue that the modelling downplays economic opportunities tied to clean energy and ignores the costs of inaction.

"Many businesses want strong targets, but a handful of fossil fuel companies are holding us back," said Dino Otranto, Fortescue's CEO.

The modelling, commissioned from McKinsey, was criticised for lacking transparency, particularly in the assumptions used to calculate costs. Fortescue rejected the credibility of the findings, insisting that Australia can achieve strong targets while unlocking economic growth through green innovation.

#### Diverging visions on climate policy

Whilst the BCA refrained from endorsing a specific emissions target, it emphasised the high cost and complexity of deeper cuts. The council's chief executive, Bran Black, said the report was intended to inform policymakers of the investment scale required, not to deter ambition:

"We say there is a pathway for Australia to be really ambitious... but it's expensive and difficult," Black stated on national radio.

However, environmental groups and several business council members contend that the BCA's analysis is outdated and overly cautious. The Australian Conservation Foundation accused the BCA of "scaremongering," while the Climate Council urged members like Telstra, Woolworths, Coles, and Rio Tinto to publicly support stronger targets.

#### Climate authority's recommendations

The Climate Change Authority—the federal advisory body—will soon deliver its final recommendation to the government. A 2035 reduction target in the range of 65% to 75% is expected, aligning with preliminary advice and global expectations. A coalition of over 500 companies, including Fortescue, is lobbying for a 75% cut, arguing it would enhance global competitiveness and accelerate green industry development.

The government is expected to announce its 2035 target before Prime Minister Anthony Albanese travels to the UN General Assembly later this month.

## The cost of delay vs. the price of action

The debate underscores a broader global challenge: balancing short-term economic concerns with long-term climate resilience. While the BCA's report highlights financial hurdles, critics stress that failing to act would result in far greater economic losses, including from climate-driven natural disasters, productivity declines, and missed innovation opportunities.

As Australia prepares to set a new emissions target, the internal split within one of its most powerful business lobbies reflects a transforming economic landscape, where climate leadership is increasingly seen as a strategic advantage rather than a cost.

[The Guardian, 05/09/2025]

## **REGIONAL & INTERNATIONAL**

## CHINA

#### First interprovincial green hydrogen pipeline launched

China has inaugurated its first interprovincial green hydrogen pipeline, marking a major advancement in its clean energy strategy. Developed by Sinopec, the 400-kilometre pipeline will transport wind-powered hydrogen from Inner Mongolia to Beijing, initially delivering 100,000 tonnes annually, with plans to scale up to 500,000 tonnes. This project represents a significant shift from fossil fuel-based hydrogen production to fully renewable energy solutions.

The pipeline is powered by a 1 GW wind farm in Ulanqab, where electrolysis converts renewable electricity into hydrogen. This green hydrogen will supply Beijing's industrial sector, including refining and chemical manufacturing, reducing reliance on carbon-intensive processes. By linking Inner Mongolia's abundant wind resources with high-demand urban centres, the project addresses China's challenge of renewable energy curtailment while supporting decarbonisation goals.

A key advantage of the initiative is its potential to optimise renewable energy use. Inner Mongolia frequently faces grid constraints, leading to wasted wind and solar power. By converting excess electricity into hydrogen, the pipeline creates a flexible energy carrier that can be stored and transported efficiently. This model could inspire other nations grappling with renewable energy integration.

The project aligns with China's national hydrogen strategy and regional energy plans, reinforcing its commitment to a low-carbon economy. However, its long-term viability hinges on industrial adoption and cost competitiveness. If successful, it could catalyse further investments in hydrogen infrastructure, including production, storage, and transportation technologies.

Globally, this pipeline sets a precedent for large-scale green hydrogen deployment, demonstrating how renewable energy can power hard-to-abate industries. While challenges like high costs and regulatory support remain, strong government backing and Sinopec's expertise position China as a leader in the emerging hydrogen economy. This initiative underscores China's ambition to lead the clean energy transition while offering a replicable blueprint for sustainable development worldwide.

[Intellinews, 01/08/2025]

#### **ARGENTINA**

#### Glacier protection law faces weakening amid mining push

The Argentine government is reportedly preparing to modify its landmark *Glacier Protection Law* (Law 26.639) through a presidential decree, potentially opening protected glacial areas to mining and extractive industries. Environmental groups warn this would threaten vital freshwater reserves, as Argentina's nearly 17,000 glaciers - concentrated in the Andes - contain crucial water resources for millions. The proposed changes would narrow legal protections by redefining what constitutes a glacier and removing safeguards for surrounding periglacial zones.

The move follows years of pressure from mining companies seeking access to mineral-rich areas beneath glaciers. Similar attempts were made in President Javier Milei's December 2023 omnibus bill, which sought to strip protections before being modified. The current expected decree aligns with Milei's pro-business agenda, including the Large Investment Incentive Regime (RIGI) offering tax breaks to foreign mining firms. Provincial leaders like Mendoza's Governor Alfredo Cornejo have actively promoted mining as an economic driver, despite February 2025 clashes between water defenders and authorities.

Experts emphasise glaciers' irreplaceable role in regulating water supplies and climate. "Once a glacier disappears it cannot be replaced," warns Greenpeace's Agostina Rossi Serra, noting communities would face severe water shortages. The environmental think tank FARN reports alarming glacial melt acceleration, with modifications threatening to exacerbate the crisis. The 2010 law originated from protests against Barrick Gold's Pascua Lama project, establishing strict protections now at risk.

Officials have not formally confirmed the decree, with an Energy Secretariat spokesperson stating details would emerge "in due course." This lack of transparency contrasts with Milei's previous dismissal of climate concerns as a "socialist lie." The move would bypass legislative debate through executive action, despite the law's origins in sustained civil society mobilisation.

As one of the world's few comprehensive glacier protections, Argentina's law sets an international precedent. Its weakening could encourage similar rollbacks elsewhere while damaging the country's environmental reputation. Environmental lawyers like Enrique Viale anticipate legal challenges, while activists prepare renewed protests to defend water resources against short-term economic interests.

The outcome will significantly impact Argentina's fragile mountain ecosystems and water security, with the Perito Moreno glacier and other iconic sites potentially facing increased industrial pressure. The conflict highlights growing tensions between extractive development and environmental protection across Latin America.

[Buenos Aires Herald, 17/06/2025]

#### **AUSTRALIA**

#### Court rejects environmental assessment challenge

Today the Federal Court upheld the government's approval of the Scarborough Gas Project's environment plan. Our client, Doctors for the Environment Australia (DEA), who challenged the approval in court say this project will impact community health and our environment.

The nation's leading medical voice on health and climate, DEA argued the national offshore gas regulator, NOPSEMA, acted unlawfully in approving Woodside's environment plan without fully understanding how the project's impacts would be managed.

By Woodside's own admission, the project would result in the release of climate pollution equivalent to an estimated 878 million tonnes of carbon dioxide, about double Australia's annual greenhouse gas emissions from all sources.

However, the Federal Court has dismissed DEA's application, which means the project can proceed. NOPSEMA's acceptance of Woodside's environment plan earlier this year was the last hurdle before work on the project could begin.

"After today's decision, it is clear that Australia's offshore gas regulations are not living up to the broader public interest," DEA Executive Director Kate Wylie said.

"Everybody needs a safe climate for their health and wellbeing, so we all have an interest in the effective regulation of industries that are making our climate more dangerous.

"The offshore gas industry in Australia is one of the most significant sources of greenhouse gas emissions, so the Australian community should be able to expect the government to regulate those impacts seriously."

[Environmental Defender's Office (WA), press release, 22/08/2025]

#### INDIA

## Chennai proposes zero-waste model

North Chennai residents have proposed the Green Chennai Initiative (GCI) as a sustainable alternative to the controversial Kodungaiyur waste-to-energy (WTE) incinerator project. Developed at the request of Mayor Priya, the plan emphasises decentralised waste management through composting, recycling, and public participation instead of burning waste. Chennai currently generates 7,600 tonnes of municipal solid waste daily, 68% of which is biodegradable.

The GCI mandates source segregation and aims to process 30% of wet waste (food scraps, garden waste) at households, apartments, and commercial establishments through composting or biogas generation. Incentives, such as property tax rebates, will encourage participation. For larger-scale processing, the plan proposes 302 micro-composting centres (1,510 tonnes/day), 120 decentralised biogas plants (600 tonnes/day), and 20 centralised biogas facilities (2,000 tonnes/day).

For dry waste (2,300 tonnes/day), decentralised Material Recovery Facilities (MRFs) will sort recyclables and route them to formal recycling industries. Domestic hazardous waste (160 tonnes/day) will be handled by 15 specialised facilities. The initiative also recommends establishing a Zero Waste Institute to research non-recyclable materials and phase out items like multi-layered plastics.

The GCI opposes the WTE incinerator, warning it would produce 500 tonnes of toxic ash daily. Instead, it suggests transforming the Kodungaiyur dumpyard into an eco-park with a learning centre and library. This model draws inspiration from Kerala's successful decentralised waste management systems.

The proposal will be submitted to the Chennai Corporation for approval. Key challenges include ensuring public compliance with segregation, scaling up infrastructure, and securing funding. If adopted, Chennai could become India's first zero-waste metropolis, setting a benchmark for sustainable urban waste management.

[DTNEXT, 04/08/2025]

#### Delhi-NCR bans new petrol and diesel commercial vehicles

From January 2026, New Delhi's Commission for Air Quality Management (CAQM) will prohibit cab aggregators, delivery services, and ecommerce companies in Delhi-NCR from adding new petrol or diesel vehicles to their fleets. The rule applies to light commercial vehicles, goods carriers, and delivery two-wheelers, mandating a shift to electric or CNG alternatives. This move aims to curb vehicular emissions, a major contributor to the region's severe air pollution.

The CAQM highlighted that commercial vehicles—due to longer operating hours and poor maintenance—emit disproportionately higher pollutants than private vehicles. The Delhi government had already introduced the Motor Vehicle Aggregator Scheme in 2023, requiring fleets with over 25 vehicles (including app-based services) to register on a monitoring portal. The new rule accelerates the transition to zero-emission transport.

The CAQM urged neighbouring states (Haryana, Uttar Pradesh, Rajasthan) to implement similar bans, especially in urban hubs like Gurugram, Noida, and Ghaziabad. This regional approach seeks to harmonise pollution control efforts across the National Capital Region, where vehicular density remains critically high.

Parallelly, the central government unveiled incentives under the Scheme to Promote Manufacturing of Electric Passenger Cars, allowing companies to import 8,000 electric cars annually at a reduced 15% duty (vs. 70–100%)—conditional on investing ₹4,150 crore in local manufacturing. Detailed guidelines were released recently, opening avenues for global EV makers to enter India.

Whilst the policy signals strong climate action, challenges include scaling up EV charging infrastructure and ensuring affordability for fleet operators. The success hinges on robust enforcement and collaboration with states. If effective, Delhi-NCR's model could inspire similar bans nationwide, aligning with India's net-zero goals.

[India TV News, 05/06/2025]

### **INDONESIA**

## Bali bans plastic sachets

Bali is taking its fight against plastic waste further by banning the production of small plastic sachets from 2026. This builds on the island's existing prohibition of small plastic water bottles, as officials seek solutions to Bali's 1.2 million tonnes of annual plastic waste. The move specifically targets the ubiquitous sachets widely used for shampoo, coffee, snacks and other daily products that frequently pollute beaches and oceans.

Environmental groups have long pushed for such measures, arguing these non-recyclable packets are among the worst offenders in Bali's plastic crisis. However, some local businesses, particularly bottled water producers, feel unfairly singled out. They contend many other products use similar packaging and suggest improving recycling systems would be more effective than outright bans.

As one of the world's top tourist destinations, Bali faces unique challenges in reducing plastic dependency. The hospitality industry heavily relies on single-use plastic for convenience, from hotel toiletries to takeaway meals. Recognising this, authorities are implementing a phased approach, giving businesses two years to transition before enforcement begins.

While the ban awaits final approval, its potential success could inspire similar policies across Indonesia and Southeast Asia - regions struggling with plastic pollution. The decision comes as Bali's iconic shores continue battling waves of plastic debris, threatening marine ecosystems and the island's natural appeal that draws millions of visitors annually.

This latest environmental initiative represents Bali's ongoing effort to balance tourism demands with ecological preservation, setting an example for other plastic-plagued destinations worldwide. The sachet ban's implementation and reception will likely influence future waste management policies across the developing world.

[Asia News Network, 21/07/2025]

#### **NEPAL**

#### Historic court victory halts polluting industries

The Lumbini UNESCO World Heritage site has suffered for years from polluting cement plants, brick kilns, and other industries that have encroached on a Buddhist pilgrimage site.

Now, ELAW partners in Nepal share fantastic news:

"We are thrilled to share a historic environmental victory from the Supreme Court of Nepal. On August 27, 2025, in response to Writ No. 075 WO 0946, filed by Senior Advocate Prakash Mani Sharma, Advocate Sanjay Adhikari, and our team, the Joint Bench of Hon. Justice Kumar Regmi and Hon. Justice Sunil Kumar Pokharel has issued a landmark directive to protect Lumbini the birthplace of Lord Buddha and a UNESCO World Heritage Site from industrial pollution."

Sanjay shares key highlights of the verdict:

- No new polluting industries (carbon, dust, smoke emitting) allowed within 15 km of the Lumbini boundary wall and southward to the Indian border.
- Mandatory closure or relocation of existing polluting industries in the protected zone within two years.
- Strict vehicle restrictions: No vehicles over 19 tons allowed in the designated zone.
- Encouragement of tourism focused development and incentives for ecofriendly use of vacated industrial land.
- Reinforcement of Nepal's constitutional and international obligations to protect sites of Outstanding Universal Value (OUV).

#### Sanjay adds:

"We extend our heartfelt gratitude to the ELAW Science Team, especially Dr. Mark Chernik, whose technical insights and unwavering support played a critical role in strengthening the scientific foundation of this case. This collaboration between law and science has proven once again to be a force for meaningful, lasting change.

This decision is more than a legal win – it is a declaration of ecological and cultural sovereignty. It affirms that sacred heritage and environmental integrity outweigh industrial interests, and it sets a powerful precedent for the protection of vulnerable heritage sites worldwide."

[Elaw Press Release, 29/08/2025]

#### SOUTH CHINA SEA

China has approved the creation of a nature reserve at a disputed territory in the South China Sea, a decision that could escalate tensions with rival claimant the Philippines.

The move over Scarborough Shoal comes months after China published a set of geographic coordinates for the feature, seeking to reinforce its claim of sovereignty.

Beijing has controlled the shoal – which it calls Huangyan Island and is known as the Panatag Shoal in the Philippines – since a stand-off with Manila in 2012.

The State Council, China's cabinet, said the establishment of the national nature reserve was "an important measure to preserve the diversity, stability and sustainability of the island's natural ecosystem".

In a statement to the Ministry of Natural Resources, it said relevant authorities "should hold a strong commitment to ecological and environmental protection responsibilities".

[SCMP, 11/09/2025]

## SRI LANKA

#### Supreme Court awards massive environmental damages

- Sri Lanka's Supreme Court has ordered \$1 billion in compensation against the owners and local agents of the MV X-Press Pearl, which sank off Colombo in 2021, causing the worst maritime disaster in the island's history and a massive marine plastic spill.
- The court held both the vessel's operators and two former Sri Lankan officials accountable, citing negligence and violations of citizens' constitutional rights.
- The July 24 ruling calls for the establishment of an independent compensation commission and requires the first instalment of damages to be paid by September 2025, with a review hearing scheduled for the same month.

• Environmentalists describe the judgment as a milestone in line with the "polluter pays" principle, offering a potential model for environmental justice across the Global South.

COLOMBO — In a landmark ruling, Sri Lanka's Supreme Court has ordered the owners and operators of the MV X-Press Pearl to pay \$1 billion in compensation for the devastating environmental and economic damage caused by the ship's sinking off the island's western coast in 2021. Delivered in a detailed 361-page judgment by a five-judge bench led by outgoing Chief Justice Murdu Fernando, the decision is hailed as a milestone in holding corporate polluters accountable through domestic courts.

"The verdict sends a strong message that environmental crimes cannot go unchecked, even when committed by powerful transnational actors," said Dan Malika Gunasekera, an expert in maritime law who followed the X-Press *Pearl* proceedings closely.

The X-Press Pearl, a Singapore-flagged container ship, caught fire in May 2021 and sank off Colombo after burning for nearly two weeks. Onboard were 1,486 containers, including hazardous chemicals and 78 metric tons of plastic nurdles — small resin pellets used in plastic manufacturing. An estimated 70-75 billion nurdles were released into Sri Lankan waters, blanketing the coastline and causing what experts have described as the world's worst marine plastic spill.

## World's worst marine plastic spill

The court also directed the ship's owners and its local agents to pay compensation within a year, with the first instalment due by Sept. 23, 2025 and a review hearing to take place that same month. The court found that the *X-Press Pearl* already had a fire in several containers due to a chemical leakage, but the captain, operator and local agent of the ship intentionally concealed important and accurate information about the ship's condition from the Colombo Port. This was done to gain permission to enter the port, anchor and use the berthing facilities, even though problems on the ship had developed over time and existed when it entered Sri Lanka's territorial waters, the verdict pronounced.

The judgment consolidated four separate public interest petitions and emerged as a critical legal response to the disaster, especially after widespread public criticism of the Sri Lankan government's initial decision to file the main legal case in Singapore rather than under domestic law.

Gunasekara argued that pursuing the case abroad exposed Sri Lanka to compensation caps under Singaporean law and risked weakening the country's legal stance. "This ruling establishes that Sri Lankan law contains the necessary provisions to prosecute such environmental crimes," Gunasekara said.

#### Sri Lankan law robust

"Filing the main case in Singapore was a mistake that could cost Sri Lanka billions," Gunasekara told Mongabay. Meanwhile, Ravindranath Dabare, board chairman and senior advisor of the Colombo-based environmental NGO the Centre for Environmental Justice (CEJ), a petitioner of the case, noted the status of the Singapore case remains unclear.

"Millions of dollars have already been spent on foreign lawyers and court proceedings, and if Sri Lanka loses that case or receives reduced compensation due to legal caps, both money and justice will be lost," Dabare told Mongabay.

He also emphasized the importance of the local case in reinforcing the "polluter pays" principle. "This ruling strengthens the global conversation around environmental accountability and puts Sri Lanka on the map as a country where environmental rights can be defended in court," he said.

Concerns remain, however, about whether the X-Press Pearl operators will comply with the court order.

Under Sri Lankan law, judgments delivered by the Supreme Court are final, with no appeal mechanism beyond that. "There is no room for appeal. The law is clear: They must pay," Dabare said, expressing cautious optimism that the companies involved will honor the ruling.

#### Assessing damage

In the immediate aftermath of the disaster, Sri Lanka formed an expert committee under the Marine Environment Protection Authority (MEPA) to assess the environmental damage. According to its report, the ecological toll was staggering: 417 sea turtles, 48 dolphins and eight whales were confirmed dead in the weeks following the spill, with fish die-offs and phytoplankton blooms pointing to deeper marine ecosystem disruption. The pollution also forced a ban on fishing for several months, affecting thousands of coastal families dependent on the sea for their livelihoods.

The committee produced two interim reports that played a key role in the legal proceedings. But its work has since stalled. Prashanthi Gunawardene, co-chair of the expert panel, told Mongabay that the group has not been convened since November 2022, citing a lack of government interest and support. "Despite working under immense pressure and with limited resources, we're proud the reports we submitted were useful in securing due compensation," she said. "But long-term monitoring was always part of our plan and that work must continue," she added.

The Supreme Court addressed this gap by ordering the formation of a compensation commission to assess further damages and ensure the funds are used for long-term ecological recovery.

## Polluter pays principle

The ruling held the former state minister for urban development and coast conservation and then-MEPA chairperson responsible for failing to perform their responsibility with due care, and that their inaction resulted in an inadequate response that violated the constitutional rights of the public. The judgment also ordered investigations into possible misconduct during the compensation negotiations.

Previously, the CEJ had pushed for a presidential committee to probe alleged irregularities in how the disaster was handled. Responding to mounting pressure, the Ministry of Environment pledged to establish such a committee, though it is yet to be formalized.

"The government now has a critical responsibility to ensure that the court's ruling translates into real-world impact, restoration, accountability and justice," Dabare said. "The review hearing in September will be a key test of whether this landmark judgment becomes a turning point or a missed opportunity," he added.

In a troubling parallel, Sri Lanka's coasts were once again polluted by nurdles following the sinking of MSC ELSA 3 off the coast of Kerala, India, in May. Ocean currents carried plastic pellets to Sri Lanka's northern and western shores, prompting cleanup operations by local authorities and volunteers.

"While the government is responding, we must recognize that when private polluters aren't held accountable, the public pays the price," said Anita Perera, a campaigner at Greenpeace South Asia. "This cycle of negligence and impunity must end. It's not the people who should bear the cost, and it's the polluting companies. The Sri Lankan government must ensure the owners of *ELSA 3* are held fully accountable, too, just like *X-Press Pearl*," Perera told Mongabay.

As Sri Lanka grapples with repeated marine pollution incidents, the *X-Press Pearl* judgment may serve as a beacon of hope for environmental justice not only for the island nation but for many others across the Global South facing similar challenges, Gunasekara emphasized.

[*Elaw Press release*, 24/04/2025]

## **UNITED KINGDOM**

## UK diverges from EU environmental policy since Brexit

Since Brexit, the UK has significantly weakened key environmental protections inherited from the EU, despite Labour's pre-election promises to maintain standards. Analysis by the Guardian and the Institute for European Environmental Policy (IEEP) reveals the UK is now lagging behind the EU in 28 environmental policy areas, including air and water quality, chemical safety, habitat conservation, and recycling standards.

The EU has introduced 28 new or strengthened environmental laws since Brexit, while the UK has not only failed to keep pace but has actively rolled back regulations in four critical areas. These include weakening the Habitats Directive—which protects species like red squirrels and dormice—and allowing developers to pay into a nature fund rather than directly replacing destroyed habitats. The UK has also removed EU air pollution laws from its statutes and fallen behind on policies addressing microplastics in rivers and circular economy standards for products.

Although there are some limited positive steps—such as a ban on sand eel fishing to protect puffins and the expansion of marine protected areas—these are outweighed by widespread regulatory regression. The Office for Environmental Protection, the UK's post-Brexit environmental watchdog, has warned that recent legislation represents a clear fall back in legal protections.

Experts and opposition MPs argue the government is misusing its regulatory freedom to lower standards rather than pursuing environmental leadership. The Green Party's Ellie Chowns noted that this represents a political choice to deprioritise nature and public health. Despite government references to investments in sewage infrastructure and nature-friendly farming, the overall trend shows the UK ceding its role as an environmental leader and risking long-term ecological and economic harm.

[The Guardian, 19/08/2025]

### **UNITED STATES**

## Trump administration moves to scrap vehicle emissions rules

The Trump administration is pushing to eliminate federal regulations on greenhouse gas emissions from vehicles, targeting a 2009 EPA rule that classified carbon dioxide and methane as harmful pollutants under the *Clean Air Act*. EPA Administrator, Lee Zeldin, called the rollback—which would undo over \$1 trillion in environmental regulations—the "largest deregulatory action in American history." The move would strip the EPA's authority to regulate vehicle emissions and nullify Biden-era electric vehicle mandates, a step environmentalists warn could lead to unchecked pollution.

This effort is part of Trump's broader reversal of climate policies, including cutting renewable energy incentives, expanding oil and gas drilling, and blocking state-level mandatory emissions standards. Critics argue the administration is rewarding fossil fuel industries that heavily backed Trump's 2024 campaign; reports show \$450 million in industry support for the Trump campaign. Environmental advocates, like EarthDay.Org's Kathleen Rogers, warn the policy prioritises corporate profits over public health and clean energy progress.

Health experts predict dire consequences, including worsened air pollution, more extreme heat waves, and ecological damage from rising CO2 levels. Michelle Roos of the Environmental Protection Network called the potential health impacts "immediate, widespread, and devastating."

Industry groups and Republicans, however, applaud the move, framing it as a win for economic freedom. Trucking associations criticised Biden's EV mandates as unrealistic, while conservative groups like the Heritage Foundation downplayed climate risks, arguing deregulation will lower costs and protect consumer choice.

The proposal faces legal challenges, but if enacted, it would mark a sharp U-turn in U.S. climate policy, raising concerns about long-term environmental and economic consequences.

[Belgrade News, 18/08/2025]

#### **VIETNAM**

## Hanoi phases out fossil fuel vehicles

Hanoi is implementing a major environmental initiative to improve air quality by gradually banning fossil fuel-powered vehicles across the city. The plan will begin in July 2026 with a prohibition on traditional motorbikes in the central Ring Road 1 area, followed by restrictions on private cars in expanded zones by 2028, culminating in a citywide ban by 2030. This decisive action addresses the severe air pollution caused primarily by Hanoi's 7 million motorbikes and 800,000 cars, many of which are outdated and fail to meet modern emissions standards.

The transition presents significant challenges given Hanoi's current transportation landscape. With approximately 8 million private vehicles accounting for 86% of all trips and public transportation handling only 20% of daily commutes, city officials recognise the difficulties ahead. The metro system, which currently serves just 1-2% of travelers, highlights the infrastructure gaps that must be addressed. Deputy Chairman Duong Duc Tuan emphasises the urgency, stating that hazardous air quality is directly impacting public health and the city's development.

To support residents through this transition, Hanoi is introducing comprehensive assistance measures. Lower-income households will receive subsidies of \$120-200 to help replace their gas-powered bikes with electric models. The city will provide interest-free loans covering the full cost of new electric vehicles and waive registration fees for clean vehicles until 2030. Infrastructure improvements include expanding charging stations, testing compact electric buses for dense neighbourhoods, and establishing battery safety standards with convenient swap stations.

Business and tourism leaders view this transformation as an opportunity to enhance Hanoi's appeal. Hospitality executive Bobby Nguyen believes reducing traffic and pollution could showcase the city's cultural heritage more effectively, attracting environmentally conscious travelers. These transportation changes complement other sustainability efforts, including a forthcoming ban on single-use plastics in hotels starting in 2026. International visitors have noted Hanoi's potential to balance urban energy with environmental consciousness.

The plan's success depends on careful implementation. Officials must finalise support programmes by September 2025 before enacting the initial motorbike restrictions. As Hanoi currently ranks as the world's second most polluted city; these measures represent a critical test of Vietnam's commitment to sustainable urban development. If executed effectively, Hanoi could emerge as a model for other Asian cities seeking to reconcile rapid growth with environmental protection, demonstrating how major transportation reforms can improve both quality of life and economic prospects.

[Vietnam Investment Review, 25/07/2025]

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.

Members of ADVOCASIA



An Association of Asian Commercial Law Firms

Sydney, Australia
COLIN BIGGERS & PAISLEY

Level 42, 2 Park Street Sydney, NSW 2000 Australia

Tel: +61 2 8281 4555 Fax: +61 2 8281 4567

Brisbane, Australia

COOPER GRACE WARD

Level 21, 400 George Street Brisbane **QLD 4000** Australia

Tel: +61 7 3231 2444 Fax: +61 7 3221 4356

Perth & Bunburg

MCWILLIAMS DAVIS LAWYERS

Level 3, 172 St George's Terrace, Perth WA 6000 Tel: +61 8 9422 8999

Adelaide, Australia NORMAN WATERHOUSE

Level 11, 431 King William Street Adelaide 5000 South Australia

Tel: +61 8 8210 1200 Fax: +61 8 8210 1234

Bangladesh

A.S & ASSOCIATES

Suite D-5, 3<sup>rd</sup> Floor Mukti Bhaban, 21/1 Purana Paltan,

Dhaka-1000 Bangladesh

Tel: +88 02 223381540 Fax: +88 02 223381476

Hong Kong, SAR, China FRED KAN & CO.

Suite 3104-06, 31st Floor

Central Plaza

18 Harbour Road Hong Kong Tel: +852 2598 1318

Fax: +852 2588 1318

Baotou City, China

JIANZHONG LAW FIRM

The Midlle Part of Jianshe Road Baotou, Inner Mongolia

P.R.China

Tel: +86 472 7155 473 Fax: +86 472 7155 474 Beijing, China

P.R.China

JINCHENG TONGDA & NEAL LAW FIRM

10th Floor, China World Tower No. 1 Jianguo Menwai Avenue Beijing 100004

Tel: +86 10 5706 8585 Fax: +86 10 8515 0267

Qindao, China QINDAO LAW FIRM

15A Floor, Northern Tower 20 Hong Kong Road(M) Golden Square Oingdao 266071 P R China

Tel: +86 532 8502 3100 Fax: +86 532 8502 3080

Shanghai, China

SHANGHAI UNITED LAW FIRM

17th Floor Bund Center 222 Yan An Road (East) Huangpu District Shanghai 200002 P.R. China

Tel: +86 21-6841 9377 Fax: +86 21-6841 9499

Guangzhou, Dongguan, China ZHUOXIN LAW FIRM

9F, Pearl River Tower 15 Zhujiang W. Road Guangzhou 510623 P.R.China

Tel: +86 20 3941 6888 Fax: +86 20 3941 6999

SIWATIBAU AND SLOAN

8 Holland, Suva

Tel: +679 3319167 Fax: +679 3319 263

Mumbai, India

DHRUVE LILADHAR & CO

61/62 Free Press House, 6th Floor 215, Free Press Journal Marg Nariman Point Mumbai 400 021

India

Tel: +91 22 6760 6000 Fax: +91 22 6760 6001

New Delhi, India

O.P. KHAITAN & CO.

Khaitan House B-1 Defence Colony, New Delhi-110 024

Tel: +91 11 4650 1000 Fax: +91 11 2433 7958

<u>Jakarta, Indonesia</u> **LEGISTPERITUS LAWYERS** 

Citgloft Sudirman Unit 1819 JI, K. H. Mas Mansyur, No.121 Jakarta 10221 Indonesia

Tel: +62 21 2991 2866 Fax: +62 21 2995 9867

Incheon, Republic of Korea

K&P LAW FIRM

B2901, 323 Incheon tower-daero Yeonsu-gu Incheon 406840 South Korea Tel: +82 32 864 8300

Fax: +82 32 864 8301

Kuwait

NEN LAW FIRM Suad Complex, 9-10 Floors,

Fahad A1-Solem Street, Safat 13089 State of Kuwait Tel: +965 2 2407040

Fax: +965 2 2407030

Kuala Lumpur, Malaysia

CHEANG & ARIFF

CCA@LOKE MANSION 39 Court @ Loke Mansion 273A, Jalan Medan Tuanku 50300 Kuala Lumpur

Malaysia

Tel: +60 3 2691 0803 Fax: +60 3 2692 8533

Yangon, Myanmar

JTJB MYANMAR CO LTD

Suit No. 01-04, Union Business Centre Nat Mauk Road, Bo Cho Quarter, Bahan Township

Yangon Myanmar Tel: +95 1 8603455

Auckland, New Zealand

HESKETH HENRY

Level 14 PWC Tower 188 Quay Street Auckland 1010 Tel: +64 9 375 8700 Fax: +64 9 309 4494

Manila, Philippines HERRERA TEEHANKEE & CABRERA LAW OFFICES

5th Floor, SGV II Building 6758 Ayala Avenue Makati City 1200, Philippines

Tel: +63 2 813 7111 Fax: +63 2 840 5555

Singapore JOSEPH TAN JUDE BENNY LLP (JTJB) 168 Robinson Road #18-02 Capital Tower Singapore 068912 Tel: +65 6220 9388 Fax: +65 6225 7827

Colombo, Sri Lanka

D.N. THURAIRAJAH & CO.
No. 23, First Lane, Kirulapone Colombo 05 Sri Lanka

Tel: +94 1 12828815 Fax: +94 1 12812959

# Bangkok, Thailand JOSEPH TAN JUDE BENNY (JTJB), THAILAND

1788 SINGHA COMPLEX Building, Unit No. 1905, 19/F., New Phetchaburi Rd., Bang Kapi, Huai Khwang, Bangkok 1031, Thailand Tel: +66 2 1068315

# Dubai, United Arab Emirates LUTFI & CO.

Office S2209 Level 22 Emirates Financial Towers Dubai International Financial

Centre Tel: +971 4 3798298 Fax: +971 4 3798689

Ho Chi Minh City, Vietnam SONNAN LAW 11 Noi Khu Road, The Grandview CN1-3, Tan Phong Ward, District 7, Ho Chi Minh City,

Vietnam Tel.: +84 91 9172019

Convictions under environmental legislation: July to August 2025 (September data not available)

[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:

## July 2025

Thirty-two convictions were recorded in July 2025 for breaches of legislation enforced by the Environmental Protection Department.

Three of the convictions were under the Air Pollution Control Ordinance, 2 were under the Noise Control Ordinance, 2 were under the Public Cleansing and Prevention of Nuisances Regulation, 21 were under the Waste Disposal Ordinance and 4 were under the Water Pollution Control Ordinance.

A company was fined \$24,000, which was the heaviest fine in July, for importing controlled waste without a permit.

## August 2025

Forty-one convictions were recorded in August 2025 for breaches of legislation enforced by the Environmental Protection Department.

Thirteen of the convictions were under the Air Pollution Control Ordinance, six were under the Noise Control Ordinance, 11 were under the Public Cleansing and Prevention of Nuisances Regulation, five were under the Product Ecoresponsibility Ordinance, three were under the Waste Disposal Ordinance and three were under the Water Pollution Control Ordinance. A person was fined \$27,000, which was the heaviest fine in August, for contravening the provisions of a licence.

Fred Kan & Co. Solicitors Suite 3104-06 Central Plaza 18 Harbour Road Wanchai Hong Kong