

**LOCAL VESSELS ADVISORY COMMITTEE**

**Use of Alternative Fuels in Hong Kong**

**Purpose**

This paper seeks members' views on the amendment to the Merchant Shipping (Local Vessels) Ordinance (Cap. 548), the Dangerous Goods (Shipping) Regulation 2012 (Cap. 295F), the Shipping and Port Control Regulations (Cap. 313A), the Merchant Shipping (Local Vessels)(General) Regulations (Cap.548F) and the Merchant Shipping (Local Vessels)(Safety and Survey) Regulation (Cap. 548G) with a view to facilitate the use of alternative fuels or providing alternative fuel bunkering services by local vessels in Hong Kong.

**Background**

2. The Chief Executive announced in the 2023 Policy Address that the Government will develop a green maritime fuel bunkering centre to provide green bunkering for both local and ocean-going vessels. In the Action Plan on Maritime and Port Development Strategy announced by the Transport and Logistics Bureau in December, developing Hong Kong as a green shipping hub towards the goal of zero-carbon emission was also set out as a strategy.

3. To achieve the goals of de-carbonization, the existing fuel used by ships, i.e. petroleum fuel, will need to be replaced by environmental friendly fuels with less and ultimately zero carbon emission (alternative fuels). These alternative fuels include LNG, hydrogen, ammonia, methanol, ethanol, etc. Alternative fuels are different from the existing marine petroleum fuel in various aspects, such as physical and chemical natures, the way of carrying, storage and combustion, risks in handling, hazards to the environment when discharged from ships.

4. As the existing marine legislation regulating ship fuels has been made based on traditional marine petroleum fuel, there is a need to refine the existing legislation to facilitate the use of alternative fuels in Hong Kong waters.

## **Proposed Legislation Amendments**

5. Under the proposal, if the existing law allows alternative fuels to be used, no legislative amendments would be necessary. Also, although marine petroleum fuel will be phased out gradually, it is believed that such fuel may still be used during the next 20 years. So, the the existing regime in relation to marine petroleum fuels will remain intact. Meanwhile, new provisions will be added or existing provisions be amended, so as to facilitate the use of alternative fuels. The amendments mainly include the following three areas :

*(a) Deleting Tonnage Restriction for Bunkering vessels*

Due to increasing size of cargo ships visiting Hong Kong, and that alternative fuels have a lower energy density than marine petroleum fuel, it is expected that alternative fuel bunker vessels will be bigger than their petroleum fuel counterparts. Hence, it is necessary to remove the existing tonnage limitations under existing legislation.

*(b) Allowing the use of low flashpoint fuel by vessels*

The existing legislation prohibits the use of oi fuel with flash point less than 60C. As most of the alternative fuels have a flash point of less than 60C, we need to impose a new requirement with reference or equivalent to the International Code of Safety for Ships Using Gases or Other Low-flashpoint Fuels (IGF Code) to facilitate the use of alternative fuels by local vessels.

*(c) Empowering the Secretary of Transport and Logistics to make regulations for fuels used by local vessels*

As the international regulations in relation to alternative fuels are still being developed, it is proposed to empower the Secretary for Transport and Logistics to make regulations in respect of fuels used by local vessels.

## **Consultation**

6. If members have any comments on the proposal, please forward your comments to the Secretary of LVAC not later than 28 December 2023.

Marine Department  
December 2023