

March 29, 2000

The Editor
South China Morning Post



Dear Sir,

Quality of Life Issues Critical for a World Class City

I refer to your article "*Forget the smog, let's make money*" (South China Morning Post, March 29) concerning the business community's attitude toward Hong Kong's worsening air pollution. It is unfortunate that the article gave the impression that the bottom line takes precedence over other considerations in the business world. Let me clarify a few misconceptions.

The issue of environmental degradation has been a priority for the Chamber for over 10 years. AmCham considers that a quality environment is vital to the sustainable development of Hong Kong. Previous results of the Chamber's annual Business Outlook Survey show that member companies consider the low quality of the environment to be one of the worst factors of doing business in Hong Kong. This message was further underscored in our 1999 survey, when in response to the question on factors affecting continued investment in Hong Kong, respondents indicated that *quality of life* and *air quality* have a high importance rating (90% and 87% respectively), although they rate among the lowest in terms of levels of satisfaction (17% and 4% respectively). But rather than "leaving in droves" for greener pastures as suggested by your reporter, American and other international businesses are taking a leading role, together with local partners, in promoting awareness and calling for concerted action to address the problems at hand – demonstrating their optimistic long-term view of investing in Hong Kong.

AmCham's position on the impact of Hong Kong's worsening environment, as stated in our September 1997 position paper on air quality in Hong Kong, is very clear: a deteriorating environment, with worsening air pollution, will erode Hong Kong's edge over competing Asian cities. We have long advocated that, as a measure of urgency, the Hong Kong Government should enforce current air quality standards and introduce new measures which will result in genuine reductions in air pollution.

AmCham has recommended a number of measures to address Hong Kong's deteriorating air quality and other environmental concerns; for example: reductions in levels of respirable small particles (RSPs) by the use of cleaner fuel alternatives to diesel; better coordination among various government departments to enforce emission standards; multi-stakeholder participation to devise appropriate initiatives; cooperation with appropriate government authorities in the PRC; and implementation of the polluter pays principle for both individuals and companies. Our Environment Committee is one of the most active and vocal groups in our organization and has consistently supported legislation to raise the fixed penalty fine for smoky vehicles. The Chamber is also a founding member of the Business Coalition on the Environment, formed by business and private sector organizations in 1998 to promote responsibility and performance in

the business community, and to act as a catalyst for government actions and policy changes towards an improved environment for Hong Kong.

Maintaining Hong Kong's status as a regional business hub depends in the large part on its quality of life and the quality of its environment. It also depends on the quality of its community efforts. There is a need for transparency and increased participation by all stakeholders, including the business sector, to address environmental concerns. AmCham is a committed partner toward the goal of putting Hong Kong in a strong competitive position for the future.

Sincerely,

Frank Martin
President