

Immediate Release

Hong Kong Businesses see Future in Low-Carbon Products and Services

Climate Change Business Forum survey shows businesses recognise threat of climate change, but are underprepared

25th November 2010, Hong Kong businesses recognise the risks to their businesses posed by climate change, but have yet to prepare in earnest, according to a survey conducted by the Climate Change Business Forum (CCBF) among 500 business managers in the Hong Kong SAR.

Among the top concerns are rising energy prices (71%), disrupted transport and logistics networks (58%), disruptions due to pandemics or infectious diseases (51%), and scarcity of environmental resources (48%), according to the survey conducted in September 2010 by the CCBF, an initiative of the Business Environment Council (BEC), and with the support of Ogilvy Public Relation's sustainability practice, OgilvyEarth.

Against these risks, only 31% of businesses surveyed plan to invest in environmental protection measures (including energy efficiency) in the next three years. This finding underscores the divide between the realisation of the threat from climate change and short term investment plans into environmental protection.

CY Leung, CCBF Patron Chair, said, *"This survey illustrates Hong Kong's businesses are poised on the brink. They recognize both the threat and the opportunities posed by climate change, but they are watching for both market and regulatory signals before acting. As residents and as business people, we need to act more decisively and make a firm commitment to a low-carbon economy."*

The survey captured the views of 501 Hong Kong business managers across the manufacturing, trade and service industries, a majority of which were from small to medium size businesses (SME's). The questions were designed to test general awareness of climate change and energy efficiency issues, future investment plans and recommendations for action from the Hong Kong government.

Many Hong Kong business managers see emerging business opportunities in low-carbon products and services. Over 80% of the respondents believe that energy efficient and low-carbon products or services will be important in the economy as a whole within the next three years. They consider investment in environmental protection as a competitive strategy, with 77% seeing payback in attracting customers and 57% anticipating better profit margins.

Interestingly, this trend is not yet playing out in the markets. Only 17% noted customers requesting energy efficient products and services and 31% report requests for environmentally-friendly manufacturing processes. Instead, the drive seems to stem from a combination of business savvy and concern about future risks.

In gauging businesses' perception of Hong Kong's and the PRD's level of preparedness for climate change and a low carbon economy, 45% of respondents believe the region to be unprepared while 39% believe it to be moderately prepared. Importantly, businesses believe action is needed from the government to drive energy efficient, climate-friendly practices. Key areas for public leadership are public education (69%), market incentives (50%), the upgrading of standards and regulations (37%) and skills training (36%).

This survey was developed by CCBF, with the support of Ogilvy Public Relation's sustainability practice, OgilvyEarth. CCBF's mission is to help pioneer Hong Kong's transition to a low-carbon economy, by acting as a resource for the Hong Kong business and policy communities.

About Climate Change Business Forum (CCBF) – *'Pioneering Hong Kong's transition to a low-carbon economy'*

An initiative of the Business Environment Council (BEC), Climate Change Business Forum (CCBF) convenes some of Hong Kong's most astute business leaders to address the risks and opportunities presented by climate change. CCBF commissions research, communicates risks and opportunities, shares best practice and promotes practical actions to reduce greenhouse gas emissions. CCBF is a membership-supported organization.

For further information, visit: www.climatechangebusinessforum.com

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