

PRESS RELEASE

New Research Reveals How Wastefulness Drives Up Water Costs and Pressures Supply

Major report brings together complex issues surrounding Hong Kong's water scarcity; conservation is a critical first step in tackling the problem

HONG KONG, 10 May 2017 – New research, published today, shows that Hong Kong has a far greater problem with water scarcity than the public realises. **“The Illusion of Plenty: Hong Kong’s Water Security – Working Towards Regional Water Harmony”** was released by Civic Exchange and The ADM Capital Foundation. The research was supported by The WYNG Foundation.

This 127-page publication marks the first report in years to pull together the many complex issues surrounding Hong Kong’s freshwater supply, which is largely purchased from Guangdong Province. “The Illusion of Plenty” addresses major leakages in public water mains; wasteful levels of domestic consumption; subsidised domestic water bills; and a deal with Guangdong worth more than HK \$4 billion a year.

The report, which includes the latest April 2017 figures from the Water Supplies Department, comes on the heels of a Guangdong trip made by Hong Kong lawmakers to investigate the situation of our water supply. “The Illusion of Plenty” aims to clear up some misconceptions about the importance of securing the city’s water supply.

Background

- Hong Kong has limited local freshwater; in this regard, it may be more water scarce than parts of the Middle East.
- Only 2% of the world’s water is usable freshwater. By 2050, over half the global population could be subject to water stress.
- About 80% of Hong Kong’s freshwater comes from Guangdong Province, specifically the Dongjiang, or “East River.”
- The Dongjiang also supplies seven booming mainland Chinese cities. There are concerns about pollution and water quality in the Pearl River Delta.
- The “DongShen Agreement” with Guangdong Investment Ltd., which is majority-owned by the provincial government, gives Hong Kong rights to 820 million cubic meters of water per year. In 2015, Hong Kong paid HK \$4.22 billion for freshwater from Guangdong. The current agreement will expire by the end of 2017. Negotiation on the new agreement has begun.

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Key Findings

- Up to one-third of Hong Kong's freshwater – the majority of which is purchased from China – may be lost through leaky government mains, private pipes or even theft. **Loses could equal HK \$1.35 billion in revenue.**
- Hong Kong has one of the world's highest per-capita uses of water. **Hong Kong's average domestic water consumption per person per day is 21% higher than the global average.** Meanwhile, domestic water bills remain low, because they are subsidized. This leads to a lack of public awareness about the actual scarcity of water.
- Despite a "Total Water Management" strategy and a promise of "one of the safest water supplies in the world," **the Hong Kong government does not have a broader policy addressing long-term water scarcity.**

Policy Considerations

- Hong Kong needs a holistic, long-term water policy, with good cooperation between departments.
- There needs to be accountability for underperformance and non-compliance.
- Hong Kong needs to fix leaks to stop wastage, especially in public mains.
- Greater transparency and data are needed to inform initiatives and policies aimed at water conservation and climate change adaptation. Importantly, more information should be made available on how private companies use water, or what plans the government has in response to drought.
- Residents need to rethink their daily water use behaviour, which may be wasteful.
- Domestic water tariffs need to be reformed to reflect the real cost of freshwater, without compromising access to freshwater supply by low-income households.

Quotes from Civic Exchange Chairman Evan Auyang

"The problem is deeper than price. Our water policy and pricing agreement have led to wastefulness. Hong Kong's per capita water consumption is one of the highest globally. Our water supply is about one-third lost from pipe leaks and other problems. This loss is roughly equivalent to our entire local water catchment."

"Hong Kong's Total Water Management Strategy is inadequate in terms of both conservation and long-term sustainability."

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“Singapore, which also faces similar levels of water scarcity, has taken action towards having a sustainable supply based on conservation and expanding water sources. Hong Kong has not made much impact on either water supply or in demand management.”

About Us & Today’s Speakers

Evan Auyang is Chairman of the Board at Civic Exchange (CEX). CEX is an independent public policy think-tank, which conducts research on air and water pollution, conservation, wellbeing, and the urban environment. It was founded in 2000.

Sam Inglis is an Environmental Research Analyst at ADM Capital Foundation, and was instrumental in the research of “The Illusion of Plenty”. ADMCF studies marine ecology, water security, air quality, wildlife trade and forestry conservation finance.

Dr. Frederick Lee is Associate Professor at the Department of Geography, University of Hong Kong. He is an expert in urban planning, sustainable cities and modern environmentalism.

Contact Us

The full report in English is available on the Civic Exchange website (<http://bit.ly/Water2017>) and on the ADM Capital Foundation website (<http://admcf.org>.)

The Executive Summary of the report is also available in Chinese. The full Chinese report will soon be published.

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