

The 23rd CILTHK Student Essay Competition

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Topic: “The SAR Government 2019 Policy Address that it would implement the Vessel Subsidy Scheme to fully subsidise ten ferry routes with greener vessels. Comment on how this policy will affect the outlying islands in Hong Kong.”

Name of School: HHCKLA Buddhist Leung Chik Wai College

Name of Student: AMINA SEYD (Class F.5)

Introduction

The Vessel Subsidy Scheme (VSS) will significantly enhance the quality of ferry services for Hong Kong's outlying islands. By providing full subsidies for the procurement of new and environmentally friendly vessels, the scheme aims to improve reliability, efficiency, and sustainability of the ferry network that is so vital to these remote communities. The environmental value of the VSS is substantial, as modern low-emission ferries will drastically reduce air and noise pollution while encouraging the commercial viability and growth potential of these island economies through improved connectivity and transportation. The quality-of-life improvements for island residents are also significant, with faster, more comfortable, and environmentally friendly ferries enhancing the daily commuting experience. However, the implementation of the VSS is not without challenges, as concerns have been raised about associated types of pollution and the risk of cultural erosion. The following essay will assess the potential impacts of the VSS on outlying islands, in terms of its environmental and social significances, economic values and service quality, thus concluding whether the VSS deserves to be launched.

Background of the Vessel Subsidy Scheme

It is essential to have a glimpse of the Vessel Subsidy Scheme (VSS). It is supposed to be part of a broader strategy to improve public transport on the whole and mitigate the adverse environmental impacts resulting from ferry services. [Under this scheme](#), ten ferry routes will be subsidised to enable ferry operators to replace their aged fleets with new, greener vessels that meet the highest environmental standards. [The first phase of the VSS involves the procurement of 22 new vessels for six major outlying island routes, including Central - Cheung Chau, Central - Mui Wo, and Central – Peng Chau routes](#). These will be equipped with state-of-the-art facilities and environmentally friendly engines that meet international emission requirements. Hence, the new vessels are expected to reduce carbon footprint of ferry operations. The scheme is expected to further improve service quality, passenger experience, and ultimately, environmental sustainability.

Environmental Significance

Vessel Subsidy Scheme's first and foremost objective is to adhere to environmental sustainability. The scheme intends to introduce new green ferries into service in outlying islands by building lightweight structures, such as aluminium alloy and carbon fibres. With these light weight structures, it is expected to [reduce overall weight by 20-30%](#) when compared to conventional ferry designs. This will surely lead to using smaller fuel amounts, and thus limited emissions of pollutants. In addition, these engines of such new ferries would be able to meet the requirements of International Maritime Organization Tier III, which requires stringent reduction of nitrogen oxide emissions. This advancement in technology will significantly reduce the operation costs while meeting the international environmental standards of ferry operation, thus contributing to cleaner air and better marine ecosystems around the islands.

Environmental sustainability is the focus of the VSS since it reflects the efforts of the Hong Kong Government in protecting the natural environments of these islands. This investment in a new generation of environmentally friendly ferries amounts to the creation of a new model for sustainable maritime transport that would be adopted or emulated by other islands and coastal regions in the world.

~ Reduction in Emissions

Green-powered ferries will be deployed, and as such, greenhouse gas emissions will be significantly reduced. According to the Hong Kong Environmental Protection Department, ferry operation has been summed up as one of the most major contributors to regional air pollution in Hong Kong. To address this, the VSS is probably going to commission a new fleet of green-powered ferries with engines following the Tier III standards set by the International Maritime Organization. These advanced, eco-friendly engines will greatly reduce harmful pollutants, such as nitrogen oxides, and replace the older, less efficient engines of the ferry fleet.

Expectedly, such a move is likely to have a considerable impact. Indian studies have shown that these standards have brought about [reductions of even 95% in ferries' air pollution on Norway's fjords](#). This truly shows the VSS is able to bring about improvement in air quality but also health benefits for both Hong Kong residents and tourists.

~ Promotion of Sustainable Tourism

The remote islands are among the most stunning tourist attractions in Hong Kong, highly sought after by nature lovers and adventure seekers. The VSS can thus align with the global trend toward making tourism more sustainable for all visitors, whether local or non-local. Undoubtedly, this trend is inevitable, as sustainability is widely advocated around the world—it's a matter of life or death for our planet in the coming centuries.

Countries like New Zealand have already shown the cream of investing toward soil-friendly transport, where tourist income increased [between 10-15% immediately after implementing a green initiative](#). This suggests a potential VSS effect that could revolutionize tourism in Hong Kong's outlying islands, drawing in even more visitors eager to traverse these destinations sustainably.

The newly installed environmentally friendly ferries under the VSS not only enhance the quality of transportation for the people of Hong Kong but also deliver a clear message about the importance of responsible tourism. The green-powered ferries serve as an attractive option for the islands, appealing to visitors prioritising sustainability in their experiences. In turn, this will benefit small local businesses and contribute positively to the overall economy.

Economic Implications

The VSS is expected to have several economic impacts on the outlying islands, particularly in terms of job creation, increased tourism, and improved local businesses. All these will be contributing favourably to the overall revenue of Hong Kong.

~ Creation of Jobs

The procurement of greener vessels and the expansion of ferry services has the potential to create employment opportunities in various sectors, including maritime operations, maintenance, and customer service. [Such is evidenced by Norway, which has created over 1,000 jobs in the maritime sector with investments in electric ferries](#), and similar implications could exist for Hong Kong. More or less, ferry operators would need draftsmen or skilled personnel for effective management and maintenance of the new vessels, which could lead to local job and training opportunities.

~ Increased Revenue from Tourism

It has already been pointed out that a greener ferry service could attract more tourists to the outer islands, leading to increased tourist traffic and, consequently, more revenues earned by local businesses such as restaurants, shops, and accommodation providers. With reference to [The Hong Kong Tourism Board reports in 2019](#), tourism accounted for around 4.5% of Hong Kong's GDP, with over 55 million tourists visiting the region. If the VSS-aided ferry service is enhanced, it could increase the number of tourist arrivals to the outlying islands by 10 - 15%, which means generating an estimated additional revenue of HK\$ 1.5 to 2 billion to local businesses. Tourism is a vital contributor to the local economy, and by enhancing transportation services, we can increase both visitor arrivals and tourist spending.

~ Support for Local Businesses

Enhanced ferry service will provide improved access to the outer islands for both residents and visitors. This increased accessibility will help boost business activities by expanding their customer base. Farmers and artisans on the islands could deliver their goods more easily to the main urban centres, which could help boost their sales and income. A 20% increase in sales could be gained from improved transport options, as estimated by [The Hong Kong Tourism Board reports in 2019](#).

Improvements in Service Quality

Revamping ferry services is, indeed, essential for the general public, especially for people living on the outlying islands who mostly rely on ferry trips for their travel from the islands to the mainland. Heightened accessibility of outlying islands leads to increased traffic to and from the islands, resulting in the need to enhance the frequency of ferry service. Not only is this beneficial to island residents commuting to work or school, but also townspeople and foreign tourists. The arrival of new vessels surely justifies the enhanced service frequency as cost-efficiency is taken into account. For example, [in Sydney, Australia, service frequency can be increased by 20 percent with the introduction of new ferries](#). There was a high increase in commuter satisfaction levels. More people would prefer to use public transport rather than their own vehicles if they felt that these modes were much more reliable. Most traffic congestion problems would be solved, thus lower emissions.

Social Effects

The VSS is likely to have positive social implications for the communities on outlying islands. Upgraded ferry services will strengthen the link between outer islands and the rest of Hong Kong. This improved connectivity fosters a sense of community and belonging among residents, making it easier for them to access social, educational, and healthcare services in the city.

~ Support for Local Culture and Heritage

The offshore islands have their own cultural and historical treasures, which testify to their rich heritage. Enhanced connectivity with other parts of the city and the world facilitates cultural exchange, fostering pride in the preservation of century-old cultural heritage on islands. Tourism flourishes on the islands, generating substantial revenue for cultural preservation programs and various community projects. For instance, Lamma Island and Cheung Chau are renowned destinations for indulging in freshly pleasant seafood, while Lantau Island famous for its boat rides between stilt houses and for watching pink dolphins. There visitors can buy local specialties and try street food like grilled squids, giant fish balls. The Vessel Subsidy Scheme (VSS) is conducive to preserving local culture and heritage, ensuring these unique traditions continue to be cherished for generations to come.

Challenges and Considerations

On the positive side, the VSS offers numerous benefits as discussed above. Yet, there are challenges and considerations that need to be addressed.

~ Initial Investment and Operational Costs

First of all, the initial investment required for acquiring new vessels and refurbishing port infrastructure under the Vessel Subsidy Scheme (VSS) is often prohibitively high, making it challenging for ferry operators to transition to greener vessels. High entry costs for eco-friendly vessels and improvements in port facilities deter operators from transitioning without

adequate finances or incentives. Plus, regular operational expenses can be a barrier for any transformation of ferry service. Government subsidies are funded by taxpayers' money and should be spent wisely. Hence, there must be careful planning and budgeting to develop a well-thought-out financial scheme that considers all related initial investments and ongoing operational costs. This should align with the ultimate objectives of the VSS to ensure that the transition is sustainable in the long term. However, if careful and detailed planning has not been maintained, the implementation of the VSS may encounter formidable challenges in achieving its goals of improving ferry services and promoting environmental sustainability.

~ **Balancing Environmental and Economic Goals**

While it is vital to acknowledge the environmental progress brought about by the VSS, this must be balanced with the economic welfare of the communities on these outer islands. Stakeholders have raised concerns about if ferry operators and the government are under any legislation to adjust ferry fares. An unjustified increase in ferry fares or service reduction could negatively impact residents. Maintaining affordable and accessible ferry services is crucial for island residents, who rely on these connections for their daily lives and livelihoods.

~ **Potential Drawbacks of the Vessel Subsidy Scheme**

1. Concerns of Various Kinds of Pollution

The VSS can be coupled alongside with potential drawbacks like pollution problems. The newly acquired vessels are valued for their environmental friendliness. However, it does not necessarily mean that they are totally free of carbon footprint as explained early in this essay. An increase in service frequency on many routes entails noise, air, and water pollution from these vessels, while the influx of tourists leads to other associated types of pollution, such as noise, light and land pollution. They can be negatively impacting local ecosystems and waters.

According to the [Environmental Protection Agency \(EPA\)](#), noise pollution has adversely affected the lives of millions. Evidence has shown that there is a direct relationship between noise and health. Noise-related health problems include stress-related illnesses and high blood pressure, as well as speech interference and hearing loss, sleep disruption, and lost productivity. The most common and often cited health effect is that of Noise Induced Hearing Loss (NIHL), but studies have shown that many adverse health effects are caused by elevated noise exposure. This change will diminish the tranquillity of island life for some locals, whose love for their islands is disrupted by the frequent noise from ferry operations and by the increased crowds resulting from enhanced accessibility to these areas.

2. Cultural Erosion

Another challenge is cultural erosion. The influx of tourists and the modernization of services may lead to a dilution of the unique cultural identities of the outlying islands. [According to “Study the Impact of Tourism on the Environment and Local Culture” by Doctor / Abdulaziz Mohammed Shoudhry and Mohammed Sameer Basrawi](#), there exists a cultural commodification in the form of souvenirs and entertainment for tourists, which can lead to a loss of authenticity and distortion of heritage. Additionally, an increase in the number of tourists may create social tensions and alter the traditional way of life within local communities. As businesses become more service-oriented and cater to tourists, there is a real

danger of overshadowing local traditions and ways of life in pursuit of profit. For example, the famous Bun Festival of Cheung Chau, which is a vital expression of local culture, has become vulnerable to commercialism and the demands of growing tourist numbers. This underscores the need for effective management to safeguard cultural integrity amid modernization on the islands.

3. Conflicts Among Residents

One more concern that cannot be overlooked --- conflicts between tourists and islanders and disputes among islanders themselves. Although the Vessel Subsidy Scheme (VSS) can effectively promote sustainable tourism on Hong Kong's outlying islands, not all residents will welcome this change. Some may perceive modernization and increased tourism as threats to their traditional way of life. [Research reveals](#) the buzz associated with local and tourist crowding creates a vibrant atmosphere, but it also leads to frustration for islanders in many aspects. This highlights the fact that increased tourist traffic can disrupt the daily lives of island communities, interfering with their established routines and patterns. This is exemplified by the conflicts between Hongkongers and Mainlanders during the pre-pandemic period. Mainlanders frequently crowded into the western and northern parts of Hong Kong, scrambling for resources. This resulted in more friction and conflicts, particularly Hong Kong as a densely populated city. In addition, there may be disputes among islanders themselves, as some are pro-change while others value the tranquillity and peacefulness of island life.

A Balanced Approach

As analysed above, the VSS appears to be a double-edged sword, encompassing both upsides and downsides. Modernizing ferry services can, on one hand, boost economic growth and enhance people's standards of living. On the other hand, it poses a threat to the tranquillity and cultural heritage of the islands. The future of the outer islands in the context of the VSS appears complex. Nevertheless, there are some proposed alternatives to ensure the effectiveness of the VSS.

1. Community Engagement

One of the key considerations for making the Vessel Subsidy Scheme (VSS) effective is the willingness of local residents to engage in decisions regarding tourism development and service improvements. This involvement will address local concerns and ensure that any changes can reflect community values and priorities. [Studies](#) have indicated that community involvement in tourism planning can enhance local satisfaction and economic benefits, thereby fostering a sense of ownership and investment in the process.

2. Ecotourism Practices

Responsible tourism should, of course, be practised to respect and preserve local cultures and natural environments. This is why the Vessel Subsidy Scheme (VSS) aims to increase the number of visitors to Hong Kong's outlying islands. Guidelines from organizations like the [Global Sustainable Tourism Council](#) can help mitigate the adverse effects of increased visitor traffic. Sustainable tourism practices not only value living natural resources but also enhance visitors' experiences, fostering a more sustainable economic model that equally supports local communities and the environment.

3. Cultural Preservation Initiatives

Supporting local cultural events and traditions is crucial for the islands to maintain their identities amid the modernization efforts of the VSS. Initiatives focused on cultural preservation will instil a sense of pride in the communities and ensure that the islands' rich heritage is respected and maintained, even coupled with tourism growth. This commitment helps retain the authentic essence of the destinations, offering visitors a more genuine experience as they connect with the culture directly.

A Final Thought

The Vessel Subsidy Scheme (VSS) presents a multi-faceted opportunity for the outer islands of Hong Kong, offering significant environmental benefits alongside economic progress and improved connectivity. The scheme aims to transform ferry services into greener alternatives to reduce emissions and boost tourism, which could enhance local business profits and create jobs through effective emissions reduction.

Towards the end, it seems the VSS does deserve to be launched. When implementing the scheme, careful consideration of initial investment costs, associated pollution types, and the risk of cultural loss must not be neglected. Community engagement and the promotion of ecotourism practices will help optimise benefits while minimizing adverse effects. This approach will also support the uniqueness of the islands by aiding cultural preservation initiatives. Ultimately, a balanced approach that combines environmental sustainability with the welfare of local communities is critical for the long-term sustainability and heritage conservation of the outlying islands.