

Hong Kong, China

Trilemma Rank
34

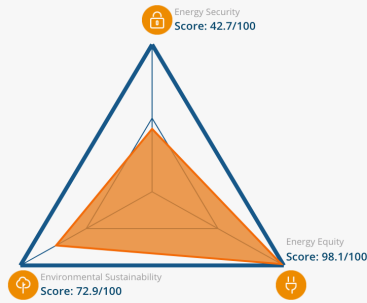
Trilemma Score
72.6

Balance Grade
DAB

Hong Kong scores particularly highly on Energy Equity due to improvements in energy prices, particularly electricity, natural gas, gasoline and diesel. Sustainability has dropped slightly as GHG emission per capita are still high compared with other regions, though emissions have been falling progressively since 2018. Energy Security has improved since 2014 due to lower import dependency, but limited use of energy storage has kept the Security score low. Hong Kong's balance grade is DAB and its global ranking is 34.

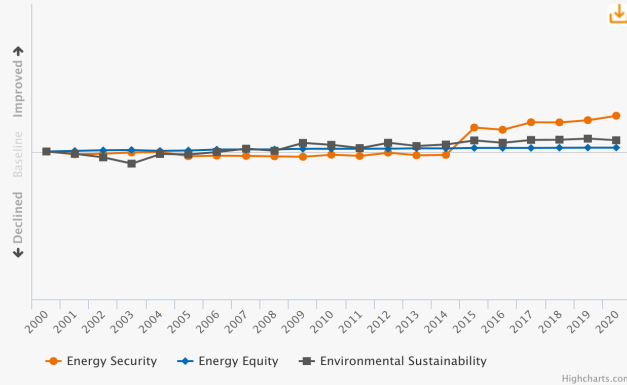
- Population**
7.4 (millions)
- Land Area**
1.1 (thousand sq. km)
- GDP Per Capita**
48,676 (PPP US\$)
- Industrial Sector**
6.5 (% of GDP)
- GDP Growth**
3.0 (annual %)

Balance



Historical Trilemma Scores

Trend lines track the country's performance in each dimension, beginning with a baseline of 100 in the year of 2000



Trends and Outlook

Hong Kong is one of the Special Administrative Regions of China. Hong Kong has limited indigenous energy resources and has been importing natural gas and power from the Mainland since the mid-1990s. At present around 25% of Hong Kong's electricity is imported nuclear energy from Mainland China. Natural gas accounts for around 29% of Hong Kong's overall fuel mix, although this is expected to rise to around 50% by the end of 2020. Hong Kong's 2008 Memorandum of Understanding with the National Energy Administration of the Central People's Government guarantees continued nuclear power supply and additional supplies of natural gas for the next two decades. The Hong Kong Special Administrative Region (HKSAR) Government has in place a contingency plan to regulate oil supply in the event of a disruption. A voluntary code was also established requiring the major gas and oil companies to maintain a minimum of 30 days' supply of naphtha and gas oil respectively as strategic reserves.

To help combat climate change and improve air quality, Hong Kong has set a 2020 fuel mix target whereby natural gas will generate around half of its electricity by 2020. In July 2018, the government approved an offshore LNG terminal and connecting pipelines to allow secure access of natural gas for electricity generation from competitive world markets.

Hong Kong's low-carbon transformation strategy is to reduce carbon intensity by 65%-70% by 2030 compared with the 2005 level as well as to reduce Hong Kong's per capita carbon emissions from 5.7 tonnes in 2016 to about 3.3-3.8 tonnes by 2030. This will be supported by, among other initiatives, the enhancement of the Clean Energy Transmission System with the Mainland; phasing down coal-fired electricity generation, and use of cleaner energy such as natural gas and non-fossil fuel sources like renewable energy (RE) were technically and financially feasible. A Feed-in Tariff Scheme was introduced in late 2018 to encourage the development of distributed RE by the private sector. A Public Engagement exercise was launched in mid-June 2019 to collect views on Hong Kong's long-term decarbonisation strategy.

The COVID-19 outbreak has had a minor impact on electricity consumption in Hong Kong. Energy imports, reliability and accessibility to electricity supply were unaffected during the outbreak. Electricity consumption from January-May fell by only 3% compared with the same period the previous year. In the longer term, COVID-19 might accelerate trends towards flexible working arrangements, which would lead to changes in transportation patterns and changes in consumer habits such as a switch to online shopping and mobile payments. These changes are key uncertainties for the energy sector.

Key metrics

Metrics are determined relative to other countries, with a full bar representing a score of 100.

	2020 Performance	Trend 2010-20
Energy security	Low	▲
Import dependence	Low	▲
Diversity of electricity generation	Low	▶
Energy storage	Low	▲
Energy equity	High	▶
Access to electricity	High	▶
Electricity prices	High	▲
Gasoline and diesel prices	High	▲
Environmental sustainability	Low	▶
Final energy intensity	Low	▶
Low carbon electricity generation	Low	▲
CO2 emissions per capita	Low	▼
Country context	High	▶
Macroeconomic stability	High	▲
Effectiveness of government	High	▲
Innovation capability	High	▲