**Contribution to HKIE Monthly Journal’s Climate Change Corner**

**Climate Adaptation for Hong Kong**

Business Environment Council’s (BEC) initiative, Climate Change Business Forum, published a report earlier this year entitled ***The New Normal*** to illustrate climate change adaptation issues. The publication reviews six key sectors in Hong Kong – namely Transport, Energy Generation, Construction, Property, Finance, as well as Manufacturing and Supply Chain – from the perspective of risks and opportunities related to climate change adaptation.

Climate change has been in the public agenda for almost two decades, but as many people have not been significantly impacted, most of them do not perceive that they are subject to its threat. Although super typhoons and severe rainstorms have been impacting different parts of the world, Hong Kong, which has been relatively sheltered, generally lacks the awareness and understanding of climate risks. ***The New Normal*** project – which also includes the development of a ***Climate Risk Tool*** – attempts to help businesses in Hong Kong understand the climate risks related to their business, the threats to their investment and operations, and the benefits of adaptation.

Some types of climate risks might have similar impacts for different sectors, but some are more sector specific. For instance, extreme weather will be a threat to fixed assets, potentially damaging infrastructure. It will also disrupt logistics and transport, so that staff might not be able to get to their workplace, or companies will need to pay for higher transportation or energy costs for delivery of goods and services. However, the extent of damage or the level of impact on normal business operations can vary substantially between sectors. Damage to infrastructure may mean a complete breakdown of businesses for power generation companies, but it may be less devastating to the manufacturing and supply chain sector if transport networks suffer minimal disruption and adequate back-up generators (i.e. adaptation measures) are in place.

***The New Normal*** report intends to identify key climate risks for the six sectors, while the ***Climate Risk Tool*** helps companies make the connections of the various risks and opportunities from their own operational perspective providing useful and practical insight for potential adaptation initiatives.

BEC believes that the Hong Kong SAR Government should prioritise climate change as one of the factors to consider in infrastructure design and weather proofing in capital works projects. The six sectors included in the publication are some of the major industries in Hong Kong. Their readiness and adaptability to climate change to a large extent affects the overall climate resilience of Hong Kong. BEC opines that a comprehensive climate change strategy, including a clear carbon reduction target and action plan for 2020 and beyond should be in place. To tackle climate change more effectively, this issue should be taken into consideration in the regional context; and Government has a key role to play in regional collaboration within the Pearl River Delta region.

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This article is contributed by the Business Environment Council with the coordination of the Environmental Division.