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運輸及房屋局

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Chairman

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Ir Prof. WONG Sze-chun

President

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Dear Mr. WONG and Ir Prof. WONG,

Latest developments in logistics in Hong Kong

Thank you for your letter of 22 December 2009 to the Chief Executive on the above matter. The proposals therein have been referred to the bureaux concerned for further study.

The Government fully appreciates the significant economic contributions of the trade and logistics industry over the past decades and is committed to providing an environment conducive to industry development and investing in first-class infrastructure. To enhance the competitiveness of the sector, we have been working on various fronts to achieve the policy objectives. As highlighted in the 2009 Policy Address, the Outline of the Plan for the Reform and Development of the Pearl River Delta promulgated in January 2009 stresses the importance of a clear division of work, a reasonable layout and complementarities in respect of the facilities in Hong Kong and in the Mainland.

We will work closely with the Mainland authorities to maintain Hong Kong's leading position in the global supply chain. Examples of major recent policy initiatives and developments are set out in the following paragraphs.

Investment in infrastructure

The Government has continued to invest in infrastructure projects to strengthen Hong Kong's intermodal connectivity. The Hong Kong-Zhuhai-Macao Bridge ("HZMB") is a salient example. The construction of the main bridge has just commenced. The HZMB will open Hong Kong up to a 50 million-consumer market and manufacturing base in the western Pearl River Delta ("PRD") within a three-hour commuting radius, and will result in a significant reduction in the travelling time between Hong Kong and the western part of Guangdong province. Upon the completion of the HZMB, the travelling distance and time between Zhuhai and the Kwai Chung Container Port will be reduced by more than 60% (from about 200 kilometres ("km") to about 65 km and about 3.5 hours to about 75 minutes). Those between Zhuhai and the Hong Kong International Airport ("HKIA") will be reduced by more than 80% (from over 200 km to about 40 km and about 4 hours to about 45 minutes). The HZMB should help reduce transportation cost and attract investment and create new business opportunities for, amongst others, the logistics sector.

In parallel, the Airport Authority Hong Kong ("AA") is developing the midfield area between the two existing runways to provide, amongst other things, additional cargo stands to meet the medium-term needs of the industry. Separately, a third air cargo terminal is expected to commence operation by 2013 and would add another 2.6 million tonnes of capacity per annum to the 4 million tonnes of the two existing terminals. The AA has also commissioned the Airport Master Plan 2030 Study to review the airport facilities with a view to mapping out the longer term development need for maintaining the competitive edge of Hong Kong as an international and regional aviation centre. The study will take a critical look at the idea of building a third runway and related facilities (including cargo stands) amongst other issues.

On the sea front, the Government is undertaking a project to dredge the Kwai Tsing Container Basin and its approach to 17 metres to cater for the new generation of mega containerships. We are also studying the feasibility of developing a new container terminal in Tsing Yi.

Provision of sites for logistics development

As mentioned in our letter dated 27 October 2009, the Chief Executive announced in his 2009 Policy Address that a number of permanent sites in the Kwai Tsing area would be gradually released for the development of a logistics cluster. This should help facilitate the logistics sector to take advantage of Hong Kong's competitive strengths in the handling of high-value goods and providing high value-added services. With the concerted effort of the industry and the Government, Hong Kong should be able to achieve a smooth migration up the value chain and enhance its position as a regional distribution hub.

Streamlining of customs procedures

In recognition of the importance of enhancing the efficiency of processes concerning goods moving between Hong Kong and Shenzhen, Hong Kong and Mainland Customs have launched numerous co-operative measures over the years within the remit of Hong Kong's status as a separate customs territory. The unified manifest for submission to both Customs and mutual recognition of cargo examination results are two such recent examples. Furthermore, riding on the imminent implementation of the electronic Road Cargo System in Hong Kong in early 2010 and Mainland's requirement for the electronic submission of advance road cargo information likely to be made mandatory in 2011, both Customs are working towards adopting the same data structure for similar data requirements in designing their respective systems. This measure would save traders' data inputting efforts when making e-submissions to the two authorities separately. We will continue to liaise with the Mainland Customs to identify ways to further enhance customs clearance efficiency.

Facilitating transshipment

The Government has been actively implementing measures to facilitate legitimate trade and movement of goods, while ensuring effective control on cargo clearance. In this connection, a number of legislative amendments have been introduced in recent years to promote and facilitate transshipment, and three facilitatory measures in the area of strategic commodities were rolled out in late 2009. Concerned bureaux and departments have been taking forward suggestions of the trade to facilitate transshipment as appropriate, taking into account possible enforcement, financial, trade control and other implications. We will continue to liaise with the industry on the matter in mapping out the way forward.

Development of Hong Kong's transport system

Subsequent to the Third Comprehensive Transport Study in 1999, the Transport Department ("TD") has carried out Strategic Highway Projects Reviews periodically to ensure that transport infrastructure is provided in a timely manner to meet evolving traffic demand. Furthermore, TD also completed a consultancy study entitled "Restructuring and Enhancement of the Third Comprehensive Transport Study Model" in 2008 so as to update the traffic forecasts by using the latest computing and model technologies as well as the most up-to-date planning data.

Notwithstanding that the enhanced transport model developed under the above consultancy study remains a useful and up-to-date tool for territorial transport planning purposes, TD is planning to commission another consultancy study entitled "Comprehensive Transport Study Model Enhancement" in 2011. The study comprises two territory-wide traffic and transport surveys, namely the Travel Characteristics Survey and the Survey on Goods Vehicle Trip Characteristics. With the latest planning data and other transport-related statistics, we are of the view that the robustness of the traffic forecasts produced by the model can be maintained. The department therefore does not see the need to carry out the Fourth Comprehensive Transport Study at this juncture. Indeed, the committed large-scale highway and railway infrastructure projects such as the HZMB, Tuen Mun Western Bypass and Tuen Mun – Chek Lap Kok Link, West Island Line, Guangzhou – Shenzhen – Hong Kong Express Rail Link, South Island Line (East), and Sha Tin to Central Link are expected to meet Hong Kong's domestic and cross-boundary transport demand over the next decade. Nevertheless, we shall keep track of the changes in traffic characteristics to ensure that adequate transport infrastructure will be put in place to match the future transport needs of Hong Kong.

We are always mindful of the need to enhance transfer between domestic and cross-boundary transport services. For example, in developing new boundary crossings such as the Shenzhen Bay Port and Lok Ma Chau Spur Line, public transport interchanges with domestic public transport services commensurate with the demand have been provided at the Hong Kong side of the control points to provide more convenience and choices to the passengers. When planning for cross boundary coach services, the terminals and intermediate pick-up / drop-off points within Hong Kong were also chosen to be located with convenient local public transport connections. We will endeavor to enhance transfer between domestic and cross-boundary transport services in the planning of cross-boundary infrastructure projects, including those already in the pipeline such as the HZMB and Liantang/Heung Yuen Wai Control Point.

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We deeply treasure the partnership with industry associations and look forward to continue to work closely with your associations in maintaining Hong Kong's role as the regional transportation and logistics hub.

Yours sincerely,



(Miss Emmy WONG)
for Secretary for Transport and Housing

c.c.

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