



The Hong Kong
Shippers'
Council

香港付貨人委員會



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Chairman

Greater Bay Area fosters greater partnership, greater future

I am a strong supporter of the Guangdong-Hong Kong-Macau Greater Bay Area concept, as it will bring these three regions together and enhance their combined logistical and economic potential.

The Outline Development Plan for the Greater Bay Area was released on February 18, 2019. According to the current plan, Hong Kong's status as an international financial, transportation, trade, and aviation centre will most certainly be consolidated and enhanced once the Bay Area initiative is concluded.

To achieve the objective of strengthening Hong Kong's status, we have to look for measures to improve its logistics capabilities, as these two notions are inseparable. There is a clear way to achieve this, but it will require a great deal of coordination.

First, we require new facilitation measures for the boundary-crossing customs regimes. At present, Hong Kong is suffering from an acute shortage of supply of land and labour, and surging operation costs. The new air cargo security regime, to be implemented in 2021, would most certainly aggravate the current situation.

Due to insufficient scanning facilities and overall readiness, cargo flow

could be seriously disrupted. Under the Greater Bay Area framework, cargo to be exported through Hong Kong could be screened and consolidated at mainland logistics facilities first, then carried through "green channels" to Hong Kong. This will help to reduce the danger of cargo bottlenecking in Hong Kong. Implementation of this measure, however, requires the Hong Kong and Mainland Customs and air cargo security authorities to work together to align their requirements, protocols, and technologies.

Second, I would suggest accelerating the construction of Trade Single Window for the Greater Bay Area.

As e-commerce flourishes, expectations of the industry and consumers for speedy customs clearance will also increase. Therefore, authorities in the Greater Bay Area should accelerate the construction of Trade Single Window. Together with other facilitation schemes like pre-approval arrangements, Authorised Economic Operators, and so on, boundary-crossing efficiency could be enhanced.

The mainland has signed free trade agreements with ASEAN members and other countries; and Hong Kong has also separately signed

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a number of significant free trade agreements. To maximise the benefits, the Trade Single Window should also be integrated into these free trade strategies.

Third, as all economies are moving towards 'smart cities', smart production, and smart supply chains, along with digitalisation, automation, and other similar technologies, the logistics industry will undergo substantial changes in the years to come. Under the Greater Bay Area framework, the Hong Kong, Guangdong, and Macanese governments should coordinate and align their developmental objectives.

This can be achieved through coordination and cooperation of research institutions, and industry organisations, on issues such as research and development.

The Greater Bay Area provides a good opportunity for research and innovation to excel, and a big market for application of these innovations. The governments of the Bay Area initiative have a great role to play over policies, allocation of resources, and their coordination. The government has an integral part to play in supporting these emerging technologies.

Lastly, the Greater Bay Area should add new air corridors and expand



air space to allow more traffic.

The plan states that Hong Kong, Guangzhou, and Shenzhen will need to expand their airports to accommodate the demands of the Bay Area. However, the air space of these airports overlap one another and all are facing the same problem of insufficient air corridors, which will inevitably lead to frequent delays and constraints on flight number.

These problems cannot be resolved by better coordination over air traffic control alone. The Central

Government and the governments in the Greater Bay Area must work on the expansion of air space and new air corridors in order to enhance these hubs' air traffic capacity.

The Greater Bay Area is an important development for the whole region and the nation, but it will require a great deal of time, investment, and patience, but Hong Kong is more than prepared to shoulder the burden in order to consolidate its status as a world-class logistics hub.