



The Hong Kong
Shippers'
Council
香港付貨人委員會



Willy Lin
Chairman

Govt support vital for logistics sector to survive rough seas

EXECUTIVE COMMITTEE 2020

CHAIRMAN

Mr. Willy Lin

VICE CHAIRMAN

The Hon. Jeffrey Lam

MEMBERS

Dr. Roy Chung
Mr. Marvin Hsu
Mr. H. Y. Hung
Mr. Mickey Ko
Mr. Gary Lau
Dr. Patrick Lau
Mr. Jason Man
Mr. V K Parekh
Mr. Eric Sun
Mr. Stanley Szeto
Mr. Sunny Tan
Mr. Dickson Wong
Mr. Brian Wu
Mr. Yeung Chun Fan

EXECUTIVE DIRECTOR

Mr. Sunny Ho

In response to the Chief Executive's request for additions to the Policy Address 2020, The Hong Kong Shippers' Council made a submission. The following are highlights:

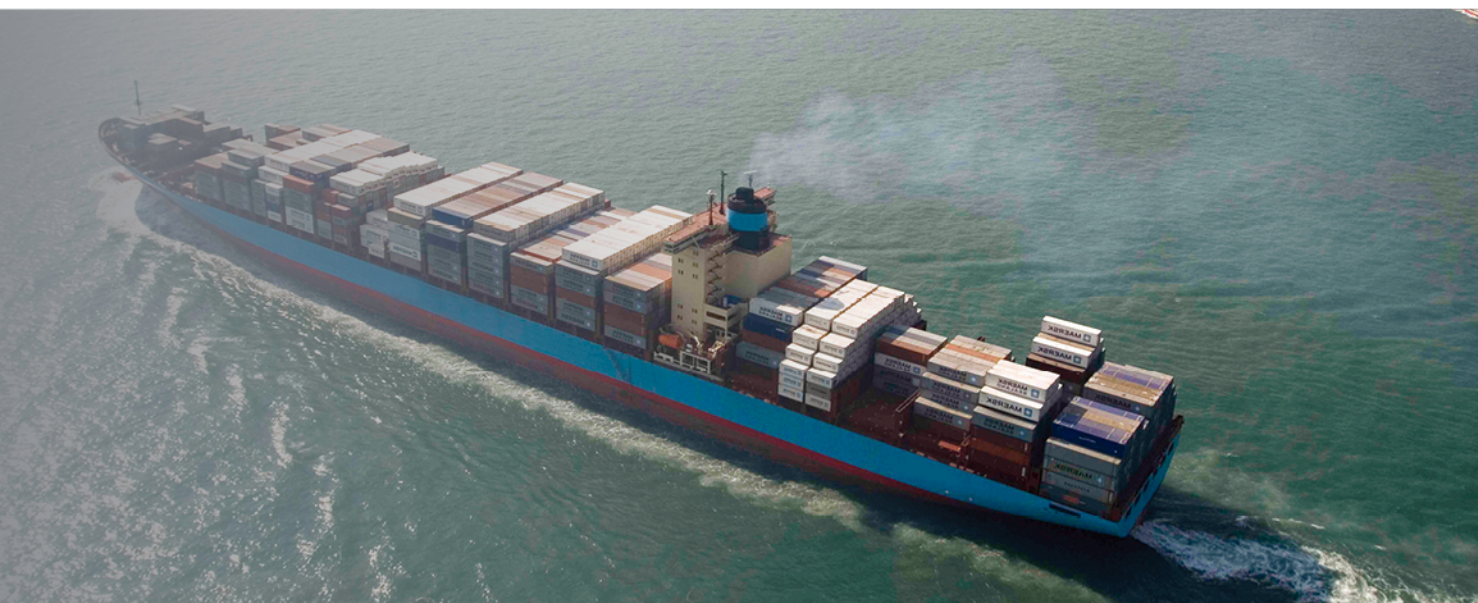
a. We appeal to the SAR Government to help Hong Kong companies to engage more actively in e-commerce, as this industry is set to grow at a much faster rate than traditional trading. To achieve this, the government should target at establishing a dedicated e-business hub for local companies. The primary functions of this hub would include, but not be limited to: forging strategic partnerships within the private sector; promoting a "Hong Kong" name for branding; setting up and implementing facilitation policies; and providing administrative support in areas like cross-border customs clearance, process, and product certification, technology adoption and compliance, etc.

b. We must also remind the government of the all-important task of facilitating off-shore trading. Considering the possibility of intensification of Sino-US trade conflicts, Hong Kong companies

will need to conduct more off-shore businesses including trading, financing, and manufacturing. The government should have dedicated policies as well as a designated structure and mechanism to help the private sector to develop more off-shore trading businesses.

c. The government should reserve more land for logistics use. While there are great needs for residential housing, the Hong Kong logistics industry is likely to be impacted by limited land supply, namely due to major developments in Hung Shui Qiao, Yuen Long, and New Territories (North East) areas. Shortage of land and facilities will cause a greater surge in costs and restrictions in capacity, and consequently impair the competitiveness of the industry. In addition, it is important to ensure that duration of the lease, the terms and conditions set for the logistics facilities, etc. are able to cope with the ever-evolving needs of the industry.

d. The government should continue to dedicate efforts to establishing logistics facilities near the HK-China border that would be made available for use



of Hong Kong businesses. It would be best if Hong Kong interests could secure a controlling share, or even management rights of the facilities. There should be green lanes/express channels to connect these facilities to Hong Kong.

e. We strongly support the government's desire to negotiate more Free Trade Agreements (FTAs). This includes measures such as the Avoidance of Double Taxation Agreements, and Investment Protection Agreements with countries along the Belt & Road, the European Union, and other overseas markets.

f. We also support greater facilitation for adoption of technologies, particularly automation, robotics, and artificial intelligence. This is because the COVID-19 outbreak will lead to accelerated use of automation, robotic, and artificial intelligence in the near future. This will not only ensure cost savings, but it would be a valuable addition for ensuring Hong Kong's competitiveness in the global arena. The government should make certain that proper policies and sufficient



support networks are in place for the industry to meet these new challenges. The government should consider direct assistance to manufacturers and logistics operators for quick and efficient adoption and establish proper agencies to help them.

g. The government has offered different assistance fund schemes for trades and industries. The latest schemes, which are designed specifically for the logistics sector, include a \$300

million Pilot Subsidy Scheme for third-party logistics service providers, and a job creation scheme for the logistics industry, together with other general relief schemes that have been offered. We are delighted that the government has taken swift action as the industry is under a lot of strain.

We are sailing over rough seas, and let's stay together, and become stronger together!