

Action Plan on Modern Logistics Development



Transport and Logistics Bureau

The Government of the Hong Kong Special Administrative Region
of the People's Republic of China

Vision

To accelerate the high-quality development of logistics industry and develop Hong Kong into a sustainable, modern, high value-added, and smart logistics hub in Asia

Missions

- Reinforcing intermodal transport by integrating air, sea, and land transport to strengthen the key role played by Hong Kong in the logistics chain of the Greater Bay Area and other regions
- Leveraging on our strengths in handling high-value goods to promote the development of green and sustainable high-end, and high value-added logistics services
- Encouraging the logistics industry to make good use of technology and through a wider application of smart logistics solutions to enhance competitiveness

Target



Develop Hong Kong into a
sustainable international smart logistics hub



Modern Logistics Development in Hong Kong

Trading and Logistics Industry as a Major Economic Pillar in Hong Kong

Trading and Logistics Industry
23.7%
(\$650 billion)



Logistics Industry
6.2%
(\$169.2 billion)

Trading and Logistics Industry
608,200 employees
(16.6%)



Logistics Industry
185,500 employees
(5.1%)

Logistics Extending Upstream and Downstream in the Value Chain



B2B → B2C



Customised high value-added services



Adoption of diversified logistics technology



Global smart supply chain management

SWOT Analysis

- **Strategic Location**
- **Multimodal connectivity by sea, land and air**
- **Advanced technology and expertise in handling fresh produce and temperature sensitive products**
- **Free flow of information and capital**
- **Institutional advantages in multiple aspects**

Strengths

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- **Insufficient supply of logistics land**
- **Lack of manpower resources**
- **Limited application of technology**
- **High operating costs**

Weaknesses

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Opportunities

- **Policy support from the Central Government**
- **Opportunities under national development strategies (14th Five-Year Plan, Development of the GBA, and Belt and Road Initiative)**
- **Vast logistics resources in the GBA**
- **Regional Comprehensive Economic Partnership (RCEP)**
- **Booming cross-border e-commerce development**
- **Growing demand for high-value goods**

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- **Geopolitics (e.g. Sino-US trade restrictions)**
- **Intensive competition from neighbouring cities**

Threats

Five Directions



Smart Development

Promote digitalisation in the industry

Facilitate interconnectivity of logistics data

Modernisation

Build the industry's image as "Smart, Innovative, High-end"

Develop logistics clusters with different functions

Green and Sustainability

Promote Environment, Social and Governance ("ESG")

Internationalisation

Strengthen collaboration within the GBA

Actively explore new business opportunities

Facilitation

Enhance cross-sectoral coordination

Eight Strategies



- Smart Development
- Modernisation
- Green and Sustainability
- Internationalisation
- Facilitation

(1)

To Promote Digitalisation and Smart Logistics Development in the Industry

- **Funding Support** – To enhance and regularise the "Pilot Subsidy Scheme for Third-party Logistics Service Providers" (From 2024)
- **Technical Support** – To strengthen advisory services and expand the "LOGTECH Expo" in collaboration with Hong Kong Productivity Council (From 2024)



(2)

To Promote Interconnectivity of Logistics Data for Enhancing Industry's Competitiveness

- To commence consultancy studies on connecting the airport, port and other relevant logistics information platforms (From 2024)
- To facilitate the interconnectivity and interoperability of the logistics data with other GBA cities in longer run

LOGISTICS



(3)

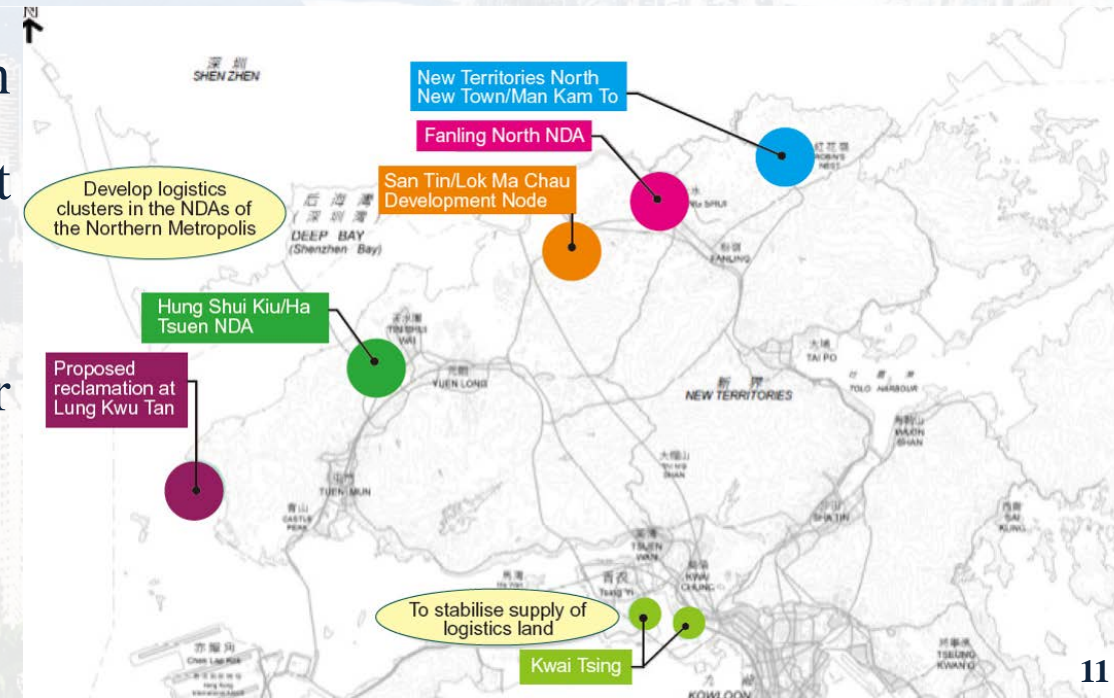
To Build and Promote the High-end and Innovative Image for the Industry

- To build the image of modern logistics industry as “Smart, Innovative, High-end” through cross-sectoral coordination
- New promotional strategies to attract young people to join the industry (E.g. co-organising the “Smart Logistics Datathon” with CUHK) (From 2024)
- New annual award scheme for the industry (From 2024)

(4)

To Stabilise Supply of Logistics Land and Develop Logistics Clusters with Different Functions

- **Short and medium term strategy**
 - To dispose of logistics land regularly (2024 – 2027)
 - ★ A total of four parcels of logistics land covering about 19 hectares
- **Long term strategy**
 - To develop logistics clusters in the New Development Areas (NDAs) of the Northern Metropolis
 - ★ First phase is to develop modern logistics clusters in Hung Shui Kiu/Ha Tsuen NDA, covering an area of about 37 hectares
 - ★ Relevant planning studies will be commenced in 2023 for releasing the findings in 2025



(6)

To Strengthen Collaboration within the GBA and Grasp New Development Opportunities

- To enhance multimodal transport measures
- To encourage and assist the industry in Hong Kong in formulating management standards and guidelines for logistics services on high-value goods with other cities in the GBA (From 2024)



(7)

To Promote Hong Kong's Unique Advantages and Actively Explore New Business Opportunities



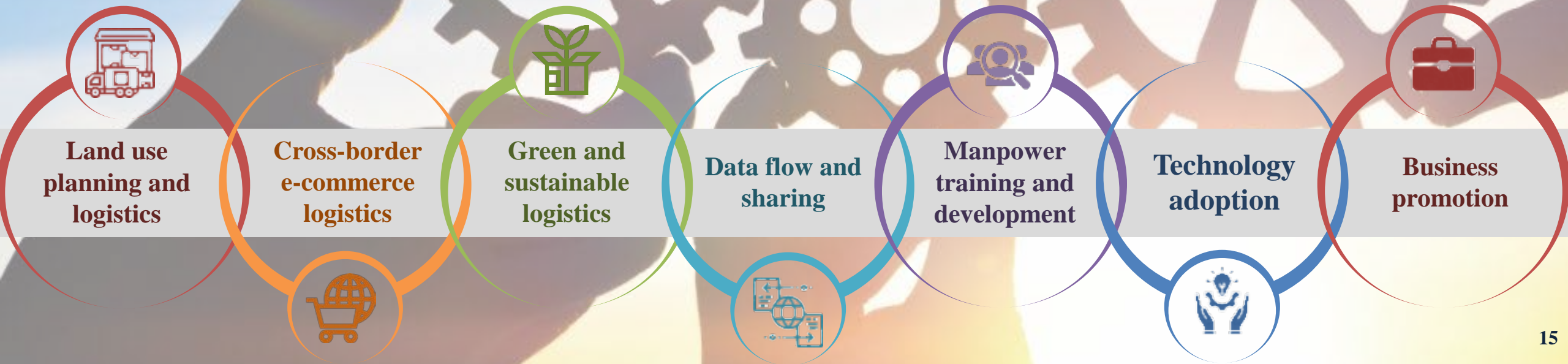
- To explore new markets in the ASEAN, the Middle East and other countries along the “Belt and Road”
- To organise more promotional visits and large-scale promotional events (From 2024)



(8)

To Enhance Cross-sectoral Coordination for Supporting the Long-term Development of the Industry

- To expand the membership of LOGSCOUNCIL by appointing representatives from the Government and related sectors/fields, with a view to facilitating discussion on cross-sectoral issues related to logistics (2024)



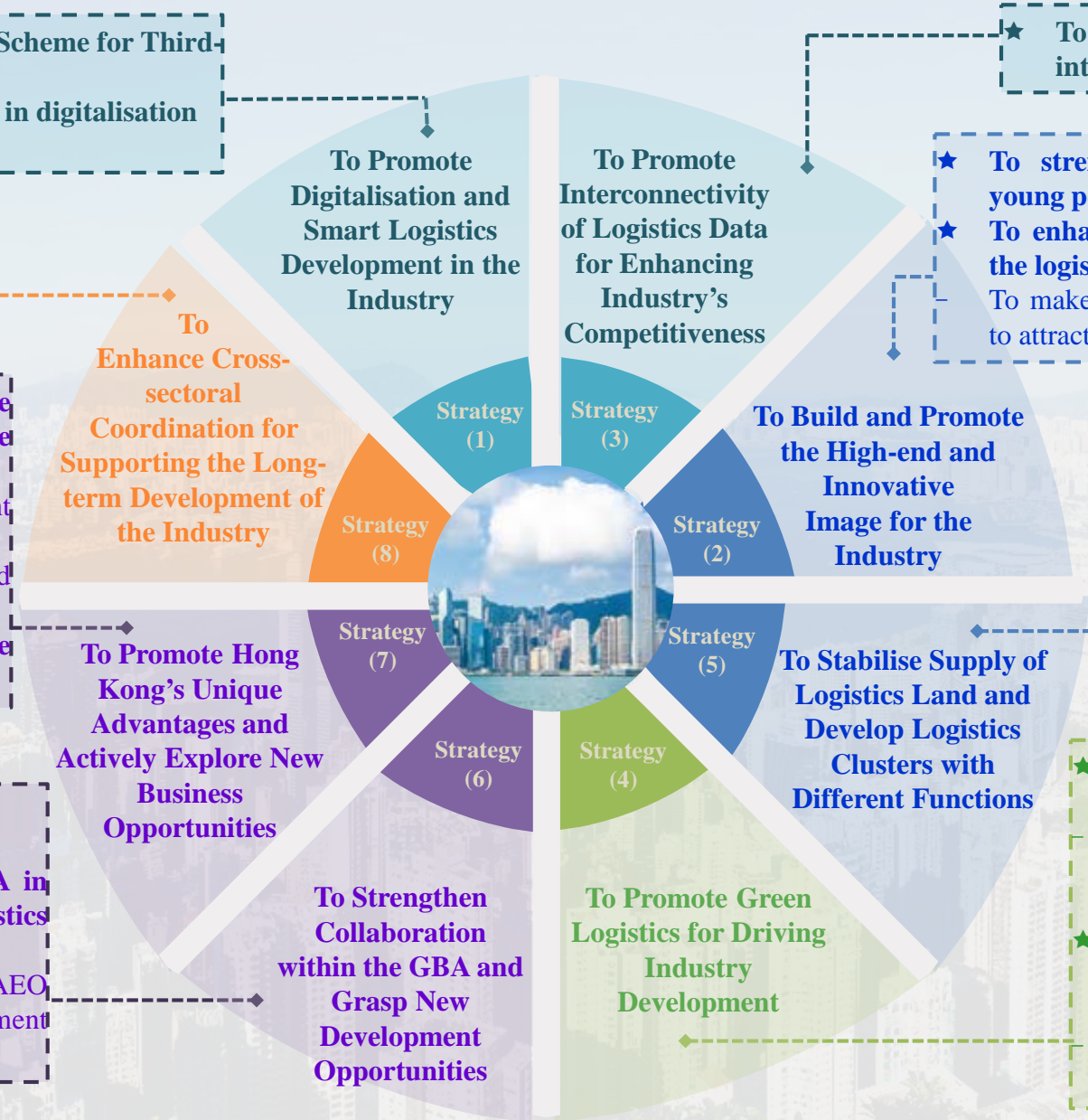
Eight Strategies and 24 Recommended Actions

- ★ To enhance and regularise the "Pilot Subsidy Scheme for Third-party Logistics Service Providers"
- ★ To strengthen support for logistics enterprises in digitalisation
- ★ To provide smart logistics-related training

- ★ To enhance the function of LOGSCOUNCIL for strengthening cross-sectoral coordination

- ★ To explore new markets in the ASEAN, the Middle East and other countries along the "Belt and Road"
- To actively promote the "Free Trade Agreement Transshipment Facilitation Scheme"
- To provide customised and high value-added business solutions
- ★ To organise more visits and large-scale promotional events

- To enhance multimodal transport measure
- To make good use of the HZMB
- ★ To collaborate with other cities in the GBA in formulating management standards on logistics services for high-value goods
- To actively promote the "Hong Kong AEO Programme" and mutual recognition arrangement network



- ★ To facilitate interconnectivity and interoperability of logistics information

- ★ To strengthen publicity and promotion to attract young people to join the industry
- ★ To enhance the innovative and professional image of the logistics industry
- To make good use of different talent admission schemes to attract foreign talents to Hong Kong

- ★ To stabilise supply of logistics land
- To optimise land use with multi-purpose development
- ★ To provide affordable modern logistics facilities for the industry
- ★ To develop logistics clusters in the NDAs of the Northern Metropolis

- ★ To promote green and sustainable logistics development
- To encourage technology application for promoting development of green and sustainable logistics
- ★ To strengthen industry's awareness of green and sustainable logistics through training
- To assist SMEs in implementing green and sustainable logistics