

# Budget Speech by the Financial Secretary (6)

## Transport and Logistics

75. We will continue to promote the development of transportation and logistics services, and harness the opportunities brought about by the Belt and Road Initiative and the development of the Greater Bay Area, so as to consolidate Hong Kong's position as an international and regional aviation, maritime and logistics hub.

## Air Cargo Sector

76. The Airport Authority Hong Kong (AA) estimates that upon the full commissioning of the Three-Runway System in end-2024, the Hong Kong International Airport (HKIA) will boost its annual passenger and cargo handling capacities to around 100 million and about nine million tonnes respectively, thus meeting the air traffic demand at least up to 2030. Meanwhile, the AA is expanding the express air cargo terminal, developing a premium logistics centre and strengthening the airport's capability in handling high-value temperature-controlled cargoes in an effort to reinforce our leading position in air freight logistics.

77. To foster cross-border logistics and trading activities and grasp business opportunities in electronic commerce, I set aside \$5 billion last year for the redevelopment of the Air Mail Centre at the HKIA. Hongkong Post has completed the preparatory work and plans to submit a funding application to LegCo within this year, with a view to commencing the works as soon as possible.

## Maritime Sector

78. The Government will continue to assist the port industry in enhancing its operational efficiency, and strive to develop high value-added maritime services by leveraging our strengths in professional services. The Government will amend the relevant legislation to provide tax concessions for the ship leasing business, including offering a profits tax exemption to qualifying ship lessors and a half-rate profits tax concession to qualifying ship leasing managers. Besides, profits tax will be halved for eligible insurance businesses including marine insurance. The Government will also explore other tax measures to attract more global shipping business operators and commercial principals to set up business in Hong Kong.

## Enhancing Operational Efficiency of the Logistics Sector

79. To encourage the logistics industry to enhance productivity through technology application, the Government will introduce a pilot subsidy scheme this year with an injection of \$345 million. Each eligible third party logistics service provider will receive subsidies to implement up to four

projects, subject to a cumulative subsidy ceiling of \$1 million. The scheme is expected to benefit about 300 companies.

## Tourism

80. The tourism industry has suffered successive setbacks since the middle of last year. The Government has been maintaining close liaison with industry players. I have rolled out since last August several measures to alleviate their operating pressure and the Anti-epidemic Fund will also implement measures to help the industry. I will allocate an additional amount of over \$700 million for the Hong Kong Tourism Board to step up promotion and revive the tourism industry when the epidemic is over.

## Trade

81. I will allocate an additional funding of \$150 million to the Trade Development Council (TDC) for organising various initiatives to promote Hong Kong; setting up Hong Kong Pavilion, Hong Kong Design Gallery and pop-up shops in major overseas cities; and organising trade delegations. In addition, the Anti-epidemic Fund has also set aside resources to provide subsidies to enterprises for attending conferences and exhibitions organised by the TDC, and subsidise the conferences and exhibitions to be held at the Hong Kong Convention and Exhibition Centre and the AsiaWorld-Expo. These measures will help re-establish the confidence of the international community in Hong Kong as Asia's business hub and explore market opportunities for Hong Kong companies.

## Professional Services

82. With its talent pool and rich international experience, the professional services sector supports the development of various industries in Hong Kong and reinforces our position as an international financial and business centre. We will continue to support the sector in expanding into overseas and Mainland markets. We will also seek to promote the development of our professional services sector in the Greater Bay Area under the "early and pilot implementation" approach.

83. Respect for the rule of law and independence of the judiciary are among the cornerstones underpinning Hong Kong's success. I will earmark about \$450 million for the Department of Justice to implement the "Vision 2030 for Rule of Law" project so as to strengthen our community's understanding of the concept of the rule of law and its implementation.

## Cultural and Creative Industries

### Cultural Development

84. Hong Kong is an international cultural metropolis where the eastern and western cultures meet. Cultural and arts activities not only enrich life experience and foster the cultivation of personal qualities, but also create room for young people to display their creativity and offer them job opportunities. In 2019-20, the Government's total expenditure on culture and arts exceeds \$5 billion.

85. We will continue to promote traditional Chinese culture actively through the Intangible Cultural Heritage Funding Scheme and the Cantonese Opera Development Fund. At the same time, we will encourage local arts groups and artists to showcase to the world the cultural strength and artistic achievements of Hong Kong.

86. Promoting diversity in cultural and arts development requires the joint support of the community and the business sector. I will allocate an additional \$900 million to the Art Development Matching Grants Scheme this year to further promote sponsorship of culture and arts.

#### Cultural Facilities

87. The West Kowloon Cultural District is one of the largest cultural projects in the world, with the Xiqu Centre and Freespace already commissioned in 2019. The remaining cultural and arts facilities, including the visual culture museum M+, the Hong Kong Palace Museum and the Lyric Theatre Complex, will be completed in the next few years to provide world-class venues for artists.

88. The Hong Kong Museum of Art re-opened at the end of last year, while the East Kowloon Cultural Centre under construction is targeted to commence operation in 2022. We are also actively planning for the construction of a number of new cultural facilities, and the expansion and renovation of existing facilities.

#### Creative Industries

89. The Government allocated \$1 billion each to the CreateSmart Initiative and the Film Development Fund in the past two financial years, more than doubling the total amount of resources allocated in the preceding years.

90. In the coming year, we will focus on helping industries explore the Mainland and overseas markets. On films, we will enhance co-operation with countries in Southeast Asia in a more proactive manner. Last November, Hong Kong signed a memorandum of understanding with Thailand, facilitating co-operation between the creative sectors of both sides. The Agreement Concerning Amendment to the Mainland and Hong Kong Closer Economic Partnership Arrangement Agreement on Trade in Services announced earlier will also facilitate the entry of the local film, television and printing industries into the Mainland market.

(To be continued.)