

Budget Speech by the Financial Secretary (7)

International Maritime Centre

162. Currently, around 90 per cent of the world's merchandise goods are transported by sea. With its advantageous geographical location, unique institutional strengths and extensive experience and network in international trade and commerce, Hong Kong enjoys a prime position in the shipping market. Supported by the National 14th Five-Year Plan and the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, the Government promulgated the Action Plan on Maritime and Port Development Strategy (Action Plan) in December last year. The Action Plan formulates 10 strategies and 32 action measures to support the sustainable development of Hong Kong's maritime and port industry, with a view to enhancing the long-term competitiveness of the industry. It also consolidates and strengthens Hong Kong's position as an international maritime centre.

Develop High Value-Added Maritime Services

163. One of the directions set out in the Action Plan is to develop high value-added maritime services. Over the past few years, the Government has introduced a series of tax concession measures for the maritime industry in the areas of ship leasing, marine insurance, ship agency, ship management, shipbroking and so forth, which have begun to yield results. We will commence studies on further enhancements within this year.

164. In addition, Hong Kong's ship registration regime is widely recognised internationally. Hong Kong ranks fourth in the world in terms of gross tonnage, and excels in its high quality fleet. The port state control detention rate of Hong Kong registered ships is much lower than the global average. We plan to offer block registration incentive to attract shipowners to register ships in Hong Kong extensively. The Government will amend the relevant regulations regarding this incentive starting this year, and provide an outline of the incentive rules, eligibility criteria and so forth.

Modern Logistics Development

165. The Government seeks to assist the logistics industry in better capitalising on the latest developments and business opportunities in smart logistics and e-commerce. To encourage the logistics industry to enhance productivity through technology application, the Government launched a \$300 million Pilot Subsidy Scheme for Third-party Logistics Service Providers in 2020 to provide subsidies to eligible logistics service providers. So far, the scheme has benefited over 190 enterprises, involving a total of about \$137 million. The scheme was enhanced in February this year, with the funding ceiling for each applicant enterprise increased from \$1 million to \$2 million and the scope of funding extended to cover services related to the application of ESG technology solutions.

International Aviation Hub

166. Hong Kong International Airport (HKIA) has about 120 airlines operating flights to some 180 destinations worldwide. With Hong Kong's role as an international aviation hub and tapping into the convenience and opportunities brought about by the Hong Kong-Zhuhai-Macao Bridge, our vision is to transform HKIA into an Airport City integrating commerce, conventions and exhibitions, tourism, lifestyle, logistics and more, shaping it into a world-class landmark.

Open up a New Aviation Hinterland

167. The AA is working full steam ahead with the HKIA three-runway system (3RS) project as scheduled, with the target of commissioning at the end of this year. Leveraging the opportunities brought by the 3RS and our country's support of the "Air Silk Road", we will focus on current major routes and routes along the B&R with potential, thus strengthening aviation services between Hong Kong and related countries and, in doing so, expand our aviation network.

Intermodal Transport

168. The AA will make comprehensive use of HKIA's advantages in handling high-value, temperature-controlled air cargo. We are taking forward the development of a sea-air intermodal cargo-transshipment mode in collaboration with Dongguan. Its handling capacity will gradually reach one million tonnes per annum, better fulfilling the GBA's international cargo demand, with first-phase construction of the permanent facility of the HKIA Logistics Park, which is scheduled for completion by the end of next year.

Asia's Aviation Logistics Base

169. The AA will actively expand air cargo services, including handling cold-chain cargo at its logistics park in Dongguan and collaborating with Zhuhai to develop its international cargo business. It will also attract international cargo forwarders and major global retailers to set up their Asian aviation logistics base in Hong Kong.

Centre for International Legal and Dispute Resolution Services in the Asia-Pacific Region

170. As the only common law jurisdiction in China, Hong Kong enjoys a robust legal system and a pool of elite legal talent, which are cornerstones of Hong Kong's premier business environment and provide us with new opportunities for development.

171. With the staunch support from the Central Government, the International Organization for Mediation (IOMed), upon establishment, will have its headquarters hosted in Hong Kong. IOMed, specialising in resolving international disputes by means of mediation, will be the first international inter-governmental organisation to set up headquarters in Hong Kong. This will attract dispute parties, mediators and legal professionals to conduct mediation in Hong Kong, which will in turn boost other related economic

activities.

172. Furthermore, the Department of Justice (DoJ) will continue to promote Hong Kong's legal and dispute resolution services by organising international conferences and exchange activities, as well as leading delegations of legal professionals to visit the Mainland, the Middle East, ASEAN member states, etc.

East-meets-West Centre for International Cultural Exchange

173. Hong Kong is a diverse and open community. It is a melting pot of Chinese and Western cultures, where modernity blends with tradition. The Government is committed to developing high-quality arts, cultural and creative industries through continuously developing relevant sectors, promoting Chinese culture and fostering arts and cultural exchanges between China and the rest of the world. The Government will soon promulgate the Blueprint for Arts and Culture and Creative Industries Development, to outline the vision and specific initiatives for the work.

Creative Arts Branding

174. The Government will inject about \$1.4 billion and \$2.9 billion into the Film Development Fund and the CreateSmart Initiative respectively in 2024/25, to support projects in various areas such as film, arts and design. Among them, the Government will organise the Hong Kong Fashion Design Week annually from 2024 onwards. It is our vision to turn the Hong Kong Fashion Design Week into an Asian fashion design mega event, thereby introducing Hong Kong's fashion design brands internationally.

Signature Performing Arts Programmes

175. The Government has announced the launch of the Signature Performing Arts Programme Scheme. The scheme will support production of representative and large-scale local signature performing arts programmes to be staged as long-running performances and become another cultural icon of Hong Kong. Culture, Sports and Tourism Bureau will devise the key arrangements of the Signature Performing Arts Programme Scheme in the first half of 2024.

Large-scale Arts Events

176. We will organise the first Hong Kong Performing Arts Expo (HKPAX) in October this year to provide a comprehensive platform for showcasing top-notch performing arts productions and enhancing exchanges to create business opportunities for these programmes and creative talents. We will also organise the 4th Guangdong-Hong Kong-Macao Greater Bay Area Culture and Arts Festival. With more than 100 arts and cultural activities taking place in Hong Kong and different cities of the GBA, the festival is expected to feature about 5 000 artists and draw a total of 140 000 visitors.

(To be continued.)