

## LCQ12: Consolidating Hong Kong's position as international maritime centre

Following is a question by the Hon Yim Kong and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (May 25):

Question:

The Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035 (the 14th Five-Year Plan) expressly proposes to expedite the development of a world-class port cluster and supports Hong Kong in enhancing its status as an international maritime centre. There are views pointing out that given the keen competition currently among various major ports in the Pearl River Delta, the Government has to keep abreast of the time, improve its development planning, and adopt more practicable and effective measures to consolidate Hong Kong's position as an international maritime centre. In this connection, will the Government inform this Council:

(1) whether it has plans to update Hong Kong's port development planning in the light of the 14th Five-Year Plan and the new trend of Mainland port development in the Guangdong-Hong Kong-Macao Greater Bay Area; if so, of the time it expects to publish a specific white paper on port planning;

(2) as it is learnt that there are insufficient premium logistics storage facilities in Hong Kong, whether the Government has considered conducting planning for the provision of more logistics sites in Kwai Tsing District or other districts, so as to tie in with the development planning of enhancing Hong Kong's status as an international maritime centre; if so, of the specific plans; and

(3) as there are comments pointing out that, with the development of green ports becoming an international trend, and with shipping companies' demand for liquefied natural gas refilling and onshore power supply facilities for ships being on the increase, the setting up of the relevant ancillary facilities is one crucial factor in maintaining the competitiveness of a port, whether the Government will consider expediting the setting up of such facilities; if so, of the details and the implementation timetable?

Reply:

President,

The Central Government has been clearly supporting the consolidation and promotion of Hong Kong's position as an international maritime centre. Hong

Kong has a steadfast maritime tradition, with port, shipping and maritime services underpinning the development of the trading and logistics sector all along. The Government will continue to proactively develop and entrench Hong Kong's position as a high value-added maritime services centre and an important transshipment hub in the Asia Pacific region, so as to fully seize the immense opportunities arising from national planning. In fact, the Government has all along been enhancing the planning and development of the maritime and port industry through various policies. Announcement is made through the Chief Executive's Policy Address if there are important development plans. For example, the Government announced a number of initiatives in the Chief Executive's 2018 Policy Address to support and enhance the development of high value-added maritime services, including using tax measures to foster the development of ship leasing business in Hong Kong and setting up Regional Desks of the Hong Kong Shipping Registry (HKSR) of the Marine Department in selected overseas Economic and Trade Offices and Mainland Offices and Liaison Units etc. Besides, the Chief Executive's 2021 Policy Address also announced further developing high value-added maritime business services, including ship registration, ship finance and management, marine insurance, and maritime legal and arbitration services etc.; introducing tax concessions to attract members of the maritime industry to establish a business presence in Hong Kong; further expanding the overseas service network of the HKSR; as well as new initiatives such as developing smart port and green port.

Having consulted the Environmental Protection Department and the Marine Department, our reply to various parts of the Hon Yim Kong's question is as follows:

(1) Regarding development in Hong Kong Port (HKP) and consolidation of its position as an international maritime centre, the "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" (National 14th Five-Year Plan) endorsed by the 13th National People's Congress in March 2021 supported the positioning of HKP and the development of high value-added maritime services in Hong Kong for better integration into the country's development course. The "Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (GBA)" (GBA Development Plan) promulgated in February 2019 also expressed such support. The GBA Development Plan supports enhancing the overall international competitiveness of the Pearl River Delta port cluster, and emphasises a complementary and mutually beneficial system of ports to achieve synergy; whereas the National 14th Five-Year Plan mentions the functional co-ordination of ports in proactively and progressively taking forward the development of the GBA. As such, Hong Kong will continue to develop high value-added maritime services and leverage on the high efficiency, strong connectivity and coverage of the HKP for consolidating and enhancing its status as an international maritime centre. To strengthen the collaboration with the GBA ports, the Government will explore establishing communication mechanisms with ports in Guangdong.

Furthermore, on the development of smart port etc., while the industry traditionally has relied heavily on manual operations and paper-based

processes, it has in recent years started to embrace digitisation of port operations and leverage on innovative technologies to enhance their efficiency, so as to stay competitive and provide more convenient services for the customers. Through the Task Force on Smart Port Development formed under the Hong Kong Maritime and Port Board, the Government is working with the trade on the concrete proposal to drive the smart port development, with a view to further enhancing port efficiency and reducing cargo handling time and cost through streamlining and optimising the multi-party co-ordinated processes electronically.

(2) The Government has been actively identifying suitable sites for supporting modern logistics development. We have concluded two feasibility studies on developing a multi-storey complex for container storage and cargo handling at a site in Tsing Yi and a multi-storey heavy goods vehicle carpark-cum-modern logistics complex at another site in Kwai Chung respectively, so as to support port and logistics operations. The Tsing Yi site was released through public tender on December 17, 2021, but the public tender was cancelled on February 23, 2022 due to the identification of the Tsing Yi site as one of the locations for constructing community isolation and treatment facilities in support of the Government's anti-epidemic work. For the sustainable development of the modern logistics industry, the Kwai Chung site was also put up for sale through public tender on March 25, 2022, and the tender invitation will close on July 15, 2022. We plan to conduct a feasibility study on another logistics site in Kwai Tsing area. Furthermore, under the Approved Hung Shui Kiu and Ha Tsuen Outline Zoning Plan, about 37 hectares of land have been designated by the Government for logistics development as well. We will continue to identify suitable sites and examine their feasibility for modern logistics development in collaboration with relevant departments.

(3) As an international maritime centre, Hong Kong has been promoting the development of green port through different measures and encouraging the industry to adopt more sustainable shipping initiatives. To this end, Hong Kong becomes the first port in Asia to mandate ocean-going vessels (OGVs) to switch to low sulphur fuel while at berth. The Government has been collaborating with the Mainland to reduce emissions from vessels, including establishing jointly with the Guangdong Provincial Government a Domestic Emission Control Area in the waters of the Pearl River Delta Region that further tightened requirements for all vessels to use compliant fuel (i.e. low sulphur fuel or liquefied natural gas, LNG), irrespective of whether they are sailing or berthing. To further encourage the use of clean marine fuel by OGVs, the Government has also been examining measures to take forward the adoption of LNG in OGVs, such as actively exploring the use of the offshore LNG terminal newly constructed by the two power companies as a bunkering facility for OGVs, planning for LNG bunkering areas, and formulating technical requirements and related safety regulations and requirements for offshore LNG bunkering, etc. Relevant bureaux and departments of the Government have been working closely with the industry on the arrangements to promote LNG bunkering for OGVs in Hong Kong.