

# LCQ15: International competitiveness of Pearl River Delta port cluster

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (June 23):

Question:

The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area puts forth the following vision for enhancing the international competitiveness of the Pearl River Delta port cluster: to consolidate and enhance Hong Kong's status as an international maritime centre, as well as to increase the overall capacity of international shipping services of Guangzhou and Shenzhen and form a complementary and mutually beneficial system of port, shipping, logistics and ancillary services with Hong Kong, thereby strengthening the port cluster's overall international competitiveness. In this connection, will the Government inform this Council:

(1) given that the Guangdong Provincial Government is currently expediting the development of port infrastructure, of the Government's strategies to develop new port infrastructure in order to maintain Hong Kong's long-term competitiveness, thereby consolidating and enhancing its status as an international maritime centre;

(2) given that at present, a number of Mainland ports are located in the Guangdong-Hong Kong-Macao Greater Bay Area, whether the Government has plans to enter into an agreement with the Guangdong Provincial Government on the cooperation between the ports of both places, so as to ensure that such ports mutually benefit rather than viciously compete with each other; if so, of the details; if not, the reasons for that; and

(3) as it has been reported that the Chief Executive indicated last month that the Government would sign agreements with some of the municipal governments in Guangdong Province to allow civil servants to take up temporary positions on the Mainland for exchanges, whether the Government will arrange officials responsible for port planning and management to take up temporary positions in such municipalities for exchanges; if so, of the details; if not, the reasons for that?

Reply:

President,

The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) mentions the need for Hong Kong to consolidate and enhance its status as an international maritime centre, while the National 14th Five-Year Plan also supports Hong Kong to entrench its international maritime centre status. The Government has been working towards the national development

goals and actively promoting the development of the port and maritime industry. On maritime services, the Government enacted legislative amendments in June and July 2020 to offer tax exemption and half-rate tax concession to ship leasing and marine insurance businesses respectively. It is also studying further tax measures to attract shipping commercial principals (such as ship managers, agents and shipbrokers) to set up presence in Hong Kong. Besides, it is enhancing the service and coverage of the Hong Kong Shipping Register. Regional desks have been set up progressively in Shanghai, Singapore, London and Sydney since November 2019, and more will be set up in Tokyo, San Francisco and Toronto in phases in late 2021 to 2022, so as to broaden the service coverage to the Mainland, Asia, Europe and North America and improve the quality of service. The International Chamber of Shipping established its first-ever overseas office in Hong Kong in 2019 as a result of the concerted efforts of the industry and the Government. In addition, in September 2020, the Baltic and International Maritime Council (BIMCO) approved the BIMCO Law and Arbitration Clause 2020, which includes Hong Kong as the fourth named arbitration venue, alongside London, New York and Singapore. This further consolidates Hong Kong's overall strength as an international maritime centre.

In consultation with the Civil Service Bureau on the reply to part three of the question, our reply to various parts of the Hon Frankie Yick's question is as follows:

(1) In addition to the continuous efforts to develop the high-end maritime services, the Government has implemented the following measures on port infrastructure, including: dredging the Kwai Tsing Container Basin and its approach channel from a navigation depth of 15 metres to 17 metres to enable the new-generation ultra-large container vessels to access the container terminals at all tides; relaxing the air draft restriction of the Tsing Ma Bridge from 53 metres to 57 metres above sea level to facilitate mega vessels to access the Hong Kong Port; implementing in phases the port back-up land improvement measures surrounding the Kwai Tsing Container Terminals, including providing additional yard space and barge berths and arranging for the release of two sites totalling 11 hectares for developing multi-storey port back-up and modern logistics facilities. The Government will also study policies and measures related to promoting smart port and digitalisation in shipping, with a view to maintaining the competitiveness of Hong Kong Port and promoting the sustainable development of the port sector.

(2) The Outline Development Plan for the GBA states to enhance the overall international competitiveness of the Pearl River Delta port cluster, and emphasises complementary and mutually beneficial synergy among the ports. The National 14th Five-Year Plan's section on "active and steady promotion of GBA construction" also mentions the coordination of the GBA ports' functional positioning. On port cooperation, the port business in Hong Kong is run by the private sector. Since Hong Kong port operators are also involved in the operation of other ports in the GBA, e.g. Hutchison Ports in Yantian port in the eastern part of Shenzhen, Modern Terminals Limited in Dachan Bay, Shekou and Chiwan ports in the western part of Shenzhen, COSCO Shipping Ports in Nansha port, this already reflects cooperation among the GBA ports to a

certain extent. The Government has also on various occasions expressed to the Central Government the importance of maintaining the cabotage rule as well as a level-playing field and coordinated development among the GBA ports.

(3) The Civil Service Bureau has been collaborating with Mainland cities in running the Civil Service Staff Exchange Programme over the years. Under the programme, civil servants from Hong Kong and the participating Mainland cities are attached to government departments of the other side, and the themes of exchange are based on the job nature and job requirements of the participants. From 2015 to 2019, departments under the Transport and Housing Bureau participated in the programme and conducted exchange with their Mainland counterparts on port or related work. Such exchange included the occasion in 2018 where an officer from the Marine Department was sent to the Shanghai Maritime Safety Administration to learn more about marine traffic management, patrol and enforcement. Besides, the Highways Department, Transport Department and Marine Department also received during these years a total of 14 Mainland participants under the Programme. The areas of exchange included port traffic, transportation management as well as the construction and planning of the Hong Kong-Zhuhai-Macao Bridge and the Guangzhou-Shenzhen-Hong Kong Express Rail Link. To further promote cooperation between Hong Kong and the Mainland municipalities in GBA, the Civil Service Bureau will extend the programme to cover the nine Mainland municipalities in the GBA to enhance exchange between officers on both sides.

Separately, individual departments may also arrange their officers to participate in exchange activities with their counterparts in other places (including the Mainland) based on their operational needs. In fact, officers in charge of maritime and port development policies in the Transport and Housing Bureau, together with representatives from the trade, pay visits to Mainland maritime cities (including the GBA cities) from time to time to exchange views on policies and the latest developments with relevant Mainland organisations and authorities. We will continue with this arrangement so that relevant officers could better grasp the port-related work in the GBA cities and strengthen cooperation for complementary development of the ports.