

# LCQ18: Strengthening cross-boundary intermodal transshipment

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 (May 25):

Question:

Some members of the freight industry have relayed that currently the Intermodal Transshipment Facilitation Scheme implemented by the Customs and Excise Department (C&ED), and the Single E-lock Scheme implemented by the C&ED in collaboration with the Mainland customs, have provided customs clearance facilitation to cross-boundary air-land and sea-land intermodal transshipment between Hong Kong and the Mainland. Nevertheless, these two Schemes do not cover transshipment cargoes which need the merging of orders, crating and palletisation in Hong Kong, thus limiting the development of cross-boundary intermodal transshipment in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area). In this connection, will the Government inform this Council:

(1) of the respective volume of cross-boundary transshipment cargoes and the respective numbers of cross-boundary truck trips handled under the two aforesaid Schemes in each of the past three years;

(2) whether the authorities will, by making reference to the plan of the Airport Authority Hong Kong for developing a logistics park in Dongguan, set up dedicated logistics parks in the Mainland cities in the Greater Bay Area to handle transshipment cargoes which need tallying, crating and palletisation before they are exported from the Mainland via Hong Kong, and to make use of trucks equipped with an e-lock and a global positioning system for transporting such cargoes directly to the airport or container terminals in Hong Kong for shipment; if so, of the details; if not, the reasons for that; and

(3) of the new measures in place to further strengthen cross-boundary air-land and sea-land intermodal transshipment between Hong Kong and other cities in the Greater Bay Area?

Reply:

President,

The Hong Kong Special Administrative Region Government (HKSAR Government) will fully seize the immense opportunities arising from 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" and the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and continuously introduce various measures to support

the Hong Kong logistics industry to develop high value-added logistics and cross-boundary logistics, so as to strengthen Hong Kong's competitive edge as a regional logistics hub.

Having consulted the Commerce and Economic Development Bureau (CEDB), the reply to various parts of the Hon Frankie Yick's question is as follows:

(1) According to the CEDB's information, the number of cross-boundary goods vehicle trips and consignments processed under the Intermodal Transshipment Facilitation Scheme (ITFS) and the Single E-lock Scheme (SELS) in the past three years are set out below:

#### ITFS

Year	2019	2020	2021
No. of vehicle trips	18 011	16 584	11 039
No. of consignments	10 426 679	10 587 649	7 556 476

#### SELS

Year	2019	2020	2021
No. of vehicle trips	3 600	3 489	2 901
No. of consignments	525 266	579 321	220 220

Note: The number of cross-boundary goods vehicle trips and consignments processed under the two Schemes decreased in 2021 due to the COVID-19 pandemic.

(2) To further consolidate Hong Kong's role as the regional logistics hub and to facilitate the logistics development in the GBA, the HKSAR Government has all along been actively taking forward the co-operation with GBA cities on aviation, maritime and logistics fronts, including the development of intermodal transshipment and air cargo logistics park. For instance, the Airport Authority Hong Kong (AA) is developing "sea-air cargo transshipment" between Hong Kong International Airport (HKIA) and Dongguan, as well as setting up the HKIA Logistics Park in Dongguan so that export cargo from the Mainland can be transported by sea to HKIA and then transhipped overseas directly without the need to undergo further security screening. We will make reference to the relevant operational experience and study further on how to facilitate the co-operation between Hong Kong and other GBA cities in the logistics front.

(3) The HKSAR Government has been working closely with the Mainland authorities to adopt various measures to facilitate the cross-boundary logistics within the GBA, so as to strengthen the connectivity among GBA cities.

First of all, the HKSAR Government continues to improve the cross-boundary transport infrastructure, strengthen the cross-boundary transport

connectivity, shorten the travel time between Hong Kong and GBA cities, and enhance the efficiency of cross-boundary transport. Among them, the commissioning of the Hong Kong-Zhuhai-Macao Bridge (HZMB) in October 2018 has further strengthened the transport connectivity between Hong Kong and the western parts of the Pearl River Delta (PRD) region, thereby expanding the cargo catchment area of Hong Kong to the western PRD region. Apart from the HZMB, there are five other road based land crossings to the Mainland, including Lok Ma Chau, Sha Tau Kok, Man Kam To, Shenzhen Bay and Heung Yuen Wai, facilitating the development of cross-boundary transport between Hong Kong and the GBA.

In addition, in view of the importance of high efficiency and smooth operation of the Hong Kong airport and port in facilitating the cross-boundary logistics, the HKSAR Government and relevant organisations have actively examined and introduced various measures to help enhance air cargo and sea cargo efficiency.

As regards air cargo, the AA has been actively developing both the landside and airside in the south cargo precinct of the airport island to strengthen its capacity for and efficiency in handling various types of cargo as well as to spur relevant logistics development. The AA is also collaborating with its business partner in expanding the express air cargo terminal, so as to enhance Hong Kong's capability in handling express and small parcel shipments, together with the premium logistics centre being developed on the land parcel of about 5.3 hectares at Kwo Lo Wan in the south cargo precinct. The above measures would take an important role for HKIA to consolidate its leading position in cargo logistics.

As regards sea cargo, the HKSAR Government is working with the trade on the concrete proposal to drive the development of the smart port through the Task Force on Smart Port Development formed under the Hong Kong Maritime and Port Board. The proposal is conducted 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, as well as studying the digitalised systems and innovative technologies adopted by other major ports (such as those in the GBA), so as to explore various initiatives to facilitate digitalisation and the adoption of innovative technologies in the Hong Kong Port.

On the other hand, the Customs and Excise Department (C&ED) has also provided customs clearance facilitation for cross-boundary goods. The SELS facilitates cargo flow between Hong Kong and the Mainland and enhances customs clearance efficiency through the application of electronic locks and global positioning system devices. The SELS currently has a total of 75 clearance points, increased by 11 in the past three years, covering all nine Mainland cities of the GBA and providing the trade with over 800 cross-boundary route options.

Moreover, since the implementation of the Regional Comprehensive Economic Partnership (RCEP) on January 1, 2022, the C&ED has extended the Free Trade Agreement Transshipment Facilitation Scheme (FTA Scheme) to cover northbound transshipment cargo from all countries under the RCEP to the

Mainland via Hong Kong, so that the concerned consignments would be eligible for preferential tariff under the RCEP. Starting from February 7, 2022, the FTA Scheme has been further extended to cover transshipment cargo under the RCEP from the Mainland to Korea via Hong Kong.

The HKSAR Government is very concerned about the impact on the cross-boundary land transport under the persistent epidemic situation and the relevant anti-epidemic measures taken in both Guangdong and Hong Kong. As such, the Task Force of Supplies from the Mainland led by the Secretary for Transport and Housing has been working closely with the Mainland authorities to explore various measures to improve the current arrangements on cross-boundary land transport. In addition to land transport arrangements, we have also been securing the sustainable supplies of goods to Hong Kong through water and railway transportation. As the cross-boundary land transport has been gradually resumed under the recent stabilisation of the epidemic, the HKSAR Government will continue to actively work with the Mainland authorities to improve and enhance cross-boundary transport with a view to optimising the flow of cross-boundary supplies.