

## LCQ22: Funding schemes promoting logistics development

Following is a question by the Hon Jimmy Ng and a written reply by the Secretary for Transport and Logistics, Mr Lam Sai-hung, in the Legislative Council today (July 10):

Question:

In recent years, the Government has launched a number of funding schemes to promote modern logistics development and assist the industry in better grasping the latest trends in smart logistics and e-commerce business, including setting up the Logistics Promotion Funding Scheme (LPFS) and the Professional Training on Smart and Green Logistics Scheme (PTSGLS), as well as enhancing the Pilot Subsidy Scheme for Third-party Logistics Service Providers (the Pilot Scheme). Some members of the logistics industry have expressed concern about the vetting and approval of the aforesaid schemes, while hoping that the Government can further enhance these schemes. In this connection, will the Government inform this Council:

(1) of the respective numbers of applications received, approved, rejected and being processed by the authorities since the introduction of enhancement measures to the Pilot Scheme in February this year; among the approved applications, the average funding amount per case and the number of applications which have benefited from the extended scope of funding as a result of the enhancement measures; the latest progress of the authorities' work in regularizing the Pilot Scheme;

(2) of the respective numbers of applications received, approved, rejected and being processed by the authorities since the launch of LPFS; among the approved applications, the average funding amount per case; whether the authorities will extend the scope of funding under LPFS to cover projects organized outside Hong Kong which are related to the promotion of modern and smart logistics, so that successful applicant organizations can promote the strengths of Hong Kong as an international premier logistics hub to more overseas enterprises; if so, of the details; if not, the reasons for that; and

(3) of the respective numbers of applications received, approved, rejected and being processed by the authorities since the launch of PTSGLS; the number of training courses approved for funding, as well as the theme, number of places and enrolment for each of these courses; the average funding amounts provided by the authorities for each training course and each participant who attended the training course for the first time?

Reply:

President,

The Government attaches great importance to the development of Hong Kong's logistics industry and has all along been supporting and enhancing Hong Kong's position as a regional logistics hub through different measures, including the promulgation of the Action Plan on Modern Logistics Development on October 31, 2023, that formulated eight strategies and 24 action measures in five development directions, namely smart development, modernisation, green and sustainability, internationalisation and facilitation, to address the short, medium and long-term needs of the logistics industry, thereby achieving the goal of developing Hong Kong into a sustainable international smart logistics hub focusing on high-value goods and the e-commerce market.

In particular, in terms of the support for the logistics industry to develop towards the directions of smart logistics and green logistics, the Government has launched the Professional Training on Smart and Green Logistics Scheme and the Logistics Promotion Funding Scheme respectively under the Maritime and Aviation Training Fund this year, and enhanced the Pilot Subsidy Scheme for Third-party Logistics Service Providers, so as to strengthen the support towards the logistics industry to undergo digital transformation, adopt smart logistics solutions, as well as achieve environmental, social and governance (ESG) targets so as to promote green logistics.

The reply in response to Hon Jimmy Ng's question is as follows:

(1) Since implementation of the Pilot Scheme in October 2020, a total of 351 applications were received, of which 249 were approved, involving a subsidy amount of around \$150 million. Since February this year, enhancement measures to the Pilot Scheme were rolled out, which included increasing the cumulative funding ceiling for each applicant enterprise from \$1 million to \$2 million, as well as extending the scope of funding to cover ESG technology solutions and related implementation services (including consultancy services) and project-based trainings associated with technology implementation. Since the implementation of the enhancement measures, as of June this year, a total of 29 applications were received, of which two were approved, 23 are being vetted and four were withdrawn before vetting. The amount of subsidy for each of the two approved applications is below \$1 million. The Government will continue to review the effectiveness of the Pilot Scheme and duly explore the possibility of the regularisation of the Pilot Scheme.

(2) The Logistics Promotion Funding Scheme aims to subsidise eligible logistics-related organisations and professional bodies to organise local promotional campaigns and activities, so as to rebrand the modern logistics industry as "smart, innovative and high-end", with a view to attracting more young people to join the industry as well as promoting the strengths of Hong Kong as an international premier logistics hub to both local and overseas companies. Since its launch in January this year, as of June this year, a total of four applications were received under the Logistics Promotion Funding Scheme, of which two were approved and the other two are being vetted. The amount of subsidy of the two approved applications is \$700,000 and \$100,000 respectively. The Government will review the effectiveness and coverage of subsidy of the Logistics Promotion Funding Scheme from time to time.

(3) The Professional Training on Smart and Green Logistics Scheme subsidises eligible logistics associations and training/education institutions to organise local training courses related to modern, smart and green logistics with a view to supporting in-service practitioners to equip themselves with up-to-date knowledge of smart and green logistics. Since its launch in January this year, as of June this year, a total of five applications were received under the Professional Training on Smart and Green Logistics Scheme, of which two were approved. The two approved applications are related to sustainable logistics development and green logistics, providing a total of 60 places. As the relevant training courses are still at the admission stage, the number of enrolment and average amount of subsidy are not available yet. The remaining three courses are being vetted.