

# Opening remarks by USTL at promotional seminar “An insider’s perspective of synergy between Hong Kong and United Arab Emirates – two world maritime and logistics powerhouses” in Dubai (English only)

Following are the opening remarks by the Under Secretary for Transport and Logistics, Mr Liu Chun-san, at a promotional seminar, "An insider's perspective of synergy between Hong Kong and the United Arab Emirates – the two world maritime and logistics powerhouses", in Dubai today (December 11, Dubai time):

Your Excellency, distinguished guests, ladies and gentlemen,

Good morning and greetings from Hong Kong. It gives me great pleasure to meet you all here today in Dubai.

Dubai is often called the "city of superlatives", and its busiest port and airport in the Middle East and consequently the region's most prominent maritime and logistics hubs also count as such superlatives. Indeed, like the skyscrapers that the city is so famous for, Dubai's maritime, aviation and logistics services too are challenging new heights as its strategic location at the crossroads of East and West makes it a natural middleman for trade and logistics among Asia, Europe and Africa.

Interestingly, the same can be said of Hong Kong, which has long been an international maritime, aviation and logistics hub, thanks to our excellent international transport connectivity, proximity to the vast manufacturing base and consumer market in Mainland China and robust financial and legal systems, just to name a few. Companies from near and far have capitalised on Hong Kong's unique strengths and helped to put our city firmly on the global map of trade and logistics, and I am happy to say that such shrewd investors include major corporations from the UAE (United Arab Emirates) such as Aramex and DP World.

Co-operation between Hong Kong and Dubai goes way back, and many business leaders from Hong Kong's maritime and logistics sectors who are here in Dubai with me today are no strangers to doing business with the UAE. However, amid the shifting geopolitical landscape, the sustained economic rise of East Asia and changes in global logistics in the post-pandemic era, especially the explosive growth of e-commerce, co-operation among globally competitive logistics hubs with extensive maritime and aviation networks and efficient cargo handling capabilities is increasingly important. This is why deepening ties between Hong Kong and Dubai makes sense now more than ever.

Indeed, I am convinced that Hong Kong is the UAE's best maritime, aviation and logistics partner in Asia, not just because of our superb geographical location but also our forward-looking policies that are set to consolidate and enhance Hong Kong's hub status.

On the maritime front, we are committed to boosting the competitiveness of our Hong Kong Port, which is consistently ranked as one of the world's busiest and most efficient, welcoming over 300 container vessels every week travelling to nearly 500 destinations worldwide. We, Hong Kong, have promulgated three action plans to further enhance our maritime, port and logistics industries during the past two years. First, in the Action Plan on Maritime and Port Development Strategy, we position ourselves as a prominent regional transshipment hub in the Guangdong-Hong Kong-Macao Greater Bay Area, which consists of nine cities and two special administrative regions including Hong Kong and has a population of 86 million, located in the southern part of China. And we encourage our port operators to tap into the keen transshipment demand in the area, as rising economic vibrancy spurs ever busier merchandise trade. We are also exploring to further exempt the licensing requirement for certain controlled cargoes, bringing even more transshipment convenience to China and Asia trade through our port.

Also within the scope of this Action Plan is to strengthen our active maritime services cluster, which has put among the world's top four shipping centres in the 2024 Xinhua-Baltic: International Shipping Centre Development Index Report. Our 1 100-company strong maritime services cluster provides diverse shipping and maritime business services, ranging from ship owning, ship agency and management, ship broking, marine insurance and maritime legal and arbitration services. It will receive a boost through enhancement on preferential tax regime, on top of the half-rate profits tax concessions to ship agents, ship managers and ship brokers we introduced two years ago, and will translate to even greater services tailored to your international need. The details of the new tax regime, including new tax deduction arrangements for ship lessors pursuant to international tax rules, will be published in the first half of 2025, and we will commence the relevant legislative work thereafter.

Maritime decarbonisation is a growing trend, and finding a green port with green maritime fuel bunkering services is no longer just an option but a necessity for the maritime sector worldwide. And in East Asia, Hong Kong is the green port to be, as the Action Plan on Green Maritime Fuel Bunkering we announced last month puts us on the path of developing into the most preferred green maritime fuel bunkering and trading centre in the region. With LNG (liquefied natural gas) and green methanol bunkers soon to be on offer at our port and over 200 000 tonnes of green maritime fuels expected to be bunkered by 2030, Hong Kong is best positioned to help the UAE's shippers and shipping companies to meet their green shipping targets.

On the logistics front, our reputation as home to the world's busiest cargo airport precedes us, and our seamless connectivity with Mainland China makes us the natural logistics gateway to the enormous Chinese market. However, our strengths in logistics do not stop there. In fact, our strong capabilities in handling high-value goods are our winning edges, as is

evidenced by the vast majority of the COVID-19 vaccines destined for Asia being handled by Hong Kong International Airport during the pandemic, as well as the sweet cherries fresh off Chilean fruit farms reaching our port at this very moment and soon being put into our state-of-the-art cold storage facilities, waiting to be shipped onwards to Mainland China and other Asian destinations.

Our mission is to follow the directions we set out in the Action Plan on Modern Logistics Development promulgated last year and make our logistics sector even smarter and greener that will meet evolving international ESG (environmental, social and government) requirements and, more importantly, your logistics demand efficiently.

One final element in our maritime and logistics development policy is international co-operation. For two industries that are intrinsically global in nature, Hong Kong needs to forge partnerships with various countries, true to our international character. This is why I am excited about this seminar and the networking lunch that follows, which I hope will give our friends from the UAE a fresh look at maritime and logistics opportunities in Hong Kong and an opportunity to explore collaboration with our seasoned industry leaders, many of whom represent major maritime and logistics trade associations in Hong Kong.

Finally, may I express my gratitude to the Emirates Shipping Association for organising this seminar and luncheon today with us. Thank you, and I look forward to the fruitful and insightful discussions later on.