

# Speech by STH at Asian Logistics, Maritime and Aviation Conference 2020 (English only)

Following is the speech by the Secretary for Transport and Housing, Mr Frank Chan Fan, at the Asian Logistics, Maritime and Aviation Conference 2020 today (November 18):

Distinguished guests, ladies and gentlemen,

Good morning. I would like to extend my warmest welcome to you all to the second day of the 2020 Asian Logistics, Maritime and Aviation Conference, ALMAC in short. I am delighted to learn about the positive feedback yesterday on the outlook and future opportunities for aviation and maritime industries. I hope you would also find the sessions today on logistics fruitful and inspiring.

ALMAC celebrates its tenth anniversary this year and we are proud to witness its growth from strength to strength. The annual Conference has become a signature event, and the largest of its kind in the region. It provides a platform for stakeholders across the globe to share thoughts and insights, and to explore business opportunities in Asia. It is also the very first time that ALMAC goes online, to reach out for more and further amidst the pandemic.

Year 2020 is unprecedented for all of us. The pandemic disrupts our normal way of living, if not way of life. It is even harder for us to navigate across the sea of uncertainties caused by escalating trade disputes, rising geopolitical tensions and protectionism. The theme this year, on how to "Capture Opportunities amidst Volatility", is most relevant and timely for every one of us.

As of today, the pandemic rages on and there is no sign of abating. Here in Hong Kong, we are giving it our best and holding on. Our unique position under "One Country, Two Systems", our robust fundamentals and institutional strengths are cornerstones of our continual success. All these are well recognised by the international community and fortify Hong Kong's position as a global trade and logistics hub.

Widespread lockdown to contain the pandemic is expected to cause a deeper contraction to the global economy. Economic growth in the Asia-Pacific region as a whole is forecasted to drop by 3.7 per cent as domestic consumption, trade and investment opportunities are dropping. Asian economies are among the first to battle the coronavirus, and are also the first to come out from the crisis.

Trading and logistics is one of Hong Kong's four pillar industries,

accounting for 21 per cent of our GDP and 19 per cent of our total employment. Thus, our logistics, maritime and aviation industries combined plays a pivotal role in sustaining Hong Kong's economic growth. Today's discussion will focus on how technology opens up new possibilities, and how the industry should gear up in synchrony with the upsurge of e-commerce.

As the pandemic reshapes the way we live, shopping online becomes the new normal. In order to cope with the growing demand for express and small parcel delivery, Hong Kong is in the course of expanding our express air cargo terminal. With completion in 2022, our handling capacity will increase by some 50 per cent to over a million tonnes per year. On the other hand, to enhance our capability of warehousing and shipment distribution, a new premium logistics centre, which is scheduled to commence operation in 2023, will bring an additional 1.7 million tonnes of air cargo per year to Hong Kong.

Apart from handling capacity and capability, efficiency and reliability are also key to success. Consumers demand fast and reliable delivery at low cost. They also want to track and trace their purchases throughout the process. Our logistics sector is committed to applying smart technology, such as the use of automation, robotics, artificial intelligence and Internet of Things, to better meet the evolving needs, enhance operational efficiency and productivity. Wider adoption of technology would add value for our partners and consumers in the region and across the globe. To this end, the Hong Kong Government has rolled out a HK\$300 million scheme to encourage the sector in adopting more technology and IT solutions.

Ladies and gentlemen, the logistics, maritime and aviation industries have always lived up to the spirit of "Capturing Opportunities amidst Volatility", with or without the pandemic. And Hong Kong remains and will continue to be your trustworthy partner in furthering your business ventures in the region. Together, I am confident that we will overcome, and become more resilient.

In closing, may I once again thank you all to the ALMAC. I am grateful to the Hong Kong Trade Development Council and other event partners for braving the difficulties and making it happen. I wish you all an enjoyable and rewarding conference today. Thank you.