

Speech by STL at seminar on “Development of Hong Kong Shipping Registry and logistics opportunities associated with Greater Bay Area” in celebration of 25th anniversary of establishment of HKSAR (English only)

Following is the video speech by the Secretary for Transport and Logistics, Mr Lam Sai-hung, at a seminar on "Development of Hong Kong Shipping Registry and logistics opportunities associated with Greater Bay Area" in celebration of the 25th anniversary of establishment of the Hong Kong Special Administrative Region today (August 18):

Distinguished guests, ladies and gentlemen,

Good afternoon. I am delighted to join you all today, albeit virtually. This year marks the 25th anniversary of the establishment of the Hong Kong Special Administrative Region (HKSAR) of the People's Republic of China. This seminar is very timely for sharing with you the plan of the new-term HKSAR Government in promoting maritime and logistics development, as well as the immense opportunities in Hong Kong associated with the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

As an international logistics hub, our veterans on the air, sea and land fronts have been making the most tedious and hectic logistics planning. We take pride in our capability and efficiency of moving goods and people worldwide, even amidst challenges. Being one of the world's busiest transshipment container ports, serving some 270 container liner services a week and connecting to over 600 destinations worldwide, Hong Kong Port's throughput stood at around 18 million twenty-foot equivalent units (TEUs) in 2021, despite port congestion worldwide.

As the "super-connector" between Mainland China and the rest of the globe, our vast flight network reaching around 220 global destinations and highly efficient cargo services have to be named as well. Despite the prolonged impact of the pandemic and international trade disputes, cargo services at Hong Kong International Airport (HKIA) remains resilient. We moved around 5 million tonnes of cargo in 2021, representing a rise of around 13 per cent as compared to 2020.

Apart from our shipping and flight networks, Hong Kong is also connected to Mainland China by eight land crossings. The 55-kilometre-long Hong Kong-Zhuhai-Macao Bridge offers fast connections to the south-western part of China, and beyond. Time-sensitive and high-value goods will surely be

attracted to travel to HKIA via the bridge. I must add, the journey time from Zhuhai to our container port in Kwai Chung has been greatly reduced from 3.5 hours to 75 minutes since the commissioning of the mega bridge in 2018.

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Hong Kong, underpinned by our institutional strengths including premier geographical location, business-friendly environment, low and simple tax regime, the rule of law and independent judiciary, world-class infrastructure, an abundance of talent and, most importantly, the unparalleled advantages under the "one country, two systems" arrangement, will continue to serve as the ideal gateway between Mainland China and the world. Our inseparable ties with the Mainland and increasing participation in our country's rapid development will offer you invaluable access to the world's second largest economy.

It is noteworthy that our economic integration with Mainland China, as well as further development in our maritime and logistics industries, have been reinforced in the National 14th Five-Year Plan. In addition to offering staunch support for Hong Kong to enhance our status as an international maritime centre and international aviation hub, the Plan also firmly supports Hong Kong to promote modern service industries, logistics included, for high-end and high value-added development. In his important speech delivered at the meeting celebrating the 25th anniversary of Hong Kong's return to the motherland and the inaugural ceremony of the sixth-term HKSAR Government on July 1, 2022, President Xi raised "four musts" for the new administration, with one of them being the "must" to maintain Hong Kong's distinctive status and edge. Rest assured that the Central Government will continue to support Hong Kong to develop our maritime, aviation and logistics industries.

With a population of some 86 million and a combined GDP of about US\$1.7 trillion, which is largely equivalent to the ninth largest economy in the world, the Greater Bay Area is far too big and promising to ignore. With emphasis on enhancing the flow of goods, people, capital and information within the Greater Bay Area, the logistics trade will definitely have a more significant role to play. We have already seen the logistics industry, especially the cold-chain sector, benefitting from the fast-growing e-commerce trade and increasing demand for temperature-controlled and high-valued goods of the region.

In recent years, the HKSAR Government has introduced a wide range of measures for further advancement of our maritime and logistics sectors to facilitate both local and overseas companies with a presence in Hong Kong to tap into these enormous business opportunities. On the maritime front, we have been actively pursuing the smart port and green port initiatives to support the port development and improve port efficiency. We also foster high value-added maritime services, including ship registration, ship finance, ship management, marine insurance, and maritime legal and arbitration services, etc. To this end, we introduced new tax concessions for ship agents, ship managers and ship brokers last month (July 2022) on top of our existing preferential regime for ship leasing companies and ship leasing managers. Furthermore, to enhance services for owners of Hong Kong-registered ships residing abroad, we have set up Regional Desks of the Hong Kong

Shipping Registry in seven cities around the world, including the Singapore Regional Desk which was set up in 2020.

To underpin our logistics development, we are also actively taking forward the development of intermodal transshipment within the Greater Bay Area to facilitate the flow of goods within the region, making the best use of Hong Kong's extensive network and connectivity. This includes the establishment of the HKIA Logistics Park in Dongguan port under the sea-air intermodal transshipment initiative and the collaboration between HKIA and the Zhuhai Airport. Our airport's three-runway system, expected to be commissioned in 2024, will also further strengthen connectivity between Hong Kong, the Mainland and the world, as well as boosting the city's cargo handling capacity to 10 million tonnes annually.

Ladies and gentlemen, anticipating the rebound of the global economy from the epidemic, it is time to stay tuned for the opportunities presented to the logistics and maritime sectors by our country's development. Let me assure you, Hong Kong will always be your best partner in bringing your business to a new height.

In a moment, my colleagues will share with you in greater detail on how ASEAN (Association of Southeast Asian Nations) businesses can benefit from these opportunities via Hong Kong. You are also invited to join the Asian Logistics, Maritime and Aviation Conference, our annual flagship logistics conference, to be held on November 22 to 23 in Hong Kong either virtually or physically. The conference will deliberate on the new market opportunities arising from the Greater Bay Area and the region, as well as the future development strategies of the logistics, maritime and aviation industries.

Last but not least, I wish to share a piece of good news with you. Starting from last Friday (August 12), hotel quarantine days for inbound air passengers to Hong Kong have been reduced from seven nights to three nights, followed by four days of medical surveillance at home or hotel. As a step in the staged opening of Hong Kong, this is the shortest quarantine period for general travellers since the pandemic. We trust that this measure is a way of striking a balance between minimising the risks of COVID-19 transmission and welcoming our overseas friends to visit Hong Kong.

In closing, thank you for having me today. I wish you all a memorable afternoon and I look forward to seeing you all in Hong Kong in the near future. Thank you.