

2020 Policy Address – Suggestions on Logistics and Transport The Chartered Institute of Logistics and Transport in Hong Kong (CILTHK)

After due consultation from more than thirty (30) leading and sizeable companies in logistics and transport in Hong Kong and also other professional members in the Industry, CILTHK, as a learned and leading professional Institute, hereby would like to act on behalf of the strength of our over 1,800 professional members to furnish our suggestions on the 2020 Policy Address in relation to logistics and transport for the consideration of the Chief Executive.

Our suggestions for 2020 Policy Address on **transport** cover four main areas, they are:-

1. Comprehensive Transport Study;
2. Encouragement on the use of public transport;
3. Environmental sustainability and road safety;
4. Immediate measures for tackling traffic congestion.

While our suggestions for 2020 Policy Address on **logistics** cover another four main areas, they are:-

1. Greater Bay Area;
2. Leading initiatives for development of logistics;
3. Talent management;
4. Relief measures against impacts from Covid-19.

We would like to elaborate in details on our suggestions as follows.

Transport

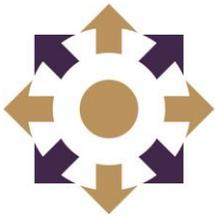
1. To conduct a Comprehensive Transport Study (“CTS”) for mapping out the mid-term and long-term transport development policy and strategies in Hong Kong and the Greater Bay Area, among others, the CTS is suggested covering the following key areas:
 - a. long-term planning on railway and road infrastructures;
 - b. allotment of lands for provision of transport infrastructures, public transport interchange facilities and car parks for various types of vehicle;
 - c. initiatives for encouraging the use of alternative energy for vehicles, for examples, hybrid, electricity and the like; and supporting facilities for such implementation, like sufficient and convenient charging points for electric vehicles;
 - d. development, gathering and application of big data for transport management and public convenience, especially the possible collaboration with private sector;
 - e. application of new and advanced technology for near-real-time response to traffic conditions, especially the related 5G applications;
 - f. consideration on issues relating to socio-economic behavior, privacy concerns and environmental impacts.



2. To encourage the use of public transport with the following consideration:
 - a. maintain multi-modal public transport services for the travelling public and devise viable business models to ensure sustainability of various major public transport services, including railway, bus, ferry, mini-bus, taxi and the like;
 - b. establish a mechanism to rapidly consolidate the provision of multi-modal public transport services in response to the changing in demand pattern especially during emergency situations, like at time of the outbreak of virus pandemic;
 - c. review pricing policy (in particular the cross-subsidisation concept) and sensible subsidy (including indirect or alternative means) to major public transport services for maintaining affordable fares to the public;
 - d. provide more convenient, environmentally-friendly and passenger-friendly public transport interchange facilities and bus-bus interchange facilities to encourage the use of public transport, especially the feeder services for the “last mileage connection”;
 - e. accord priority of trunk road usage to public transport vehicles during morning peak hours, and review the need for extension of the same arrangement at other road sections based on the justification of allowable minimum travelling speed of public transport vehicles;
 - f. set up a dedicated public transport fund from vehicular and road taxes for service quality improvement of public transport to attract the existing private car owners to switch to public transport services.

3. Issues on environmental sustainability and road safety
 - a. provide leadership and financial incentives to public transport operators for the use of clean and environmentally-friendly energy sources such as the facilitation of strategic collaboration between electric bus/e-mini-bus manufacturers and bus/mini-bus operators for large scale pilot run of electric double deck buses and e-public light buses;
 - b. provide more pedestrian-friendly connections in business districts to reduce vehicular traffic, explore collaboration with private developers for development of off-ground pedestrian connections;
 - c. provide comprehensive cycling tracks in newly developed areas with suitable supporting facilities (such as private locking facility for bicycles, parking facilities at critical points, etc.);
 - d. provide systematic approach and effective means for education to the public on road safety and their responsibility on road use (e.g., cyclist to observe the Road Traffic Regulations, jaywalkers to observe traffic signs and signals and the like);
 - e. stricter enforcement against improper driving behaviors, like priority at zebra-crossings, observance of lane use signals at highways and in vehicular tunnels, prohibition of using mobile phone when driving;
 - f. provide subsidy or set up a dedicated fund for public transport operators to enhance hygienic control of their vehicles and related facilities especially during Covid-19 or virus pandemic or the like.

4. Immediate actions to tackle traffic congestion
 - a. restraint on private car ownership and usage (by ways of raising first registration tax, licence fee, tunnel tolls, illegal parking fine, electronic road pricing and etc.);



- b. provision of sites for building multi-purpose depots / parking lots / loading & unloading facilities for bus, taxi, public light bus, goods vehicles and other commercial vehicles;
- c. stringent enforcement against road obstructions, including the deployment of smart transport technology for stepping up legal enforcement against on-street illegal parking and unnecessary road obstruction; increase the penalty charges for illegal parking;
- d. explore right timing for implementation of pilot scheme of the Electronic Road Pricing (ERP).

Logistics

1. Greater Bay Area (“GBA”)

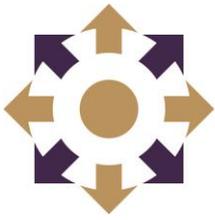
To facilitate collaboration with suitable partners and opportunities on business participation in the GBA, among others, suggest including:

- a. establish a steering committee or similar functional body for coordination of business development in the GBA with participation of business representatives and professionals from the Logistics Industry in Hong Kong;
- b. organise meaningful events for SMEs in Hong Kong to explore business opportunities in the GBA;
- c. devise policy and measures for shaping and positioning Hong Kong as one of the logistics hubs for the GBA;
- d. identify and adopt innovative technology to improve competitiveness of logistics services in Hong Kong;
- e. build logistics parks and bonded areas in Hung Wan (Zhuhai) and Pingshan (Shenzhen) respectively for exclusive use by Logistics operators of Hong Kong; provide supporting facilities such as “Green Channels” and “e-Lock Mechanism” for direct access to Hong Kong International Airport (“HKIA”) and Kwai Tsing Container Terminal (“KTCT”) to speed up customs clearance and boundary control.

2. Leading initiatives for development of Logistics

To establish the following leading initiatives to facilitate the development of Logistics Industry:

- a. help building technological infrastructures with adoption of latest technology, such as Internet of Things, Blockchain, artificial intelligence, deep learning and automatic warehouse with robotic applications for expediting information flow, money transfer and physical cargo flow and for enhancing operational efficiency;
- b. set up funding to encourage 5G applications for smart mobility and smart logistics;
- c. promote e-Commerce by establishing agreements under the Free Trade Agreements (“FTA”) with the Association of Southeast Asian Nations (“ASEAN”) countries with essential provisions for Logistics business through online trading;
- d. set minimum term of short-term tenancy to at least more than 7 years for the land lending to Logistics business to allow viable pay-back period on investment in logistics facilities;
- e. provide subsidy or incentive to encourage the employment of vehicles with environmentally friendly energy, such as electric vehicles; and provide sufficient and convenient supporting facilities, such as electrical charging points for such implementation.



15th September 2020

3. Talent Management
 - a. coordinate with professional institutions and logistics operators, especially the SMEs, to provide practical and essential training to their staff for enhancing their trade knowledge and skill sets for meeting challenges in the digitalisation era;
 - b. arrange and provide practical training to staff in the Logistics Industry for meeting requirements of the International Civil Aviation Organization (“ICAO”) and the Regulated Air Cargo Screening Facilities (“RACSF”).

4. Relief measures against impacts from COVID-19
 - a. Dedicated funding for SMEs in the Logistics Industry to alleviate their financial burden under current tough business environment;
 - b. Further enhancement to the D-Log Scheme in view of low approval amount in most cases.
 - c. Provide to each Logistics company, especially for those SMEs, a subsidy equivalent to two months of rental charge of its business operation area and related estate management fee;
 - d. All related fees and charges from the Government are to be reduced or exempted for another six months
 - e. Extend the arrangement of "repayment of interest but not principal" for half a year;

5. Extend the Employment Support Scheme (“ESS”) for another six months, covering employees at age of 65 or above and even without a MPF account.

Please contact the undersigned or our Institute for any areas of our suggestions that we are able to amplify further.

Thank you in anticipation for your kind consideration of our suggestions. Let us join hands to engineer a brighter future for Hong Kong.