



## 2021 Policy Address – Suggestions on Logistics and Transport The Chartered Institute of Logistics and Transport in Hong Kong (CILTHK)

The CILTHK is a learned and leading professional body in the logistics and transport industry in Hong Kong. We persistently expedite technology adaption and business development of our members for staying competitive in the industry and explore collaboration with Hong Kong Government in relation to its development in Hong Kong and the Greater Bay Area as well as the rest of the world.

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, the CILTHK hereby would like to act on behalf of its strength of over 1,850 professionals to furnish suggestions of logistics and transport for the consideration of the Chief Executive on your 2021 Policy Address.

Our suggestions on **transport** cover four main areas and they are:

1. Key issues on adaption of vehicles with alternative fuels;
2. Key issues on improvement of public transport services;
3. Key issues on improvement of road traffic flow;
4. Key issues on manpower maintenance for ferry service.

Our suggestions on **logistics** cover another four main areas and they are:

1. Balanced approach on resumption of brown field land;
2. Improvement of usage of the Hong Kong-Zhuhai-Macao Bridge;
3. Key issues on digital transformation and 5G applications;
4. Sensible leasing period of short term tenancy.

We would like to elaborate our suggestions in detail as follows:

### Transport

1. Key issues on adaption of vehicles with alternative fuels

We support the advocacy from the Government on the use of vehicles with alternative fuels (such as electric vehicle with lithium battery bank or electric vehicle with hydrogen fuel cell) for improvement of roadside air quality as well as for tackling climate change. But the Government shall provide a clear and detailed road map on the adaption of vehicles with alternative fuels in Hong Kong for the industry and the public to follow.

To expedite the fleet operators and the public on the adoption of vehicles with alternative fuels, we suggest:

- a. Provide support funding and financial incentives to entice fleet operators (such as bus operator and logistics company) to procure new vehicles with alternative fuels (such as battery bank or hydrogen cell) as the effect on improvement of roadside air quality from vehicle fleets is significant;



- b. Standardise or provide full options of charging system at all existing and new electrical charging stations to cater for charging service of all electric vehicles to relieve the teething problem on shortage of charging stations;
- c. Proactively devise mechanism on handling of abandoned electric battery banks to avoid the transfer of one environmental impact (roadside air pollution) to the other (waste pollution) as the nominal service life of a battery bank is only about ten (10) years, if not shorter. With the increase of popularity of electric vehicles, the amount of waste battery banks will soon be huge;
- d. Devise plan to provide training to the existing engineers and technicians in vehicle maintenance industry to help them overcome new technology migration and to ensure sufficient technical manpower to cope with repair and maintenance of new vehicles with alternative fuels;
- e. Devise safety guidelines for handling possible breakdown or fire outbreak of an electric vehicle to avoid electric shock (operating voltage of an electric vehicle can be few hundred volts) and fast spreading of fire outbreak (caused by lithium battery bank) as a secondary accident on roads.

## 2. Key issues on improvement of the public transport service

The bus services, both franchised buses and non-franchised buses, have a major role to play for daily transport. However, there are key issues that hinder the effective delivery of bus services, including:

- a. Out of about seven thousand (7,000) non-franchised buses in Hong Kong, only about two (2) percent are double deck buses. With the increase of service demand, we suggest the Government allowing flexibility for replacement of existing single deck buses by double deck buses to increase passenger capacity without increasing road occupancy;
- b. Allow some existing residential non-franchised bus services for reaching the High Speed Rail Terminus and the Hong Kong Port to improve direct connectivity;
- c. In view of the ageing population, devise policy, directives and financial incentives to bus operators on the design of their new bus fleets to cater for elders and passengers with wheel chair;
- d. Encourage the development of premium bus service to fulfill segmented customers for reducing private cars on roads.

In addition, we suggest the Government devising policy to embed multi-modal public transport service centre with pedestrian-friendly connection as part of property development conditions at some major sites undertaken by private investors.

## 3. Key issues on improvement of road traffic flow

We consider the following key issues are critical for improvement of road traffic flow, they are:

- a. The traffic choke problems in Kwun Tong and Tuen Mun have been existed for decades. With the transformation of Kwun Tong as part of a central business district and the opening of Tuen Mun-Chek Lap Kok Link located next to Tuen Mun traffic catchment areas, the traffic problems there are getting even more severe. It is time the Government has to face the problems and to execute comprehensive approach



- to overhaul the traffic flow in these two areas without delay;
- b. The planning on implementation of free-flow-tolling system at all vehicular tunnels and toll roads is sensible, especially its obvious merit of improvement of traffic flow. We suggest the Government speed up the launching of free-flow-tolling system at individual sites for full application of the same soonest possible;
  - c. Riding on the implementation of free-flow-tolling system and the opening of Central-Wanchai Bypass, it is high time to implement the first site on electronic road pricing as a pilot run to attest and review its effect on improvement of traffic flow.

#### 4. Key issues on manpower maintenance for ferry service

The ferry service is an indispensable part of passenger transport especially in areas without land access, but we note that there is ageing problem on manpower in the industry, especially the posts of ferry master and engineer are very hard to find young replacements even the existing ones have reached their retirement age. We suggest the Government proactively arrange related diploma courses at tertiary education institutes to those junior crew members or new comers for cultivation of new blood as successors in the ferry service.

### **Logistics**

#### 5. Balanced approach on resumption of brown field land

We fully understand the impatient need from the Government to resume part of brown field land for meeting the demand on property development. However, there are about twenty-six thousand (26,000) people, accounting for fifteen (15) percent of total employment in the logistics industry currently working on brown field land. The Government shall make due balance between the resumption of brown field land and the resettlement of logistics industry currently working there. The Government is suggested resettling the existing logistics business operation from brown field land to viable sites, such as in North New Territories and Tuen Mun West, well in advance before the resumption of concerned brown field land to ensure the impact to the workers of the industry to a minimum.

#### 6. Improvement of usage of the Hong Kong-Zhuhai-Macao Bridge

We consider that the following measures can help improve the traffic of Hong Kong-Zhuhai-Macao Bridge (the Bridge):-

- a. With the tighter collaboration between the Hong Kong Airport and the Zhuhai Airport, the Bridge can serve as main corridor for voyaging cargo and passenger between the two points. The Government is suggested devising measures for setting up a bonded corridor to facilitate effective movements of passenger and cargo between the two airports and to cut customs and immigration formalities to a minimum (such as the use of juxtaposed control);
- b. Offer concessionary tolls to the logistics and transport industry to encourage the use of the Bridge for traffic connection to the Greater Bay Area;
- c. The Government is suggested setting funding to encourage the industry to establish logistics parks in Zhuhai and Dongguan for handling of air cargo to and from the Hong Kong Airport through the Bridge and to help build the Hong Kong Airport as



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- one of the major China's global aviation hubs;
- d. We suggest the Government explore the Bridge as one of pilot test sites of driverless bus for shuttle bus service there.

7. Facilitation on digital transformation and 5G applications

We suggest the Government proactively work with the Greater Bay Area for establishment of a standard e-platform for logistics supply chain to facilitate effective data flow among the governments and other stakeholders in the industry.

The Government is also suggested establish special funding to help those SMEs in the industry for digital transformation and 5G applications, including e-payment systems of their daily operation.

8. Sensible leasing period of short term tenancy

The current leasing period of short term tenancy is only three (3) years. Such short leasing period deters the business planning and investment of the industry for setting up their business. We consider a more sensible leasing period of short term tenancy for facilitating viable business establishment and development in the industry is seven (7) years.

Please contact the undersigned or our Institute for any areas of our suggestion 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 in Hong Kong.