



21st February 2025

For Immediate Release

**The 2025-26 Budget – Key Suggestions on Logistics and Transport
The Chartered Institute of Logistics and Transport
in Hong Kong (CILTHK)**

After due consultation from Transport Policy Committee and Logistics Policy Committee, 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 key suggestions on the 2025-26 Budget in relation to the Industry for the consideration of the Financial Secretary.

1. Budget Deficit and Capital Works Projects

- Issue Toll Revenue Bond based on the revenues from Cross Harbour Tunnel, Eastern Harbour Crossing, Western Harbour Crossing, Aberdeen Tunnel, Lion Road Tunnel, Shing Mun Tunnel, Tate’s Cairn Tunnel and Tai Lam Tunnel (after reacquisition).
- Prioritisation: Slow down some capital works projects to minimise impact on transport and logistics development.
- Key Projects: Continue projects with significant economic benefits like the Northern Metropolis, Cross Boundary, and Airport-related projects.

2. Promotion of Public Transport

- Revenue Reinvestment: Use additional revenue from the Tai Lam Tunnel reacquisition to enhance public transport services.
- Mobility and Economic Development: Continue promoting public transport to improve mobility and stimulate economic activities.

3. Support for Logistics Development

- Land and Policy Support: Create more land and implement policies to support digital infrastructure and smart logistics solutions.
- E-commerce Integration: Facilitate the integration of e-commerce platforms.

4. Electric Vehicles (EVs) Initiatives

- FRT Concessions: Extend first registration tax concessions for EVs to March 2026, with a 40% reduction.
- Charging Infrastructure: Expand EV charging stations and introduce efficient charging technology.
- Commercial Fleets: Extend incentives for commercial vehicle purchases and develop a roadmap for charging infrastructure.



5. Sustainability Initiatives

- Carbon Footprint Reduction: Set targets for reducing carbon footprints across multi-modal transport operations and provide funding for sustainability initiatives.
- Net-Zero Target: Aim for net-zero electricity generation before 2050.

6. Low Altitude Economic Development

- Sandbox Projects: Allocate budget for sandbox projects and infrastructure upgrades at potential application sites.
- Dedicated Fund: Establish a fund to support corporate R&D, testing of UAV systems, vertiport technologies, certification programs, and commercial applications.
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- Prioritise projects with clear market potential and alignment with Hong Kong's smart city objectives.

7. Autonomous Vehicle (AV) Operation

- Licensing Requirements: Streamline licensing requirements and provide funding support for AV service commercialisation.

8. Trade Facilitation:

- Expand the Air Transshipment Cargo Exemption Scheme into a comprehensive Multimodal Transport Facilitation Framework.
- Focus on strategic commodities and combinations like road-air, sea-air, and road-sea.

9. Green Fuel Innovation:

- Implement a holistic alternative fuel strategy, including procurement channels for green fuels, development of bunkering infrastructure, adoption incentives, and support for local green fuel research.
- Establish clear transition timelines and create public-private partnerships for infrastructure development.

10. Aviation Enhancement:

- Strengthen the "Air Silk Road" with direct flight subsidies for new routes to the Middle East, Latin America, and Africa.
- Support with airport capacity optimisation, expanded bilateral air service agreements, and enhanced integration with Greater Bay Area airports.



11. Green Logistics Certification:

- Establish a Green Logistics Infrastructure Fund to support facilities compliant with LEED and BEAM Plus standards.
- Offer incentives based on certification levels and provide capital investment support for green retrofitting and renewable energy installations.

12. E-commerce Support:

- Transform the "E-commerce Easy" scheme into an advanced "E-commerce Global Connect" program.
- Extend coverage to emerging markets and incorporate cross-border payment solutions and digital marketing support.

13. Smart Transport Pricing Strategy:

- Implement dynamic toll reductions for electric commercial vehicles with time-based variations to encourage off-peak deliveries.
- Integrate with Smart City infrastructure and include automated toll recognition for green vehicles.

14. Pilot Subsidy Scheme for Third-party Logistics Service Providers (TPLSP):

- Expand supplier qualification criteria and ESG project scope.
- Relax restrictions to include qualified suppliers registered in Mainland China and other international markets with strong ESG credentials.

These combined recommendations aim to address budget constraints while supporting key infrastructure, sustainability, and economic development initiatives in Hong Kong. Please contact 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.



About The Chartered Institute of Logistics and Transport in Hong Kong

The Chartered Institute of Logistics and Transport in Hong Kong (CILTHK) is a major branch of The Chartered Institute of Logistics and Transport (CILT). The Chartered Institute of Logistics and Transport (www.ciltinternational.org) is an organisation with an established international pedigree with over 30,000 members working in over 100 countries. It was formed in the United Kingdom in 1919 and granted a Royal Charter in 1926.

CILTHK (www.cilt.org.hk) was set up in 1968 and is one of the CILT global chapters. CILT is presented worldwide and we all share the common cause to promote and advance the art and science of supply chain, logistics and transport. Currently, the membership of CILTHK is around 2,000 and broadly ranges from experienced senior manager to junior staff in the industries of shipping, logistics, airline, railway, road, public transport, government, educational institutes and consultancy. The Institute regularly organises professional programmes and activities for members, such as seminars, forums, conferences, technical visits; formulates and implements professional codes to ensure and uphold the professional standards in the industry.

Further Enquiry

Please feel free to contact 2866-6336 or by email at info@cilt.org.hk for any areas of our suggestions that we can amplify further.

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