



**The Chartered  
Institute of Logistics  
and Transport**

28<sup>th</sup> February 2017

Clerk to Panel on Development  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong

Dear Sir,

**Submission on Hong Kong 2030+ : Towards a Planning Vision and  
Strategy Transcending 2030**

**General comments**

**Necessity of Study**

Given the promulgation of the last review, "Hong Kong 2030: Planning Vision and Strategy" ("Hong Kong 2030") in 2007, we agree that it is about time to conduct a comprehensive strategic study to update the territorial development strategy planning strategy and spatial development directions beyond 2030.

**Importance of Transport and Logistics Industry in Hong Kong**

In Hong Kong, the transport and logistics industry is an important business sector. In 2015, the industry employed around 180,000 workers and contributed around 6.5% to Hong Kong's GDP. Due to the economic, social, environmental, technological and political evolutions, the transport and logistics industry in Hong Kong has been subject to different challenges in the recent years. In this connection, both the Government and the organisations concerned are required to put on extra efforts on land use and transport planning, in order to improve the livability of Hong Kong and reinforce its position as an international and regional transport and logistics hub.

**Integration of Land Use and Transport Planning**

For planning of new developments, we consider the Transit-Oriented-Development concept should be adopted. To spread out the demand, we consider that the extension of business nodes along the rail corridors should continue. Due to the shortage of land for development, we accept the reclamation of land in areas which being accepted by the general public. In any case, it is necessary for the implications of land development on transport be carefully considered. In the process, the transport efficiency should be optimized through the avoidance and reduction of need to travel and shifting of necessary trips to take environmental friendly modes.



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### **Comprehensive Transport Study**

In the light of the change in the local transport scene as a result of the opening of Hong Kong-Zhuhai-Macao Bridge, the opening of Tuen Mun - Chek Lap Kok Link, the inauguration of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the continual expansion of the local rail network in the coming years, the Government should consider carrying out a CTS type study upon completion of the 2030+ to provide a basis for formulating the future transport policies and strategies.

### **Smart Mobility**

The applications of technological measures in transport planning and operation are gathering momentum. In anticipation of further advancement in the field, we consider the Government should establish a Smart Mobility Framework to facilitate the development in an integrated and co-ordinated manner.

### **One-Belt-One-Road Initiatives**

Hong Kong is well positioned to serve as the “Super-Connector” and “Super-Service-Provider”. We sincerely hope that plans could be drawn up with a view to preparing Hong Kong to capitalise on the opportunities arising from the “One-Belt-One-Road Initiatives”.

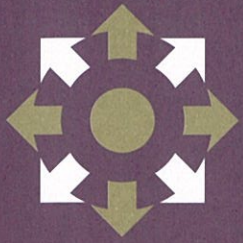
### **Specific Comments**

#### **Building Block 1 - Planning for a Livable High-density City**

We note that one of the focuses under this building block is to plan for "an integrated city with good connectivity and convenient access to facilities", "to reduce travel needs and lessen impacts on the environment" and that the key strategic direction is to promote physical and functional integrations with key actions in relation to connectivity, walkability, cyclability, accessibility and permeability.

With regards to ‘connectivity’, we have the following views :

- The land use-transportation optimisation model is well supported. The land use and transportation planning should work together to facilitate necessary people and goods movements while minimising journey times to reduce environmental impacts.
- Focus for the 3 major CBDs as advocated in the plans should be on enhancing their inter-connectivity and ease of movements for people and goods.
- While the mismatch of residency with employment should be improved, it would be unrealistic to plan on the assumption that people would live and work in their own district (i.e. the self-sufficiency concept of new towns as adopted in the past) and hence the focus should be to plan transport systems and services to facilitate ease of movements between the new town and the urban parts of the city for different activities. This would also echo the concept of



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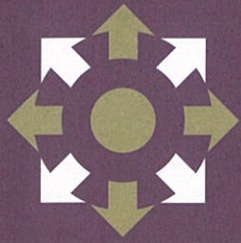
- vibrancy and diversity as advocated in the plans.
- The 'railway as backbone' concept is supported as a means of green transport for mass movement. Nevertheless, buses are also a type of mass transit and should be given due considerations in the planning field. Developments of bus rapid transit in other cities help improve the operational performance of buses while there are also new developments to improve their environmental performance.
  - While we accept the modal interchange concepts, there is a need to make provisions for the seamless interchange activities, be they physically, financially and economically. Success in intermodal coordination would require the provision of convenient and comfortable interchange facilities, reasonable fares for the total journeys with the removal of boarding charges for the second and other legs, as well as transport operators maintaining their sustainable developments with a fair revenue sharing system. All these would require new policy thinking and action plans.
  - One important issue with regard to road transportation is traffic congestion. Measures would have to be adopted to ease the congestion problems, whether they are related to vehicle growth, lack of parking and loading/unloading spaces, or road works, etc. Other than the transport policy in curbing traffic congestion, actions should also be taken on the other policy areas. The provision of sufficient off-street loading/unloading spaces is one of the actions required. In addition, the loading and unloading activities should be encouraged to take place during the off-peak. Enforcement policy is another. On the works side, there should be better means, such as adoption of common underground ducting, to minimise the need for road works caused by public utilities.

We support the provision of more pleasant pedestrian walking environments including but not limited to traffic calming measures, people movers, escalators, lifts, travellers, etc. to enhance walkability.

We also support the promotion of cyclability in new towns and new development areas. Other than the provision of good cycle tracks linking various different activity areas, the provision of adequate related facilities, such as bicycle parking spaces and their management, would need smart and innovative plans. In the process, target modal split for non-motorized transport should be set.

Accessibility should not be confined to providing better transport means for the disabled. Hong Kong is facing an aging population. A more comprehensive transportation plan for the disabled and the aged is urgently required.

Overall, we consider that the "Hong Kong 2030+" plan focuses mostly on building physical network and infrastructure. Issues such as illegal parking, rapid increase of



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car ownership, traffic congestion, difficulties in modal interchanges and integration, etc. are policy matters that would need to be addressed.

### **Building Block 2 – Embracing new economic challenges and opportunities**

We agree that the key directions under this Block should be sustaining the pillars, nurturing the high ends, and embracing the new and emerging logistics, bearing in mind the challenges as well as opportunities

- Specific to the pillars would be warehousing and distribution of FMCG (fast moving consumer goods) externally to meet overseas market demands which are intensifying, and internally to meet the business costs which are increasing and the competition from alternative logistics which is unprecedentedly menacing. Hong Kong has been a traditional hub for regional distribution and its position needs to be guarded or rather strengthened.
- The high ends would be cold chain logistics delivery with zero error in temperature and humidity control and total transparency of the entire logistics flow. With the increasing attention to food safety, safeguarding the quality of the chilled or refrigerated products in transit from “farm to table” has become the key differentiator in the competitive landscape of this logistics sector. Cold chain logistics (also named as temperature-controlled logistics) also encompass pharmaceuticals and medical/hospital equipment. Hong Kong has the know-how and experience and should be supported, with the involvement of the relevant government departments concerned, to capitalise on this opportunity area. Quality certification and/or logistics service accreditation, perhaps under partnership with the appropriate organisations, would be a rewarding industry spin-off from this logistics sector as well.
- The new and emerging would be e-commerce fulfillment, green logistics and Halal logistics deliverables. E-commerce has become a new business paradigm and its impact on the traditional SCM (supply chain management) is profound and irreversible. The 3 sets of stakeholder, the consumer, the manufacturer and the logistics service provider, each would need to re-orientate, if not transform, its modus operandi to meet the challenge. Hong Kong, with its inherent advantage of being a free port which is in effect a massive bonded warehouse, could become an overseas warehouse for China cross-border e-commerce.
- As regards green logistics, the extent of CSR (corporate social responsibility) compliance which includes environmental preservation would be another differentiator to Hong Kong’s overall competitiveness. Logistically speaking, the differentiation could range from use of packaging materials to means of transport to handling of return cargo. Contributions from the academic and research sector have yet to be translated into commercial viabilities for general adoption in logistics practices.



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- On the horizon is Halal logistics catering to the needs of the Muslim community. The handling of Halal food and its delivery domestically and across-the border would require special storage and distribution facilities.

We reckon that there is the internal dimension to the logistics planning for HK2030+, which is urban logistics. This would encompass the storage and distribution of FMCG for the massive domestic consumer sector, from the super markets to wet markets to department and chain stores. Currently, the efficiency is hamstrung by fragmentation due to resource constraint of land and labour. Strategy land use for logistics to enable clustering effect would greatly enhance the efficiency and cost saving potentials in this respect.

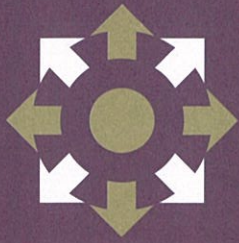
Furthermore, we reckon that air cargo security would be made mandatory with 100% X-ray screening and security checking, impacting on the current facilities in the HKIA area. To complement the current system, we proposed to utilise part of the land available at Tuen Mun Areas 40 and 46 for setting up an air-cargo X-ray screening and security checking infrastructure.

We agree that the availability of IT (information technology) and its continuous innovation would be indispensable to enhancing SCM efficiency and thereby, competitiveness to the logistics practitioners engaged in the mentioned pillar, high-end, new and emerging industry sectors. The upstream, midstream, and downstream would need to be fully integrated, with the outputs (brain children) from the research institutes readily embraced for production and helpfully made available to the user.

We welcome the Government's "Technology Voucher Program" operating under the auspices of the Innovation and Technology Commission, which aims to "subsidise the SMEs for the use of technological services and solutions to improve productivity, or upgrade or transform their business process". For those SMEs who cannot afford to build their own, the provision of a common e-platform to facilitate visibility and reduce the overall cost of mapping and connectivity should be considered. In any case, we opine the move in the right direction and the Government should explore more imaginative and aggressive measures in support of the logistics industry, in particular the SMEs.

We support the development of full-fledged "single window" beyond the GETS model so as to put all existing services including GETS, ROCARS and other handling of import / export documents under one roof. This would help to streamline the current complex process and improve the operational efficiency of all by the provision of one-stop electronic services.

We agree that there is the perennial shortage of labour at the front end of logistics operation in Hong Kong as well as IT personnel for the new and emerging logistics.



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The mis-alignment between our current education system and the changes in the local job market job has been earnestly discussed, with hopes of seeing structural changes under government leadership and public-private partnership soon.

We propose the conceptual spatial framework for the mentioned logistics undertaking in the attached plan (Annex I). Basically, we would like to witness a logistics network created along the Western Economic Corridor and Northern Economic Belt, with the complementarity of the land provision at Tuen Mun Areas 40 and 46 and the opportunity available on the Artificial Island at the Hong Kong end of the Hong Kong-Zhuhai-Macao Bridge.

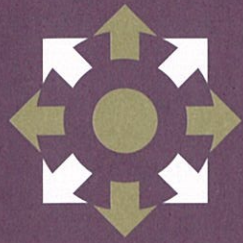
There is a growing popularity of the river trade to cater for the demand arising from transshipment. The Government's proposals of upgrading the Stonecutters Island PCWA to become a modern container handling facility and the enhancement of the existing berthing facilities at the River Trade Terminal are welcome. In this connection, the Government is urged to take action so as to put the improvement proposals into effect as early as possible.

Due to the continuous development of air transport, it is anticipated that the runway capacity for air craft landing and taking off in the Hong Kong Airport will not be able to meet the increasing demand even with the opening of the 3<sup>rd</sup> runway in the years to come. As air transport is crucial for the economy in Hong Kong and given the long lead time of airport development, we consider the planning of the 4<sup>th</sup> runway or a new airport should be initiated as soon as possible.

### **Building Block 3 - Creating capacity for sustainable growth**

We agree that "a well-balanced land use plan coupled with demand management measures could help optimize transport and infrastructure capacity" and that "the concept of a smart, green and resilient city should permeate all aspects of the build environment, from land use planning to transport, infrastructure and buildings to achieve a sustainable and future-proof city". To achieve these, we should not resort solely on supporting transport infrastructure. As mentioned above, there is a need to integrate land use planning with transport plans to minimise transport needs, the adoption of new IT technology to promote smart travel, and promoting the development of sustainable green transport. Provision of sufficient space for all related facilities, such as comfortable passenger waiting areas for interchanges between different modes, servicing and parking requirements, etc., are also important to their sustainable growth.

To maintain sustainability, we support that apart from promoting green-transport, the Government should encourage the use of public transport and avoid encouraging the use of private cars, no matter how green these private vehicles would be.



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There should be policy and planning provisions to take note of recent and future development of alternate green fuels and other environmentally friendly transport modes, as well as the related ancillary facilities. The government should facilitate the research and development of alternative fuel and new green transport modes before they are commercially viable to transport operators.

In sum, the provision of physical infrastructures is important but to ensure their sustainable growth, there is the need for related transport policy to promote the concept of green and smart travel and to support the healthy development of transport services.

The development of autonomous vehicles (V2V) is faster than expected. Together with the development of ICT (V2I) and the possible growing popularity of car sharing, it will bring significant changes to the transport scene. The Government should keep a close watch on the evolution and adopt appropriate measures to suit.

We hope that our above views would be given due consideration in the way forward.

Yours Sincerely,

Tsang Wing-hang

President

The Chartered Institute of Logistics and Transport in Hong Kong

# Proposed Allocation of Resource for Logistics Industry

