

ITEM FOR FINANCE COMMITTEE

**CAPITAL WORKS RESERVE FUND
HEAD 710 – COMPUTERISATION
Transport and Logistics Bureau
New Subhead “Development of Port Community System”**

Members are invited to approve the creation of a new commitment of \$215,082,000 for the development and implementation of the Port Community System to facilitate the digitalisation of Hong Kong Port and advance the development of smart port.

PROBLEM

In response to the digital transformation trend of the global shipping industry, the Transport and Logistics Bureau (TLB) needs to promote the digitalisation of Hong Kong Port (HKP) and advance the development of smart port, with a view to consolidating and enhancing the competitiveness of HKP and its international advantages as an international maritime centre, to better support the country’s development objectives and strategic goals.

PROPOSAL

2. The Secretary for Transport and Logistics, with the support of the Commissioner for Digital Policy, proposes to create a new commitment of \$215,082,000 for the development and implementation of the proposed Port Community System (PCS) to facilitate the digitalisation of HKP.

/JUSTIFICATION

JUSTIFICATION

Importance of Developing the Proposed PCS

3. The Central Government has explicitly expressed support for Hong Kong's status as an international maritime centre to better integrate into the country's development in the "Outline of the Fourteenth Five-Year Plan for the National Economic and Social Development and the Long-Range Objectives Through the Year 2035" and the "Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area". Furthermore, the Resolution of the Central Committee of the Communist Party of China (CPC Central Committee) on Further Deepening Reform Comprehensively to Advance Chinese Modernization, approved at the Third Plenary Session of the CPC Central Committee in July 2024, emphasised that Hong Kong has to fully capitalise on the institutional advantages of "One Country, Two Systems" to strengthen and enhance its status as three centres, including as an international maritime centre.

4. Hong Kong has been a leading international maritime centre due to its strategic geographical location, unique advantages under "One Country, Two Systems", free economic system and extensive experience in international business. In particular, the port business is an important asset developed by Hong Kong over the years. In light of the complex geopolitical landscape, changes in the macro-economic circumstances and intense competition among ports within the region in recent years, Hong Kong must strive to consolidate the international advantages of HKP, connect with the world and continuously enhance the competitiveness of HKP as well as the global influence as an international maritime centre, so that the international shipping industry would find it inevitable to consider HKP even amidst rapidly changing circumstances, thereby supporting the country's strategic goal of becoming a leading maritime power.

5. Digital transformation is an important trend in the global shipping industry and will continue to shape its future. Consequently, port digitalisation has emerged as a key indicator of international shipping centres. In recent years, various ports around the world (including those in the Mainland, Singapore and the Netherlands) have been developing digital systems for interconnection and interoperability of data among various stakeholders on a unified platform. It is necessary for Hong Kong to develop a similar system as well as fully and rapidly promote the digitalisation of the maritime, port and logistics industries, so as to maintain the important position of HKP in the global shipping community amid fierce global competition. Following the promulgation of TLB's Action Plan on Maritime and Port Development Strategy (Action Plan) in December 2023, which

/proposed

proposed the development of the smart port, the Chief Executive announced in the 2024 Policy Address that the Government would complete the installation of PCS in 2025 to facilitate information sharing among stakeholders in the maritime, port and logistics industries.

6. The proposed PCS is an important digital infrastructure that connects Hong Kong's local industries, facilitates Hong Kong's connection with the Mainland and international shipping community, as well as facilitates trade and capital flows. Locally, the proposed PCS will use maritime transport as the foundation and link up Hong Kong's sea, land, and air cargo transport information. Combined with the city's comprehensive multimodal transport network, PCS will enable a fully transparent cargo delivery process, promote rapid and accurate logistics operations, and provide innovative opportunities and new momentum for businesses¹. In terms of connecting with the Mainland and international shipping community, the proposed PCS will connect with Mainland customs to offer import and export declaration services, and additional functionalities (see paragraph 15 for details) will be explored. It will also create conditions for Hong Kong to connect with other ports and global shipping business data platforms in the future, positioning Hong Kong closely to the core of the shipping digital ecosystem. In addition, the proposed PCS uses blockchain technology to record cargo flows, which can reflect trade and capital flows. The resulting information transparency and reliability can reduce financing costs and create new opportunities for the financial industry, thereby enhancing Hong Kong's status as an international shipping, trade, and financial centre (see paragraph 16 for details). Both local and international stakeholders in the maritime, port, and logistics sectors recognise that the Government's leading role in the project will significantly bolster the industry's confidence and trust in the prospect of the proposed PCS, which is essential for advancing port digitalisation.

7. To consolidate and enhance Hong Kong's status as an international maritime centre, the Government, together with the industry, will strengthen regional collaboration and global connections, promote the use of HKP by "vessels", "cargoes" and "destinations" from around the world, and enhance the competitiveness of the entire Greater Bay Area (GBA) port cluster through complementary strengths. As and when the installation of the proposed PCS is completed by December 2025, the Government will work closely with local and

/overseas

¹ The process of transporting goods through ports involves multiple stakeholders, including importers and exporters (cargo owners), warehousing companies, trucking firms, freight forwarders, shipping agents or companies, port terminal operators, and water freight providers (such as barges). Currently, HKP lacks a unified information technology (IT) system or platform that allows all parties to exchange information regarding the delivery status of the same batch of goods. While some companies have developed their own systems to provide cargo tracking services to their customers, these services often only cover certain legs in the cargo delivery process or cater for the company's direct counterparts, rather than encompassing all stakeholders involved in the entire delivery process.

overseas industries to fully unleash the potential of the proposed PCS. We will strive to increase industry participation, and speed up the use of the proposed PCS to connect with other ports across the country and the world as well as global shipping business data platforms, so as to accelerate the development of HKP through digitalisation, including –

- (a) To establish a robust three-dimensional “rail-sea-land-river” intermodal transport system with the Mainland – Hong Kong has been actively developing featured multimodal transport products with the Mainland in recent years. For example, by leveraging complementary advantages of the routes of HKP and Yantian Port, the “Chongqing-Shenzhen-Hong Kong Scheduled Freight Train” was launched in August 2024, shortening the transportation time from Chongqing to Yantian from five days to two days, and enabling goods from Chengdu and Chongqing to reach Hong Kong within three days. The industry has also implemented the “Kwai Yan Connect” which connects Yantian Port with Hong Kong’s Kwai Tsing Container Terminals through barge services provided at concessionary prices, making this an example showcasing collaboration between Hong Kong and the ports in GBA. The “Chongqing-Shenzhen-Hong Kong Scheduled Freight Train” plus the “Kwai Yan Connect” will help Chongqing evolve into a “sea-rail transport” logistics hub, and showcases GBA’s ability to serve the entire country. Moreover, a daily liner service between Hong Kong and Guangxi Beibu Gulf has been launched, connecting HKP to the “New Western Land-Sea Corridor”. Going forward, we plan to develop “river-sea transport” and strive for establishing direct river routes with Hubei and other regions. Additionally, efforts will be made to create “inter-provincial land-sea/land-air transport” links between Hong Kong and provinces such as Guangxi, Hunan, Jiangxi, and Fujian to expand cargo sources.
- (b) Expanding new markets and developing a premium port brand – In recent years, the container throughput between Hong Kong and Latin America as well as Oceania has increased despite broader market trends on decline. The Government will collaborate with the industry to explore opportunities for expanding new markets in Latin America and Oceania while maintaining stability in our traditional markets. Moreover, Hong Kong’s advantages as a free port, coupled with fast customs clearance and high efficiency, position it well for building a premium port brand (a notable example is the “cherry express”, which allows cherries shipped from Chile to Hong Kong to reach the wholesale market in southern China within a few hours). The industry in Hong Kong will continue to seek business opportunities and explore expanding this model to other cold chain goods.

/(c)

- (c) Strengthening the role as a transshipment hub – In the face of major changes in the international economic and trade landscape, major restructuring of shipping lines and decline in cargo throughput at HKP, we need to secure more transshipment cargo for HKP through reforms, so as to consolidate Hong Kong’s position as an important transshipment hub in the region. To this end, TLB will work with relevant policy bureaux to study the amendment of local laws to relax the import and export licensing requirements for transshipment cargo, thereby facilitating the transshipment of cargo through Hong Kong, enhancing the competitiveness of HKP’s “water-to-water transshipment” business, and attracting more shipping companies to call at Hong Kong.

Functions of the Proposed PCS

8. The proposed project involves establishing a central data exchange platform (including web version and mobile application version) that provides basic functions for goods transported through HKP, namely cargo tracking, real-time transportation information and analytical alerts (i.e. items (i) to (iii) as outlined below). In addition, it will also provide value-added electronic service functions (i.e. item (iv) as outlined below). TLB will, in response to industry feedback, keep the design and functionality of the proposed PCS under review taking into account the latest developments during the implementation of the project and make adjustments as necessary. Details of each function are provided below.

(i) *One-stop round-the-clock real-time cargo tracking*

9. After logging in the proposed PCS, users can input cargo’s ocean bill of lading number². Thereafter, the proposed PCS will utilise artificial intelligence technology to map the ocean bill of lading number with big database and employ blockchain technology to compile, create and store the following real-time information on the goods shipped through HKP –

- (a) vessel name, vessel location, and departure and arrival times (including the location of the cargo in other parts of the world before or after its arrival at HKP);

/(b)

² The ocean bill of lading number comprises both the master bill of lading number and the house bill of lading number. Generally, apart from large traders, freight forwarders, shipping agents and shipping companies, other parties (such as small and medium-sized traders) typically have only the house bill of lading number. Currently, the cargo tracking systems of shipping companies primarily utilise the master bill of lading number, which means that individuals having only the house bill of lading number cannot track their cargo’s status through these systems. The proposed PCS would enable the holder of both the master and house bill of lading numbers (usually a freight forwarder) to input the two sets of numbers for the system to match them, thereby enabling other persons who only hold the house bill of lading number to track the status of the goods based on the house bill of lading number alone.

- (b) container release status at terminals (including the release status of the cargo at other ports around the world before or after its arrival at HKP); and
- (c) reefer container temperature (initially only applicable to Hong Kong container terminals).

10. Additionally, if the user enters the customs declaration number, they will be able to view the customs clearance status (initially only applicable to Mainland customs³).

(ii) Linking up sea, land and air transportation information

11. The proposed PCS can link up the relevant parties responsible for sea, land and air transportation in the cargo delivery process and support the development of multimodal transportation. Relevant parties with access rights can access transportation information for goods at respective stages within PCS, and can also upload their information for sharing with other persons to keep other relevant parties in the transportation process informed. For instance, the relevant party may accurately arrange the collection and subsequent logistics processes according to the arrival time of the goods.

12. For information exchange on sea transportation, please refer to paragraph 9 and we will not repeat it in this section. For land and air transportation –

- (a) Land transportation – The proposed PCS will generate a QR code for each shipment to facilitate identification of the shipment by land stakeholders. When the truck driver picks up the goods at the terminal, he can activate location tracking through the mobile application of the proposed PCS, allowing real-time transmission of the truck's location to other parties. Upon arrival at the warehousing company, the truck driver can present the QR code on his mobile application for the warehouse staff to scan and confirm, allowing all other relevant parties to know that the goods have been properly stored in the warehouse.

/(b)

³ The proposed PCS can utilise the Mainland Customs declaration number entered by the user to access the Mainland's big database and provide real-time customs clearance status information. In the future, TLB will explore the possibility of connecting to similar big database to offer real-time customs clearance status in regions with frequent cargo transportation to and from HKP. In Hong Kong, individuals are only required to submit an accurate and complete import/export declaration within 14 days of importing or exporting items, hence the need for checking the real-time customs clearance status is relatively low.

- (b) Air transportation – Users, such as freight forwarders or cargo owners, can input the air waybill number into the proposed PCS, which can then connect with airlines’ data systems to track the time when the cargo is boarded, departed and arrived at the destination in real time.

(iii) Analysis and alert function

13. The proposed PCS will possess analysis and alert functions for sending notifications to users in the following specific situations so as to enable them to manage the issues and take appropriate follow-up actions in a timely manner –

- (a) delays in vessel schedules (which therefore necessitate adjustments in the timing for picking up and warehousing goods in subsequent transportation processes);
- (b) deviations in the temperature of reefer containers from the standard range (which therefore require express handling and attention on the impact on the quality of cold chain goods); and
- (c) delays in the pick-up of containers from terminals (which therefore require immediate arrangement of collection and attention to potential additional warehouse rental charges).

(iv) Value-added electronic services

14. The proposed PCS will employ a modular design with technical interfaces reserved for subsequent additional value-added electronic services, which will give users additional options to provide greater convenience to them.

15. The first value-added electronic service confirmed to be provided is the One-Data-Multiple-Declarations (ODMD) function, which can facilitate the making of import/export trade declarations for goods by users (usually cargo owners). The ODMD function will automatically extract cargo information inputted in the proposed PCS and automatically complete the trade declaration forms to be submitted to the Hong Kong Customs and Excise Department and the China International Trade Single Window for user review and submission (more locations will be explored to be covered in future). Subsequently, users will receive official customs declaration numbers and results through the proposed PCS. Stakeholders in the maritime and port industries have also suggested exploring the potential for the proposed PCS to provide a pre-filling and pre-submission function for ocean manifests for ships travelling between Hong Kong and the Mainland. TLB will actively follow up on this suggestion.

16. Moreover, based on TLB's previous discussions with stakeholders, practitioners in the logistics, supply chain management, and financial sectors are of the view that since the proposed PCS uses blockchain technology to record cargo flows, which ensures the integrity and tamper-proof nature of the data, the cargo flow information will be highly reliable and has significant potential to be used for providing financial facilitation services. For instance, since the data can accurately reflect the business status of trading companies, it may reduce the costs and time associated with trade financing. TLB will initiate a study in 2025 to explore how to make good use of the proposed PCS for providing related services and other value-added electronic services.

Operating Arrangements of the Proposed PCS

17. The maritime and logistics industries have deliberated on the establishment of a data exchange platform for many years. While there is a consensus on the necessity of promoting information interconnection and interoperability in the industries, they are very concerned about data security and protection due to the commercially sensitive nature of cargo trade data. Therefore, the industries have major reservations about any institution with a commercial background in the market participating in the operation of the system.

18. Taking into account the views of the industries, TLB will lead the project and plans to partner with the Logistics and Supply Chain MultiTech R&D Centre (LSCM)⁴ for the latter to assist in the development and management of the system. Under the collaboration model proposed by both parties, the Government will provide funding and policy steer, while LSCM will provide proof-of-concept prototype⁵ it previously developed for the proposed PCS to support the project and leverage its long-established relationships with the logistics and maritime industries and its professional expertise to contribute to the project's success. When LSCM was developing a proof-of-concept prototype for the proposed PCS, it actively leveraged its close relationship with the industry for tapping the industry's wisdom, and built a system prototype suitable for use by the Hong Kong industry. In the regard, LSCM has fully demonstrated that it is reliable and trusted by the industry in terms of professional technical capabilities, execution efficiency, data and information security and protection, etc. The industry expresses a strong desire for the PCS to be managed and operated by a neutral organisation without conflicts of interest, and the above operational

/arrangement

⁴ LSCM is established with the funding from the Innovation and Technology Fund of the Innovation and Technology Commission and co-organised by the University of Hong Kong, the Chinese University of Hong Kong and the Hong Kong University of Science and Technology. It is committed to promoting the development of logistics, supply chain management and e-commerce in Hong Kong, promoting innovation and technology in Hong Kong, and enhancing the productivity efficiency of the industry.

⁵ The development cost was funded by the Innovation and Technology Fund.

arrangement and collaboration model are accepted by the industry. We believe that since LSCM has independently developed and mastered the application of the technology to build the proposed PCS based on the specific requirements of the industry, partnering with LSCM for it to assist the Government in developing and managing the proposed PCS will ensure the effective and quick implementation of the project and allay the industry's concerns. LSCM will adopt fair, equitable and competitive procedures when purchasing equipment required for the project, including opening up the bidding process to suppliers at home and abroad to ensure optimal use of public funds.

19. Once the development of the proposed PCS is completed, it will be open to interested companies for application to use. Applicants will be issued with a user login name and password after completing identity verification. The proposed PCS will also support users in using the "Digital Corporate Identity" login system which the Digital Policy Office (DPO) expects to gradually roll out by the end of 2026, facilitating users to perform corporate identity authentication and digital signing functions. For cargo-related information uploaded by users to the proposed PCS, the proposed PCS will strictly ensure that the information is only accessible to those users who have been given authorisation by the data owner (i.e. the user who inputted the data).

20. The proposed PCS is designed to be able to co-exist with enterprises' existing systems and is not intended to replace them. If an enterprise currently uses its own IT system, the proposed PCS will allow interface with the enterprise's existing system through an application programming interface, allowing data from the enterprise's existing system to be uploaded to the proposed PCS, and data from the proposed PCS to be downloaded to the enterprise's existing system.

21. To enhance project monitoring, TLB will establish a Project Steering Committee to be chaired by a Deputy Secretary for Transport and Logistics with membership including a directorate officer from DPO, among others, to regularly review the implementation of the project. TLB will engage an independent consultant in accordance with DPO's guidelines to assist in monitoring the PCS's implementation work. TLB will conduct relevant security risk and privacy impact assessments during the system design stage to identify and address potential cybersecurity and privacy issues in the proposed PCS at an early stage and ensure that the system design incorporates appropriate and sufficient safeguards. Before the launch of the proposed PCS, an independent third party will be engaged by TLB to conduct additional stress testing and security testing to ensure that the proposed PCS operates safely and reliably.

/Expected

Expected Benefits

22. The proposed PCS is expected to serve approximately 50 000 users⁶. Drawing on the experiences of other port cities that have implemented a similar system, TLB expects that the proposed PCS will significantly enhance the operational efficiency of the maritime and logistics sectors. Using the Netherlands' case as a reference (given its comparable level of port throughput to Hong Kong⁷), studies indicated that their implementation of their system (i.e. Portbase) has generated substantial economic value and efficiency for local businesses, resulting in a reduction of approximately 30 million phone calls, 100 million emails, and 30 million truck kilometres travelled. The cumulative value added to these companies is estimated at around 345 million euros per year. TLB expects that the proposed PCS may deliver similar economic benefits to Hong Kong's maritime and logistics industries as well as enhance the competitiveness of HKP and consolidate Hong Kong's status as an international maritime centre.

FINANCIAL IMPLICATIONS

Non-recurrent Expenditure

23. The estimated non-recurrent expenditure for the proposed PCS for the period from 2025-26 to 2028-29 is \$215,082,000. The breakdown is as follows –

	2025-26	2026-27	2027-28	2028-29	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Cloud Services	2,000	6,200	6,500	6,500	21,200
(b) System Implementation Services	22,606	65,514	51,110	30,879	170,109
(c) IT security related services	820	500	1,000	500	2,820
(d) User training	400	500	300	200	1,400
(e) Contingency	2,582	7,272	5,891	3,808	19,553
Total	28,408	79,986	64,801	41,887	215,082

/24.

⁶ For reference, currently, there are approximately 90 000 maritime, logistics, and trading establishments in Hong Kong, indicating that the proposed PCS can potentially be utilised by more than half of the establishments in the relevant industries. Since the entities using HKP for transporting goods and involving in the delivery process may not exclusively be Hong Kong establishments, TLB does not rule out the possibility of non-local companies using the system as well.

⁷ In 2023, the container throughput of the Netherlands was 14.9 million twenty-foot equivalent units (TEUs), while Hong Kong's throughput was 14.4 million TEUs.

24. On paragraph 23(a) above, the estimated expenditure of \$21,200,000 is for the engagement of service provider to provide data hosting and network security services on the cloud system, as well as installation and configuration services for the cloud platform utilising the Government Cloud Infrastructure Services (GCIS) after the relevant vetting procedures are completed. The aforementioned network security services in all stages include protection services against Distributed Denial of Service (DDoS) attacks⁸.

25. On paragraph 23(b) above, the estimated expenditure of \$170,109,000 is for LSCM to develop the PCS and procure the necessary system hardware equipment, as well as installation, configuration and maintenance services, etc.⁹

26. On paragraph 23(c) above, the estimated expenditure of \$2,820,000 is for security risk assessment and audit, privacy impact assessment, IT security monitoring and system testing services, etc.

27. On paragraph 23(d) above, the estimated expenditure of \$1,400,000 is for the production of user training materials.

28. On paragraph 23(e) above, the estimated expenditure of \$19,553,000 represents a 10%-contingency on the cost items set out in paragraph 23(a) to (d) above.

Other Non-recurrent Expenditure

29. TLB will establish a project management team for the development and installation of the proposed PCS to support the relevant supervisory work of project implementation. The project will entail a non-recurrent staff cost of \$17,092,000 from 2025-26 to 2028-29, which will be absorbed by the existing resources of TLB.

/Recurrent

⁸ A DDoS attack is a prevalent malicious tactic that inundates a target server or its surrounding infrastructure with excessive Internet traffic, effectively disrupting the normal traffic flow to the target server, service, or network. Implementing network protection services against DDoS attacks can significantly enhance the system's network defences, rendering such attacks ineffective.

⁹ Of the total amount allocated for this item, approximately 60% is for the salaries of the team at LSCM, while about 40% is allocated for the purchase of hardware equipment, as well as installation, configuration, and maintenance services, etc.

Recurrent Expenditure

30. The estimated recurrent expenditure for the proposed PCS will be \$26,776,000 per year starting from 2029-30¹⁰. The recurrent expenditure mainly covers hardware and software maintenance, communication networks, cloud services and system maintenance. The breakdown is as follows –

	From 2029-30 \$'000
(a) Hardware and Software Maintenance	2,034
(b) Communication Networks	414
(c) Cloud Services	6,728
(d) System Maintenance	17,600
Total	26,776

31. On paragraph 30(a) above, the annual estimated expenditure of \$2,034,000 is for the provision of hardware and software maintenance and software licence fee to support the IT infrastructure and systems.

32. On paragraph 30(b) above, the annual estimated expenditure of \$414,000 is for the provision of network equipment maintenance and rental of computer network communication lines.

33. On paragraph 30(c) above, the annual estimated expenditure of \$6,728,000 is for the cloud service and cyber security fees of the GCIS, including network protection services against DDoS attacks.

34. On paragraph 30(d) above, the annual estimated expenditure of \$17,600,000 is for hiring service providers to provide system maintenance service.

35. TLB will launch a study in 2025 to explore ways to make the best use of the proposed PCS to generate fiscal revenue, including charging fees on a “user pays” principle to support the system’s future recurrent expenditure in a sustainable manner.

/IMPLEMENTATION

¹⁰ On the assumption that the proposed PCS will continue to follow the operating mode during the implementation period of this project.

IMPLEMENTATION PLAN

36. Upon completion of the development and installation of the proposed PCS in 2025, it will be rolled out in phases from 2026, with a view to expanding the infrastructure capacity/functionality to support more users in a steady and orderly manner. During the course of building the proposed PCS, TLB will also actively promote the system to stakeholders in the maritime and logistics industries, emphasise the benefits of the system when explaining to the stakeholders and encourage them to seize the business innovation opportunities it brings. The implementation timetable¹¹ is as follows –

Major Milestone	Target Date
(a) System development and integration testing	November 2025
(b) Completion of system installation	December 2025
(c) System roll-out and provision of basic functions and value-added electronic services	From January 2026

PUBLIC CONSULTATION

37. TLB consulted the Legislative Council Panel on Economic Development on the above funding proposal on 4 March 2025. Members supported the proposal and its submission to the Finance Committee for funding approval.

Industry Consultation

38. After approximately two years of trial operation, feedback from the industry has been overwhelmingly positive. Stakeholders agree that the proposed PCS has the potential to deliver significant economic benefits to both the industry and Hong Kong as a whole, and they widely support the Government to fully implement the proposed PCS as soon as possible.

39. In addition, TLB has briefed about 30 industry groups and enterprises since the fourth quarter of 2024 to introduce the proposed PCS, which has received widespread support. The industry has clearly indicated its endorsement and looks forward to the prompt implementation of the proposed PCS to address the current

/fragmentation

¹¹ TLB will strive to accelerate the implementation schedule of the proposed PCS based on the actual progress of the project and the level of industry acceptance. After 2027, additional value-added electronic services will be introduced to the proposed PCS progressively to enhance connectivity with other port systems, both on the Mainland and internationally.

fragmentation of information within the sector and to elevate Hong Kong's maritime, port, and logistics operations to a new level. Additionally, over 20 industry leaders participated in the production of a promotional video, demonstrating their support for the project through their active involvement.

BACKGROUND

40. The Hong Kong Maritime and Port Board established a task force in September 2021, where industry representatives affirmed the necessity for Hong Kong to advance the development of smart ports. LSCM has been invited, through the then Transport and Housing Bureau, to conduct research and development. Subsequently, LSCM has prepared a proof-of-concept prototype of the proposed PCS in early 2023. It has also established a working group comprising over 10 industry organisations to invite industry professionals to participate in phased trials of specific cargo delivery processes, and continuously collect industry opinions and optimise the design in the process. As of the end of 2024, a total of 116 companies participated in the pilot program, tracking 647 shipments of goods and 1 036 containers (all real freight cases), covering transportation processes such as local imports, cross-border transportation, cold chain tracking, export full container and less than container load, and multimodal transport of sea and air transshipment.

41. TLB promulgated the Action Plan in December 2023, highlighting that the Government would actively promote the development of the smart port as one of the strategies to enhance port competitiveness. Specifically, a digitalised PCS that facilitated the flow and sharing of data among the maritime and port industries would be developed. In the 2024 Policy Address, the Chief Executive announced that the Government would complete the installation of the PCS in 2025 to enable the flow and sharing of data among stakeholders in the maritime, port and logistics industries to enhance port competitiveness. The development of the PCS marks a significant milestone in the digitalisation of HKP. By establishing digital connections among Hong Kong, the Mainland, and global shipping communities, this initiative will facilitate smoother trade flows and capital flows. It will also enhance Hong Kong's global influence as an international maritime centre, aligning with the country's strategic goal of becoming a leading maritime power. TLB will lead the project and proceed at full speed.