

## LOGISTICS POLICY SUB-COMMITTEE

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### **THB Consultation-Proposals for Enhancing the Use of Port Back-Up Land in Kwai Tsing**



On 10 June 2015, THB released proposals and invited stakeholder views on measures to make better use of the land in response to the increasing concentration of container cargo at KTCT. The proposed measures include the integration of some of the land into the terminal area in order to increase yard space and barge berthing facilities to enable more efficient processing of increasing levels of transshipment cargo.

The THB also proposed the feasibility of creating multi-storey facilities on suitable port back-up sites be explored. Such facilities would be utilized for vehicle parking or storage or consolidation, and could release more land to support port operations and future development.

HAFFA has responded on 29 July 2015 by welcoming the plans as a positive first step towards enhancing cargo handling capacity and operational efficiency. However, while urging the immediate implementation of the new initiative, we also appealed to the Government to seek a long term solution to the issue of congestion at the Kwai Tsing Container Terminals (KTCT).



In our response, we expressed appreciation of the THB proposal as well as the Government's recognition of the need to alleviate the problem of land shortage and port congestion. However, we also voiced concern that the current proposal, if implemented, would only ease the current problems in the short term, increasing the yard-to-berth ratio from the current 11.6 to 12.4, still far below the international standard of 25.



According to the findings of the Study on the Strategic Development Plan for Hong Kong Port 2030, Hong Kong Port (HKP) will continue to see container throughput growth of 1.5 percent annually to 2030. Therefore, we urged the Government to explore more forward thinking proposals to relieve congestion without delay.

We also reiterated our concerns, first raised a decade ago, regarding the serious shortage of and resulting high rental costs of suitable warehouse space. Moreover, the cost differential for drayage / trucking and terminal charges between Shenzhen and Hong Kong is approximately USD350.00 per TEU, which is significant for shippers. Therefore, the provision of low-cost land is essential for the Hong Kong logistics industry to maintain its competitiveness as a regional logistics hub.

Due to the fact that a substantial number of landlords in the North East New Territories have terminated tenancy agreements with container field stations and vehicle parking sites for the purpose of developing a Border Shopping Centre, there is a high and immediate demand to provide additional spaces or back-up land to replace the lost facilities. In addition to the THB proposals relating to the back-up land at KTCT, we appealed to the Government to identify additional sites such as those at Lantau North (Siu Ho Wan), Tuen Mun West, Tsuen Wan, Tsing Yi and Kwai Chung.

### **Joint industrial petition to expedite the release of reserved 10 hectares of land in Tuen Mun West for high value-added logistics development**

Members may realize that the Government has reserved altogether 10 hectares of land in Tuen Mun West (Areas 38 and 49) for high value-added logistics development, and findings of the related Traffic Impact Assessment have been reported to the District Council. In view of the situation that some Tuen Mun residents hold strong reservation in building logistics facilities, there is a chance that the proposal may not be endorsed by the District Council. If so the reserved site cannot be released timely to mitigate the problem of insufficient land for logistics use.

Initiated by the Hon. Frankie Yick, Legislative Councilor, a joint industrial petition was held on 24 April 2015 right before the meeting of the Working Group on Development and Planning of Tuen Mun District (屯門區發展及規劃工作小組) in which the 10-hectare reserved site was discussed.

倉租升 物價揚  
中下層 首遭殃

物流與民生  
你我密不可分

物流乃專職  
環保又增值

土地缺  
租金高

快批地  
莫遲疑



The four participating industrial parties are:

- HAFFA
- Hong Kong Association of Aircargo Truckers (HAAT)
- Hong Kong Logistics Association (HKLA)
- The Chamber of Hong Kong Logistics Industry (CHKLI)

Slogans and banner were used, and a joint letter was tendered to Dr. the Hon Lau Wong-fat, GBM, GBS, JP (劉皇發議員), Convenor of the Working Group during the petition. Member may download the joint letter (Chinese version only) from <http://www.haffa.com.hk/files/PetitionJointLetter.pdf> for reference.

We are glad to learn that our joint efforts have effectively urged the District Council to endorse the proposal so as to expedite the release of the reserved land.



*Date: 19 April 2016*

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