

Attn: Shipping, Logistics, Business & News Editors

Impact of Government E-Cigarette Land Transshipment Ban Cuts Total Hong Kong Air Export Volume by 10%

The Hong Kong Association of Freight Forwarding and Logistics (HAFFA) had an emergency meeting today (September 9, 2022) with industry organisations, Deputy Financial Secretary Mr. Michael Wong Wai Lun, GBS, JP, Secretary for Transport and Logistics Mr. Lam Sai Hung, GBS, JP and the Hon Frankie Yick Chi Ming. The meeting was called to discuss the government's ban on the transshipment of e-cigarettes by land, a move which has stifled the freight logistics industry environment and negatively impact the livelihoods of its employees.

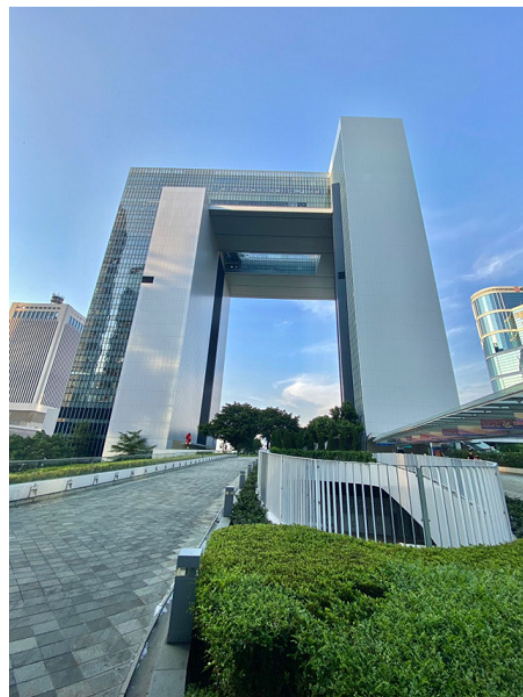
HAFFA aired opinions, sought solutions, and proposed a new set of secured land transportation methods to prevent illegal e-cigarette products from entering the black market through land transshipment with the aim of alleviating government concerns.

The Smoking (Public Health) (Amendment) Ordinance 2021 (the Ordinance) came into operation on April 30, 2022. The Ordinance stipulates that no person shall import alternative smoking products (ie; electronic cigarettes, heated tobacco products and herbal cigarettes). Although air transshipment cargo and transit cargo which remains on board aircraft and vessels is exempted, the Ordinance does not allow transshipment of cargo not requiring processing to be imported into Hong Kong by land and then transshipped overseas. The value of this re-export cargo is estimated to exceed CNY120 billion.

HAFFA Chairman Mr. Gary Lau commented: "Since the Legislative Council passed the Ordinance in October last year, the Association has continued to receive a large number of complaints from our members and other industry stakeholders, reflecting that the Ordinance has had a seriously detrimental effect on the business environment. We have written to the Chief Executive/Policy Bureau on this matter four times and conducted an industry questionnaire in January this year. The results of the survey showed that the affected e-cigarette cargo is estimated at 330,000 tons per year, which translates to a loss to Hong Kong of approximately 10% of our annual export volume by air.

"The Ordinance has led to a serious decline in Hong Kong's overall air export volume, causing the industry, airlines, cargo terminals and Hong Kong International Airport to lose hundreds of thousands of tons of re-exports every year. This is bound to shake Hong Kong's status as a regional transshipment hub, and people's livelihoods have been dealt a huge blow.

"The Association agrees with the original intention of the legislation to protect public health and establish a smoke-free Hong Kong, but at the same time we strongly urge the government to allow the freight and logistics industry to restore the transshipment mode which is vital to the survival of





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the industry, In addition, we object to the implementation of the Ordinance in a one-size-fits-all manner. We will continue to do everything in our power to continue to work with the government to expand the scope of the exemption under the Ordinance to include land- air transshipment mode.”

Established in 1966, now with over 320 corporate members, HAFFA is responsible for setting industry standards as well as providing educational courses which enhance the professional standards of freight forwarders and logistics services providers.

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Issued on behalf of the Hong Kong Association of Freight Forwarding and Logistics (HAFFA) by PR Plus Limited. For further information, please email nikki@prplus.com.hk.