

Attn: Shipping, Logistics, Business & News Editors

## **HAFFA Supports Local e-Cigarette Transshipment Legislation**

***Industry to cooperate with government regulatory measures to restore valuable sector as soon as possible***

The Hong Kong Association of Freight Forwarding and Logistics (HAFFA) fully supports the proposed amendment submitted by the Transport and Logistics Bureau to the Economic Development Panel of the Legislative Council to improve the existing exemption system and allow alternative smoking products to be transshipped overseas via Hong Kong through multimodal transportation.

HAFFA conducted an industry survey on the government's ban on transshipment of e-cigarettes to understand the extent of the resulting financial losses. The organization wrote to the Chief Executive's Policy Bureau on four occasions, and suggested a new safe land transportation method to the Transportation and Logistics Bureau.

The association firmly believes that the industry will comply with the exemption conditions proposed by the bureau, and actively cooperate with the regulatory measures required by the government to prevent e-cigarette products from entering the local black market through land transshipment.

Commented HAFFA Chairman Mr. Gary Lau: "Since the Smoking (Public Health) (Amendment) Ordinance 2021 (the "Ordinance") came into effect on April 30, 2022, the volume of air cargo exports has continued to plummet, with the cumulative decline close to 30%. It is anticipated that the future situation will be even more severe, causing an unprecedented blow to the economy and people's livelihoods. In addition to factors such as the global economy, the sluggish epidemic situation, and the sharp reduction in cross-border land transport capacity, one of the main reasons for the decline is the loss of e-cigarette product transshipment business from the Mainland. Most of the Mainland-produced e-cigarette goods originally exported through Hong Kong airport must now be exported overseas through Macau or South Korea. The government's ban on transshipment of e-cigarettes has seriously and negatively impacted the industry."

Mr. Lau continued: "Hong Kong is an extremely important regional cargo transit hub, and the trade and logistics industry is one of the four pillars of Hong Kong's economy. In 2020, it accounted for nearly 20% of GDP, and provided employment opportunities for more than 600,000 people. It is clear that the rise and fall of the trade and logistics industry has a decisive impact on the Hong Kong economy. The association agrees with the original intention of the legislation to protect public health and create a smoke-free Hong Kong, but urges the authorities to consider that the overall economy of Hong Kong is in dire straits. A balance must be struck. The association supports the government in passing legislation to allow the local freight and logistics industry to transship e-cigarettes as soon as possible so as to restore a valuable sector of the industry."

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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November 25, 2022

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](mailto:nikki@prplus.com.hk).