

**Economic Summit on
“China’s 11th Five-Year Plan and the Development of Hong Kong”**

Logistics and Maritime Services

Executive Summary

(Translation)

This paper presents a preliminary analysis, from the perspective of the Government and public sector, of the opportunities and challenges brought by the 11th Five-Year Plan to Hong Kong’s developments in logistics, air cargo, port and maritime services. The paper aims to initiate discussion in the community with a view to developing a practical “action agenda” in the next few months.

2. Trading and logistics services is a major industry in Hong Kong. In the country’s 11th Five-Year Plan, the Central Government unequivocally supports Hong Kong in the development of our logistics industry and in maintaining our position as an international maritime centre.

3. Under the auspices of the 11th Five-Year Plan, the Mainland economy will continue to grow steadily, and its booming import/export trade will bring about ample business opportunities for the logistics industry of Hong Kong. Yet along with the rapid port development in South China, the competition between Shenzhen and Hong Kong in sea freight transport will intensify. Meanwhile, continuous liberalization of the air transport service industry in the Mainland will bring competition to Hong Kong’s role as the gateway to the Mainland China.

4. Against the above mentioned challenges and opportunities, the Government and the industry have adopted a number of measures, with a view to providing infrastructure conducive to the development of the logistics industry and improving their business environment. The key objectives of the major measures are -

- to enhance cross-boundary trucking efficiency;
- to promote the application of information technology in the logistics sector;
- to enhance the facilities of the Hong Kong International Airport; and
- to strengthen the competitiveness of Hong Kong Port and the maritime sector.

5. Leveraging on the staunch support of the Central Government and the robust economic development in the Mainland, we invite members to comment on our proposals and offer further recommendations with a view to taking our logistics and maritime industry to the next level. We propose that there should be a clear division of role between Guangdong and Hong Kong in port development, and that the development of transport infrastructure in Hong Kong and different Mainland regions and cities should also be co-coordinated. The Government will continue to negotiate avoidance of double taxation agreements with our major trading partners; introduce our quality, maritime services to the Mainland shipowners; further improve the Hong Kong Shipping Register; take a focused approach towards training of maritime professionals; expand our air services arrangements with the Mainland; explore with the Mainland authorities on measures for enhancing the efficiency of cross-boundary road freight; enhance the overall infrastructure planning, and assist the industry to develop e-logistics.

Economic Development Branch
Economic Development and Labour Bureau
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