

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

Executive Summary

(Translation)

This paper is to provide a preliminary analysis of the Eleventh Five-Year Plan (11th FYP) and its opportunities and challenges posed to the development of Hong Kong from the government/public sector perspective. It is intended to initiate discussions among various sectors of the community with a view to formulating a practical and achievable “action agenda” in the coming months.

Purpose

2. The trend of globalization has led to intensified economic activities among countries. People and cargo flows have thus been increasing, thereby generating more demand for provision of transport infrastructure. The development of a well-planned transportation network will play an important role in enhancing a city’s competitiveness. This paper aims to explore how Hong Kong can strengthen co-ordination with the Mainland on transport infrastructure planning and construction in response to the National 11th FYP’s proposal to improve transport infrastructure. The development of cross-boundary transport infrastructure will on one hand reinforce Hong Kong’s position as an

international centre of finance, trade and shipping, and at the same time strengthen its functions in boosting and bridging Mainland's development with the international market.

Opportunities and Challenges

Opportunities

3. The National 11th FYP proposes to promote balanced development among regions. Similarly, the Guangdong (GD) 11th FYP also emphasizes the need to enhance co-operation among GD, Hong Kong and Macao. Both plans provide strategic basis and directions for co-operation between GD and Hong Kong on cross-boundary transport infrastructure.

4. To reinforce the position as an international centre of finance, trade and shipping, Hong Kong should strengthen co-operation with the neighbouring cities on cross-boundary transport infrastructure development. Following the improvement of transportation networks in the Mainland with focus on developing hub functions, Hong Kong should build convenient and direct links to these neighbouring hubs, thereby shortening the spatial distance with the Mainland. This will expand the economic hinterland of Hong Kong's ports and airport and provide fresh impetus to the development of finance, trade, logistics, tourism, information technology, professional and industrial/commercial supporting services, etc. At the same time, this will promote and support the development of related industries in the Mainland.

Challenges

5. The development and expansion of transport infrastructures in the neighbouring cities has put pressure on the already keen competition faced by Hong Kong's ports and airport. To enhance competitiveness, Hong Kong should examine vigorously and implement various feasible proposals to strengthen transport links with the Mainland.

6. Hong Kong and the Mainland have adopted different approaches to the development of transport infrastructures and each has its own merits and demerits. The Mainland adopts the concept of "developing infrastructure moderately ahead of the actual requirement". The National Development and Reform Commission is responsible for the overall

planning and approval of major and regional transport infrastructures. Infrastructure developments are considered as important strategies to support economic development and their implementation is ensured by administrative measures. Hong Kong generally adheres to the market mechanism in developing cross-boundary transport infrastructures and the decision to trigger off a project relies very much on the imminently foreseeable demand. At present, cross-boundary transport infrastructure projects in Hong Kong will take a longer lead time from planning to implementation than that in the Mainland. In order to provide timely responses to meet the needs of regional development, Hong Kong should further improve its existing mechanism of planning and implementation of infrastructure projects and strengthen co-operation with the Mainland. Besides, Hong Kong should also improve communication with neighbouring cities on the detailed planning aspects of major transport infrastructure projects.

Suggested Major Areas for Discussion

7. In the light of the challenges and opportunities brought about by the National 11th FYP, the SAR Government should hold discussions with various stakeholders, in particular the transportation sector and those with business dealings in the Mainland, on the vision of cross-boundary transport infrastructure developments and their mode of operation. Members are invited to provide comments on the following suggestions and recommend other topics for investigation:

(I) How to employ new thinking to promote co-ordinated regional development

8. Both the National and GD 11th FYPs propose to promote co-ordinated development among regions and establish a regional co-ordination mechanism, breaking the confines of administrative demarcation. There will be competition as well as co-operation between Hong Kong and GD, in particular among those cities in the Pearl River Delta (PRD) Region. As such, we may consider the following :

- is it necessary to make adjustment to the “demand-led” approach to the development of cross-boundary transport infrastructures?
- how to adopt more effectively a forward-looking perspective on regional development in formulating transport infrastructure

development strategy?

- does the Government need to consider establishing a high-level cross-bureaux/departments co-ordination mechanism for formulating a comprehensive cross-boundary infrastructure development strategy, and to co-ordinate various cross-boundary transport infrastructure projects? and
- apart from continuously improving the high-level co-ordination mechanism with GD, consideration may be given to stepping up communication and information exchange with the Mainland authorities responsible for transport infrastructures such as the Ministry of Communications, the Ministry of Railways and the Development and Reform Commissions at various levels. Better comprehension of the FYPs and keeping abreast of initial studies of major transport infrastructures in neighbouring cities through improved communication would help Hong Kong get good hold of the latest information and make timely responses.

(II) How to optimize cross-boundary transportation networks to enhance Hong Kong's competitiveness

9. According to the National and GD 11th FYPs, the Mainland will invest heavily in the development of transport infrastructures. Hong Kong may give consideration to various aspects, including :

- examining how to strengthen links with comprehensive transportation nodes in the Mainland, whether it is necessary to review the functions and positioning of various cross-boundary transport infrastructures, and how to strengthen connections among different transportation systems;
- examining how to connect the eastern part of GD by highways more effectively. In pursuit of sustainable development, how could Hong Kong strengthen its links with the Mainland by means of high-capacity transportation modes in the long run?
- examining how to achieve seamless connections with the Mainland's railway network under the principle of providing smooth, rapid and comfort services, and in the long term, whether Hong Kong should provide more point-to-point through train services to major cities

along railway lines?

- examining how to promote the development of ports and airport by optimizing the transport networks; strengthen land and waterborne links with neighbouring cities and cargo distributing centres to facilitate unimpeded passenger and cargo flows; and continuously extend the aviation network;
- considering how to acquaint further with the concept, development and implementation programme of port-rail with multi-modal operations in the Mainland, and examining how Hong Kong can handle cargoes originated from the Mainland in a more effective way. With the improvement of the waterway networks in Xijiang, it is worth exploring how to attract a bigger share of PRD river cargoes; and
- examining how to enhance the use of resources and functions of boundary control points in the light of the commissioning of the Hong Kong-Shenzhen Western Corridor Control Point and the Lo Ma Chau Rail Crossing Point.

Housing, Planning and Lands Bureau
September 2006