



Submission for the 2020-2021 Budget

With reference to viewpoints expressed in the Budget 2020-2021 Consultation Session called by the Financial Secretary's Office on 26th November 2019, CILTHK would like to recap our points in this submission for the Financial Secretary's consideration.

1. Smart mobility

We note the recent development an all-in-one "HKeMobility" mobile application which is an application to provide real-time parking vacancy information and provide real-time arrival information for public transport services. We fully support these Initiatives. Nevertheless, we need to caution that the application should be user friendly and efficient. A common platform to be provided for use by applications for different purposes may be a first step out.

The Government should make better use of the big data available in the transport sector for smart planning of transport services, adjustments of services to meet real-time demand, meeting emergency transport needs, etc. Taking note of the aging population, the Government should also consider allowing small mobility devices, such as electric trolleys, for use by the elderlies, in addition to the use of wheelchairs.

2. Smart logistics

The Government should set up logistics platform to facilitate global information flow, money flow and physical product flow to strengthen Hong Kong's role as an international logistics hub. Technology adoption (particularly in AI, IoT and blockchain) should be promoted to contribute to the trade digitisation and improve the visibility across the supply chain.

In regard to the above two items (Smart mobility and Smart logistics), the Government is recommended to set aside a sizeable fund (whereas the switching cost from 4G or from wifi to 5G is not small) to help organisations/companies to move onto the new 5G platform ASAP to ride on the above initiatives.

3. Clean mobility

We support the initiatives proposed by the Government in (1) promoting a pedestrian-friendly environment, (2) working more aggressively to promote installation of electric vehicle charging-enabling infrastructure in car parks, (3) further reducing the tax on electric vehicle, (4) trial scheme on electric public light buses, (5) expanding the low emission zones to allow only Euro V buses to operate, (6) to review the Pilot Green Transport Funds to encourage wider use of new energy transport technologies, and (7) pilot scheme on new energy ferries, etc.

We consider more should be done on (1) provision of covered walkways / canopies to better walking comfort, and (2) exploring the feasibility of promoting cycling at promenade in urban areas, particularly the hire-bike system, etc.

We support the move by the Government to purchase environmentally friendly vessels for the outlying islands ferry services and consider that this model may be expanded to cover



bus operations in the urban areas through, say, the purchase of e-bus or other environmentally friendly buses.

4. Strategic planning

Design year for the Comprehensive Transport Study 3 was 2016. We note that there were different studies on various issues but there is lack of a comprehensive study which considers changes in different parameters, including social, economic, environmental and infrastructural changes, etc. The availability of big data would help much in pursuing a new comprehensive transport study.

5. Congestion control measures

The increase in the number of private cars has resulted in serious traffic congestion particularly in busy downtown areas. We are in support of the ERP Pilot Scheme and other measures in combating traffic congestion. There is one point of concern is enforcement of traffic offences. We consider more resources should be allocated to increase manpower resources as well as intelligent means and equipment on enforcement.

6. Public transport operation efficiency

We support means to rationalise public transport services. More resources should be allocated to provide bus-bus interchanges such as those in Tuen Mun Highways. We suggest interchange concessions for different companies and different modes should be introduced. Besides, more bus priority measures should be introduced to improve operation efficiency and attractiveness of travelling by bus.

7. Balanced public transport development

The Government plans to expand further the railway networks with detailed planning and design work to be done on three new rail projects – Tuen Mun South Extension, the Northern Link, and the Tung Chung Line Extension. The Government is also exploring the setting up of a new department to handle and supervise railway planning and delivery matters.

We are in support of the development of new railway lines. Nevertheless, we also suggest that consideration be given to ensure the viability of the other mass carrier, i.e. franchised buses, to avoid over reliance on a single mode and lack of alternative transport services in case of emergency.

8. Viable public transport operation

The Government forecast is that there would be an overall manpower shortfall of about 170,000 in 2027. Labour shortage is a serious problem in the transport industry affecting the operation and viability of the trade. The Government should pay more focus to identify means to solve the problem, including (1) relaxing the entry requirements without sacrificing the safety and quality concerns, and (2) identify other means to reduce the manpower requirements, such as automatic buses. The Government should also aid the transport trade to secure lands and facilities for parking, maintenance / repairs, refuelling and charging facilities, etc.



9. Talent pool

The Government set up Human Resources Planning Commission in April 2018 mainly to attract talents and develop a one-stop integrated portal on human resources planning and industry development information by end 2019 to provide public information to facilitate decision making in respect of their career, training and development pathways. We fully support the initiatives to build the talent pool in the transport and logistics sectors.

The Government should also coordinate with professional institutions to provide innovative training scheme for enterprises (particularly SMEs) to upgrade manpower to meet the challenges of the digitalisation era.

10. Fuel costs

Fuel costs are key components for public and freight transport operators. We support the Government to promote the uses of energy efficient vehicles, e.g., tax incentive for vehicle replacement, installation of electric vehicle charging-enabling infrastructure.

11. Land for facilities

The Government should allocate land for transport and logistics operators for business operations. Incentives should also be provided for facilities adopting cutting-edge technologies (e.g. warehouse robotic technology and IoT based operations).

The Government should also extend the short-term tenancy (STT) for logistics operators to 7 years to alleviate their concern about pay-back period for their investment in logistics facilities.

Longer term, the Government should make financial investments in building Logistics Parks in the Greater Bay Area for the exclusive use of Hong Kong industry players. The bonded areas in Hung Wan (Zhuhai) and Pingshan (Shenzhen) offer good potential in this regard. Complementing the initiative will be the creation of “green channels” to connect the Logistics Parks to the HKIA and KTCT with China-Hong Kong co-location customs clearance, and adoption of technologies like the e-Lock mechanism for the integrity and security of the customs-cleared cargo in transit.

To boost the confidence of Hong Kong’s investors in the Logistics Parks operation across the border, it is recommended that the Management Body responsible for shepherding the logistics park projects will make provisions for the participation of Hong Kong professionals.

12. Operating environments

To maintain a balanced operating environment, the Government should set up a multi-stakeholder exchange forum to rationalise the respective roles of public transport modes to improve the public transport ecosystem of Hong Kong.

13. Greater Bay Area (GBA)

The Government should provide resources to support the following GBA related activities:

- Organise events for SMEs in Hong Kong and GBA to explore market opportunities,
- Develop and adopt innovative technologies for logistics and transport operations, and
- Posit Hong Kong as logistics hub within and beyond GBA.



14. Relief measures

Relief measures consist of short-term and long-term:

- Short term: Funding support for sustaining SME's existing operations to alleviate their financial burden in current difficult business environment.
- Long term: The Government should relax operating restrictions to provide more flexible to transport and logistics service providers to run their businesses.

We hope that our above views would be given due consideration. Please feel free to contact us should you have any queries on the submission or require our inputs on matters of other concerns..

17th December 2019