

For discussion  
on 4 March 2025

## **Legislative Council Panel on Economic Development**

### **Policies on Logistics Development**

#### **PURPOSE**

This paper briefs Members on the progress of implementing the strategies set out in the Action Plan on Modern Logistics Development (“the Action Plan”), and consults members on the planning study on developing logistics clusters in the Hung Shui Kiu/Ha Tsuen New Development Area (“HSK/HT NDA”).

#### **BACKGROUND**

2. To foster the development of the logistics industry towards high value-addedness and enhance Hong Kong’s position as international logistics hub, the Government promulgated the Action Plan in October 2023, which maps out the development blueprint for the logistics industry in Hong Kong and promote the development of the logistics industry in the five key directions of smart development, modernisation, green sustainability, internationalisation and facilitation, so as to develop Hong Kong into a sustainable international smart logistics hub focusing on high-value goods and the e-commerce market.

## IMPLEMENTATION PROGRESS OF THE ACTION PLAN

3. Since the promulgation of the Action Plan, with the support of the Hong Kong Logistics Development Council (“LOGSCOUNCIL”), we have been working with relevant stakeholders to implement the strategies and action measures formulated in the Action Plan in phases in an orderly manner. To ensure that the strategies can keep abreast of the development in the industry, we also regularly review with stakeholders the implementation progress and effectiveness of the relevant strategies on the platform of LOGSCOUNCIL. The following is a brief account of the progress achieved in implementing the strategies and key action measures of the Action Plan. The details of implementation progress of the strategies can be found in **Annex 1**.

### *To Promote Digitalisation and Smart Logistics Development in the Industry*

4. Modern logistics operation involves such applications as internet of things (IoT), blockchain, cloud computing, big data analyses, automation and artificial intelligence (AI). To strengthen our support for the industry to facilitate their upgrade and transformation towards smart logistics, thereby enhancing the operational efficiency and competitiveness of the logistics trade, the Government launched the “Professional Training on Smart and Green Logistics Scheme” under the “Maritime and Aviation Training Fund” (“MATF”) in January 2024 to support logistics industry organisations and training/educational institutions for organising smart logistics related local training course. The Government also enhanced the HK\$ 300 million “Pilot Subsidy Scheme for Third-party Logistics Service Providers” (“Pilot Scheme”) in February 2024, with the funding ceiling doubled from HK\$1 million to HK\$2 million per applicant enterprise company and the scope of funding extended to cover project-based training and environmental, social, and governance (ESG) technology solutions and related

services, including consultancy services. As at February 2025, a total of \$26 million of funding has been approved under the two schemes, benefitting 45 enterprises and involving two training courses.

5. On the other hand, we also held various activities to assist the trade, in particular small and medium enterprises (“SMEs”) in keeping abreast of the latest trends in smart and green logistics. For example, in June 2024, we, in collaboration with the Hong Kong Productivity Council (“HKPC”), organised the “LOGTECH Expo” to introduce to the trade the latest information and relevant technology solutions regarding smart and green logistics. HKPC also continued to provide advisory services to logistics SMEs, as well as organised eight seminars related to smart logistics so as to share the latest development in smart logistics with the trade.

#### *To Build and Promote the Industry Image as High-end and Innovative*

6. We are committed to changing the public’s stereotype for the traditional logistics industry being labour-intensive with low level of technology application, and to create an image of "Smart, Innovative, High-end" for the modern logistics industry, thereby attracting the younger generation to join the trade. To this end, the Government launched the “Logistics Promotion Funding Scheme” under the MATF in January 2024 to support an array of local logistics promotional projects, including the “Smart Logistics Datathon 2024” organised by the Chinese University of Hong Kong in April 2024 and the inaugural “Hong Kong’s Logistician NextGen Awards” (“NextGen Awards”), an annual award scheme co-organised by the Government and the logistics trade in the second half of 2024. By recognising the success stories of young talents in the logistics industry, the NextGen Awards enabled young people to appreciate the new opportunities and

room of development in the modern logistics industry. The award ceremony for the inaugural edition of the NextGen Awards was held in November 2024.

7. We have also stepped up our efforts in promoting and enhancing students' exposure to the logistics industry. In particular, the Modern Logistics Internship Scheme was launched in 2024 for full-time tertiary students to enhance the previous summer internship programme delivered under LOGSCOUNCIL. As at February 2025, the Scheme attracted 67 students to intern at 13 local logistics enterprises to gain first-hand knowledge of modern logistics operation. Since September 2024, we have also started to disseminate interesting and engaging information regarding the logistics industry through social media platforms. Looking ahead, we will continue to organise the "NextGen Awards" and launch a school-based logistics curriculum, which aims to enhance young people's understanding of the modern logistics industry since young through thematic teaching kits, school talks, visits to logistics enterprises and a job shadowing scheme, thereby cultivating their interest in joining the logistics industry.

*To Promote Interconnectivity of Logistics Data for Enhancing Industry Competitiveness*

8. To promote the full-scale digitalisation of the logistics industry, the Government has spared no efforts in setting up various logistics information platforms. For air cargo, the Airport Authority Hong Kong has independently developed the Hong Kong International Airport Cargo Data Platform. On the maritime front, the Government has by way of a pilot, been trying to establish by phased a data-sharing platform called the Port Community System ("PCS") for specific cargo delivery processes since January 2023, and the response of the

industry has been very positive. The Government will fully implement the system with a view to completing the development of the system by the end of this year.

#### *To Promote Green Logistics for Driving Industry Development*

9. In recent years, leading brands around the globe have placed increasing emphasis on ESG performance, and carbon emissions have begun to be a factor of consideration for shippers in deciding logistics solutions. To assist the trade in seizing the business opportunities in green logistics, the Government commenced a consultancy study on the development of green and sustainable logistics in August last year. The study will be completed by the first half of this year and a roadmap for the development of green and sustainable logistics in Hong Kong will be announced. Meanwhile, to enhance practitioners' awareness of green logistics, we launched the "Professional Training on Smart and Green Logistics Scheme", under the MATF in January 2024 to provide funding support to logistics industry organisations and training/education institutions for organising green logistics-related local training courses. In order to promote the best practices in green logistics, HKPC also organised eight seminars related to green logistics last year.

#### *To Stabilise Supply of Logistics Land and Develop Logistics Clusters with Different Functions*

10. Land is crucial for the sustainable development of the logistics industry. To promote logistics modernisation and respond to the industry's demand for quality logistics sites for the development of multi-storey modern logistics facilities, we proposed in the Action Plan to stabilise the supply of logistics land. This includes the disposal of four logistics sites with development potential around the container terminals in Kwai Tsing District regularly from 2024 to 2027,

depending on market conditions. The first of such logistics sites in Tsing Yi was just sold through open tender in February 2025.

11. We have also earmarked land in the Northern Metropolis for developing modern logistics clusters and commenced a planning study in 2024 on the logistics sites in HSK/HT NDA for the development of modern logistics clusters (“the Study”). The latest progress of the Study is discovered in paragraphs 15 to 21 below.

*To Strengthen Collaboration with the Greater Bay Area (“GBA”) and Grasp New Development Opportunities*

12. Capitalising on the unparalleled advantages of enjoying strong support of the Motherland and being closely connected to the world, the Government is working in full steam to strengthen collaboration with other cities in the GBA and beyond. In this connection, we visited Zhangjiang, Guangdong in June 2024; Zhuhai, Guangdong in October 2024 and Guangxi together with LOGSCOUNCIL in January 2025, so as to open up new sources of cargoes for Hong Kong and extend our hinterland for cargo by strengthening the logistics collaboration with the western part of Guangdong and Guangxi. On the other hand, to enhance multimodal transportation, we are also working with other bureaux to study the extension of the Air Transshipment Cargo Exemption Scheme to other modes of intermodal transportation, so as to attract more cargoes to be transhipped through Hong Kong. We also nominated industry representatives to participate in the formulation of GBA Standards, with a view to enhancing the overall quality of logistics services in the GBA, and enable the industry to capture the new demand for modern logistics services in the GBA.

To Promote Hong Kong's Unique Advantages and Actively Explore New Business Opportunities

13. In terms of international promotion, we visited the United Arab Emirates and Bahrain in the Middle East together with LOGSCOUNCIL in December 2024, so as to tell the good story of Hong Kong's logistics and assist the trade in exploring new business opportunities there. On the other hand, we organised the 13<sup>th</sup> Asian Logistics, Maritime and Aviation Conference in November 2024, successfully attracting more than 3 100 participants from around the world, thereby promoting the edge of Hong Kong in the logistics field, as well as enhancing exchange and collaboration with cities around the globe.

To Enhance Cross-sectoral Coordination for Supporting the Long-term Development of the Logistics Industry

14. The Government already expanded the membership of LOGSCOUNCIL by appointing ten new representatives from relevant Government bureaux and departments as well as other related industry sectors in 2024, with a view to facilitating discussion at LOGSCOUNCIL's platform on cross-sectoral issues related to logistics such as logistics land planning, manpower training and development, green and sustainable logistics, cross-border e-commerce logistics, technology adoption, and business promotion, etc. The industry can discuss issues cutting across different policy areas with the relevant bureaux and departments direct, which is conducive to policy formulation and effective follow-up on cross-bureaux/departmental issues.

*Planning Study on Developing Logistics Clusters in Hung Shui Kiu/Ha Tsuen New Development Area (“the Study”)*

15. We proposed in the Action Plan to develop modern logistics clusters in the new development areas of the Northern Metropolis. Logistics clusters refers to the clustering of modern logistics facilities, including composite buildings and equipment with functions such as warehousing, sorting, processing, and distribution, as well as interconnected logistics enterprises and related organisations. Bringing together the above fosters an organic development in one area, forming an industrial cluster to create a logistics ecosystem with synergy effect. The logistics sites in HSK/HT NDA is a pilot site for developing logistics clusters, and the Study commenced in 2024.

16. Through market research and feedback from the industry stakeholders, the Study explores the scale and implementation mechanism for developing logistics clusters in HSK/HT NDA. The Study will take 24 months, and the findings are expected to be announced within 2025. The study sites are located in the northwest of HSK/HT NDA, involving 9 land parcels on the Hung Shui Kiu and Ha Tsuen Outline Development Plan, with a total area of about 36 hectares. The site plan is at **Annex 2**. Site formation and infrastructure works for the study sites are being carried out under the HSK/HT NDA project.

17. Since the inception of the Study, the study team has engaged various industry stakeholders<sup>(1)</sup> to solicit their views on development opportunities in relation to the logistics clusters. Key views collected from the industry stakeholders include –

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<sup>(1)</sup> Industry stakeholders include LOGSCOUNCIL, major developers involved in the development and operation of modern logistics facilities overseas, in the Mainland and in Hong Kong, as well as key enterprises in relevant sectors.



- (a) With the growth of cross-border e-commerce, Hong Kong, leveraging its superior geographical location, unique institutional advantages under “one country, two systems”, free economy and rich international trading experience, would be able to attract enterprises to utilise its sea and air freight capacities to ship cross-border e-commerce goods from the GBA to overseas markets, thereby increasing the demand for modern logistics facilities;
- (b) The logistics clusters could centrally provide efficient and high-value-added supply chain services to a wide range of enterprises, enabling Hong Kong to become a regional distribution centre of these enterprises for delivering high-value goods such as electronic parts, health products, medical supplies, etc. The logistics clusters could also offer supply chain management services, including market promotion, consulting services and logistics talent training. Some industry stakeholders were also of the view that the logistics clusters could also cater to Hong Kong’s local logistics demand, including that arising from the development of the Northern Metropolis;
- (c) In terms of logistics operations, industry stakeholders opined that each site for developing modern logistics facility should not be smaller than 4 hectares. Modern logistics facilities should also provide high ceiling space to maximise the storage capacity of each floor;

- (d) Industry stakeholders agreed that smart and green logistics would be the future trend, and supported the Administration's promotion of smart and green logistics in the logistics clusters; and
- (e) The majority of industry stakeholders considered that the current mode of disposing of logistics land through open tender was acceptable, and suggested that the Administration could introduce anchor enterprises<sup>(2)</sup> in the initial stage of the development to drive the growth of the entire logistics clusters.

### *Development Intent for the Logistics Clusters*

18. Considering feedback received, the key aspects of the **preliminary development directions** for the logistics clusters are as follows –

- (a) **Positioning:** With its location in the “high-end professional services and logistics hub” on the western side of the Northern Metropolis, its proximity to the Shenzhen Bay Port and it being just a 20 to 30 minute’ drive to Hong Kong International Airport and Kwai Tsing Container Terminals, HSK/HT NDA modern logistics clusters could be **the best gateway for handling air and sea freight to be carried between the GBA and the rest of the world.**
- (b) **Major Business:** The logistics clusters have potential to centrally provide efficient and high value-added supply chain services to a wide range of enterprises, enabling Hong Kong to become a

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<sup>2</sup> Anchor enterprises refer to enterprises of considerable scale that provide logistics services in line with the positioning of the logistics clusters.

**regional distribution centre** of these enterprises, especially those focusing on providing international sea and air freight services for **cross-border e-commerce**. Leveraging the modern logistics infrastructure in the logistics clusters, it could also serve as a pilot area for various smart and green logistics solutions to promote sustainable **smart and green logistics** development in Hong Kong.

- (c) **Development Model:** It would be suitable to **introduce anchor enterprises** into the logistics clusters. In addition to providing logistics services which align with the positioning of the logistics clusters, anchor enterprises can also facilitate the establishment of a logistics ecosystem. For example, anchor enterprises providing international sea and air freight services could attract cross-border e-commerce distribution centres to the logistics clusters and create synergy. Anchor enterprises would also create a large number of job opportunities, attracting relevant talents to congregate in the logistics clusters. This, in turn, would draw in businesses that require logistics talents to establish their presence in the logistics clusters.
- (d) **Development Parameters:** To enhance land use efficiency, multiple **multi-storey modern logistics facilities** would be developed in the logistics clusters, and space would also be reserved for **high-ceiling logistics facilities**. In response to the industry's operational needs, we would also consider consolidating suitable land parcels to provide larger plots for logistics development.

### *Way forward for the logistics clusters*

19. We will start approaching relevant stakeholders in March 2025 on the preliminary recommendations of the Study, and briefing sessions with the industry will be conducted to gather their views.

20. Taking into account the views received, we will further refine the master planning and implementation mechanism, and conduct relevant technical/financial assessments to formulate relevant land disposal terms.

21. According to the current programme, site formation and infrastructure works for sites for the logistics clusters will be progressively completed two years after the completion of land resumption. In the light of the ever-changing economic environment, we will invite the industry to submit expressions of interest before land disposal to ensure that the planning of the logistics clusters closely aligns with the needs of the industry.

### **ADVICE SOUGHT**

22. Members are invited to note and comment on the content of this paper.

**Transport and Logistics Bureau  
Civil Engineering and Development Department  
February 2025**

**Implementation progress of various strategies under the Action Plan  
on Modern Logistics Development**

**Strategy 1 – To Promote Digitalisation and Smart Logistics  
Development in the Industry**

- Enhanced the \$300-million Pilot Subsidy Scheme for Third Party Logistics Service Providers in February 2024 by raising the funding ceiling and expanding the scope of the scheme to cover project training and services related to the application of environmental, social and governance (“ESG”) technologies. Since the launch of the enhancement measures, as at January 2025, a total of \$26 million funding has been approved under the Scheme.
- Organised the LOGTECH Expo in collaboration with Hong Kong Productivity Council (“HKPC”) in June 2024 so as to introduce the latest technology in smart logistics to the trade.
- HKPC provided advisory services to logistics SMEs on the adoption of smart logistics technology solutions.
- HKPC organised eight seminars relating to smart logistics with the logistics industry in 2024.
- Launched the Professional Training on Smart and Green Logistics Scheme under the Maritime and Aviation Training Fund (“MATF”) in January 2024 to provide financial support for logistics practitioners for taking smart and green logistics-related local training. As at January 2025, a total of about \$110,000 of funding has been approved under the Scheme to subsidise courses related to smart logistics.

## **Strategy 2 – To Build and Promote the Industry Image as High-end and Innovative**

- Launched the Logistics Promotion Funding Scheme under the MATF in January 2024 to promote the smart, innovative, high-end and professional image of the logistics industry. As at January 2025, a total of \$4 million of funding has been granted.
- Enhanced the Internship Scheme on Modern Logistics tailor-made for full-time student in April 2024 by extending the internship period from summer to year round, and cover students undertaking sub-degree or diploma programmes.
- Launched social media platforms in September 2024 to enhance the dissemination of information related to logistics industry to youth.
- Co-organised with the logistics industry, the “Hong Kong’s Logistician NextGen Awards” in the second half of 2024 and held the Award Ceremony in November 2024 to commend young talents who have made remarkable contributions.
- Continued to encourage the industry to make full use of the Enhanced Supplementary Labour Scheme (“Scheme”) to alleviate short-term manpower shortage. As at January 2025, the number of workers approved under the Scheme for the logistics sector was 1576.

## **Strategy 3 - To Promote Interconnectivity of Logistics Data for Enhancing Industry Competitiveness**

- The Government has by way of a pilot, been trying to establish by phased a data-sharing platform called the Port Community System for specific cargo delivery processes. The Government will fully implement the system with a view to completing the development of the system by the end of this year.

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| <b>Strategy 4 - To Promote Green Logistics for Driving Industry Development</b> |
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| <ul style="list-style-type: none"><li>➤ Commenced a consultancy study in August 2024 to formulate a roadmap for the development of green and sustainable logistics in Hong Kong with a view to spearhead its development. Our goal is to promulgate the roadmap within this year.</li><li>➤ Continued to encourage cross-sector collaboration in the research and development (“R&amp;D”) of green logistics-related applications under the existing Government funding schemes for R&amp;D.</li><li>➤ Launched the Professional Training on Smart and Green Logistics Scheme under the MATF in January 2024. As at January 2025, a total of \$500,000 of funding has been approved for green logistics-related local training courses.</li><li>➤ HKPC organised eight seminars related to green logistics in 2024.</li><li>➤ Implemented enhancement measures for the \$300-million “Pilot Subsidy Scheme for Third-party Logistics Service Providers” in February 2024, with the funding ceiling doubled and the scope of funding extended to cover project-based training and ESG technology solutions and related services.</li></ul> |
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| <b>Strategy 5 - To Stabilise Supply of Logistics Land and Develop Logistics Clusters with Different Functions</b> |
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| <ul style="list-style-type: none"><li>➤ A logistics site in Tsing Yi was sold through open tender in February 2025.</li><li>➤ Continuing to promote the development of multi-storey logistics facilities on potential logistics sites. The aforementioned logistics site in Tsing Yi is designated for logistics services and public vehicle park, thereby achieving multiple uses on one site.</li></ul> |
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- Commenced a planning study in March 2024 to examine the scale and implementation mode for developing a logistics cluster in the Hung Shui Kiu/Ha Tsuen New Development Area through market research and collection of the views of the trade. Our goal is to announce the findings of the study by this year.

**Strategy 6 - To Strengthen Collaboration with the Greater Bay Area (“GBA”) and Grasp New Development Opportunities**

- A study is being conducted to extend the arrangements under the Air Transshipment Cargo Exemption Scheme to other intermodal cargo transshipment modes to enhance multimodal transport.
- To make good use of the Hong Kong-Zhuhai-Macau Bridge, and further explore the logistics development opportunities between Hong Kong and Zhuhai as well as other parts of the Western part of Guangdong, we visited Zhanjiang and Zhuhai in Guangdong separately in 2024, and Guangxi in early 2025 together with the Hong Kong Logistics Development Council (“LOGSCOUNCIL”) to explore room for cooperation in logistics development.
- Nominated industry representatives to participate in the development of GBA Standards in 2024.
- Continue to actively promote the Hong Kong Authorized Economic Operator and extend its network of mutual recognition arrangements. In April and December 2024, agreements on mutual recognition were signed with Bahraini Customs and South African Customs respectively.



## **Strategy 7 - To Promote Hong Kong's Unique Advantages and Actively Explore New Business Opportunities**

- Organised a visit to the United Arab Emirates and Bahrain in December 2024 together with LOGSCOUNCIL to promote Hong Kong's edge in logistics development.
- The Hong Kong Trade Development Council organised a logistics service mission to visit Kazakhstan in August 2024 to help the industry to explore new markets along the Belt and Road.
- Continue to actively promote the Free Trade Agreement Transshipment Facilitation Scheme ("FTA Scheme"). In 2024, the FTA Scheme was extended to cover transshipment cargoes from the Mainland to Singapore, Vietnam, Nicaragua and Myanmar via Hong Kong, as well as transshipment cargoes from Nicaragua, Ecuador, Serbia and Honduras to the Mainland via Hong Kong.
- Continue to encourage logistics service providers in Hong Kong to further integrate a wide range of high value-added services to provide diversified business solutions to their customers.
- Visited Zhanjiang and Zhuhai in Guangdong and Guangxi in June, August 2024 and January 2025 respectively, so as to strengthen logistics collaboration with the western part of Guangdong and Guangxi.
- Organised the Asian Logistics, Maritime and Aviation Conference 2024 in November 2024 to promote the edge of Hong Kong in logistics, enhance cooperation and facilitate exchange and collaboration with cities around the globe.

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| <b>Strategy 8 - To Enhance Cross-sectoral Coordination for Supporting the Long-term Development of the Logistics Industry</b> |
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| <p>➤ Increased the number of representatives from relevant government bureaux and professionals from relevant sectors appointed to LOGSCOUNCIL in 2024.</p> |
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# 洪水橋/厦村新發展區現代物流圈用地平面圖

## Site Plan of Hung Shui Kiu/Ha Tsuen New Development Area Modern Logistics Cluster

**9**  
幅用地  
Land Parcels

約 About

**36**  
公頃 ha  
用地面積  
Site Area

**5.0**

分區計劃大綱圖上  
准許的最高地積比率  
Maximum Plot Ratio  
on the  
outline zoning plan

**110** 米 m

分區計劃大綱圖上  
准許的最高建築物高度  
Maximum Building Height  
on the outline zoning plan  
(主水平基準上)  
(above principal datum)

