

14 August 2015

Professor Anthony Cheung, GBS, JP
Secretary for Transport and Housing
Transport and Housing Bureau
22/F, East Wing, Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Dear Anthony,

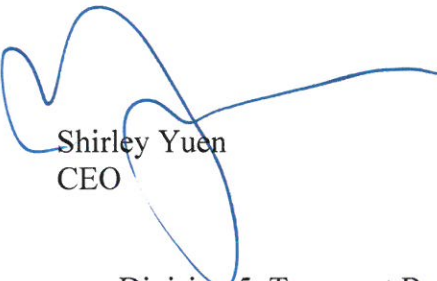
Proposals for Enhancing the Use of Port Back-up Land in Kwai Tsing

The Chamber supports the Transport and Housing Bureau's Proposals for Enhancing the Use of Port Back-up Land in Kwai Tsing as presented in the Legislative Council's Panel on Economic Development meeting held on 22 June 2015.

2. In view of the shortage of land in Hong Kong and the demise of the Container Terminal 10 development, it is essential that the existing port back-up facilities be rationalized to provide higher utilization and efficiency across Kwai Tsing Port's twenty-four container berths.
3. The Chamber supports the long-term recommendations of the Bureau's study on the Strategic Development Plan for Hong Kong Port 2030 and The Hong Kong Container Terminal Association's White Paper entitled "Maintaining Kwai Tsing Port's Regional Competitiveness: Investing in Container Throughput Capacity and Operational Efficiency". The reports outline in detail the steps that are required to achieve optimal performance and maintain Hong Kong Port's competitiveness until 2030 and beyond.
4. This is important because the Kwai Tsing Port employs 8,000 direct employees, and based upon our conservative estimation, in turn, supports 32,000 indirect jobs. In addition, the Port supports Hong Kong's logistics industry which employs a further 50,000 employees. Timely progress in enhancing the Port's throughput capacity and operational efficiency would allow Hong Kong's economy and workforce to benefit from capturing increased trade flows after the expected completion of the Free Trade Agreement discussions with ASEAN countries.

5. The recent Port congestion, resulting from the deficiency in on-dock storage land and lack of barge berths for Pearl River Delta traffic, has caused shipping lines to consider alternative regional ports and bypass Hong Kong. A clear message must be presented to the port, maritime and logistics industry that the rationalization of the Kwai Tsing Port has begun and the full programme outlined in the Bureau's Strategic Plan for Hong Kong Port 2030 will be implemented in time to satisfy the growth in demand for container port facilities. We would also welcome your ongoing initiative for a regular review of the Master Plan and actively engaging with the industry to explore further measures to strengthen Hong Kong's status as a free trade port.

Yours sincerely,



Shirley Yuen
CEO

cc: Division 5, Transport Branch, Transport and Housing Bureau