



**Hong Kong Container Terminal
Operators Association Limited**
香港貨櫃碼頭商會有限公司

Hong Kong Container Terminal Operators Association press release

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The Hong Kong Container Port Industry Calls For Government Support in Preserving Port Competitiveness

It is imperative for the government to urgently provide additional back-up land and barge berths for the Kwai Tsing Container Terminals in order to safeguard Hong Kong Port's competitiveness, said Ms Jessie Chung, Chairman of the Hong Kong Container Terminal Operators' Association (HKCTOA) at a luncheon today. HKCTOA's call for government support has received wide support across all sub-sectors within the industry.

Organized by HKCTOA, the luncheon was attended by senior government officials as well as representatives from business chambers, shipping lines, logistics associations, container terminals operators and industry leaders.

“Hong Kong's container terminal industry is on the verge of a watershed moment as there is a real risk of our falling further in the world ranking among leading ports. To maintain Hong Kong's competitiveness, the terminal operators at Kwai Tsing Port (“the Port”) have been making substantial investments in capability and productivity enhancements. Yet, to turn the tide of slipping competitiveness, we urgently need the Hong Kong government's support in the area of land policy,” she said.

The call for Government's support in land policy came amidst two key trends in the container transport industry --- the growing deployment of mega container vessels and increasing reliance on barge-transported transshipment – both of which have greatly undermined the handling capacity of the Port.

Transshipment volume handled at the Kwai Tsing terminals, including both vessel-to-vessel and barge-to-vessel throughput, has increased 66.3% in the past 10 years. In 2014, transshipment volume accounted for 72.9% of the annual throughput at Kwai Tsing Container Port. Transshipment throughput stays longer in the port and takes up land capacity. The situation is further exacerbated by the shortage of port back-up land, which is currently 45% below international standards.

In terms of barge volume, there was an increase of over 32% in the past ten years, which has translated into much longer waiting time. The lowest average barge waiting time in 2008 was about two hours; now it can take more than two days for service during peak periods. The barge traffic also has a knock-on effect on waiting time for container vessels, which has gone up from one hour to as many as some 20 hours during congested periods.

Additional back-up land can provide large container storage depots that are connected to the Port, which can effectively alleviate congestion and reduce external truck trips as well as associated noise and emissions.

Ms. Chung noted that the industry envisaged some 12 barge berths can be integrated with the existing container terminals, and if given the Government's blessing, could greatly enhance the port's efficiency and productivity within a short time span.

Ms. Chung also welcomed the Government's recent decision to establish a new and independent port and maritime body to oversee the related development in Hong Kong. Tasked with research, policy formulation and manpower training functions, the new body will play a critical role in facilitating port development and safeguarding its competitiveness in support of Hong Kong's economic development.

Mr. Tim Smith, the Chairman of Hong Kong Liner Shipping Association (HKLSA), stands in full support for the HKCTOA's call for co-ordinated action to safeguard the competitiveness of Hong Kong Port by allocating more back-up land and immediate creation of more barge berths. He said, "HKLSA is convening, together with the HKCTOA, a joint task force to work to improve efficiency in the port's operational procedures, IT systems, EDI connectivity and so on. We need to face up to and address the realities with intelligent, considered actions, in order to keep HK's port competitive, and in the process support the overall Maritime Industry cluster, which is a vitally important component of Hong Kong's economy."

"Port infrastructure remains an important pillar of Hong Kong's economy. Its importance will be complemented by our efforts to expand our cluster of maritime services. Government will continue to work with the industry to work out feasible measures to enhance the overall capability and efficiency of the Hong Kong Port and carry out the improvement measures in the pragmatic but forward looking manner." Professor Anthony Cheung, Secretary for Transport and Housing addressed at the luncheon.

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