

## **Hong Kong Container Terminal Operators Association press release**

20 July 2016

### **The Container Port Industry Urges the Government to Proceed to the Next Phase of Land Optimisation to Restore the Competitiveness of Hong Kong Port**

(Hong Kong) Hong Kong government's "Proposals for Enhancing the Use of Port Back-up Land in Kwai Tsing" released in mid-2015 was aligned to the industry's consensus on the need for land use rationalisation. The proposals, however, are only the first positive step to restore the competitiveness of the Port by addressing around one-fifth of the land optimization requested by the industry. The Hong Kong Container Terminal Operators Association (HKCTOA) held a luncheon meeting today to continue the dialogue with industry stakeholders and government officials on expediting the implementation of the current proposals and on the next phase of initiatives that have been promised by the government.

Ever since the development of Kwai Tsing Container Terminals (KTCT) in early 1970's, the operators have continued to make substantial investments in facilities, equipment and technologies to deliver first class services to their customers and drive the long term economic development of Hong Kong's marine industries. Their investments ensure that Hong Kong Port is able to handle the largest container vessels afloat, even when the next generation of 21,000 TEU units commences operations in 2017.

"The structural changes in the world's shipping market and the ongoing changes in the throughput mix handled in Hong Kong over the past decade have been particularly challenging to the Kwai Tsing Container Port. More ultra-large vessels berthing, alliance restructuring and additional transshipment volumes have increased the operational complexity that we all face. Kwai Tsing Container Port has seen the rise of vessel-to-vessel transshipment volumes from 44.9% in 2005 to 58.7% in 2015

and the increase in river-based container traffic in the Pearl River Delta from 2 million TEUs in 2005 to 2.8 million TEUs in 2015,” said Miss Jessie Chung, Chairperson of the HKCTOA, at the industry luncheon, “There is an urgent need for additional barge berths and back-up land for handling the high barge and transshipment volumes, which occupy space in the terminals for longer periods of time than truck based cargo.”.

There is an industry-wide consensus to urge the government to rationalize the land use and provide additional barge berths and back-up land to restore the competitiveness of KTCT. The Government’s proposals, released in mid-2015, outlined the first phase in raising the yard to berth ratio of Kwai Tsing Container Port from 11.6 ha to 12.4 ha, per berth. The current yard to berth ratio is far below the international standards, in this regard, every bit of land is particularly important to our operational efficiency.

The land optimisation and other infrastructure initiatives that the industry originally proposed will enlarge the total storage area and provide for an increase in annual capacity of 3-4 million TEUs, equivalent to an additional 3 or 4 new container berths.

The port remains an important pillar of Hong Kong’s economy. The maritime and port industries contribute 1.2% (HK\$24 billion) to HK’s GDP, and provide 92,000 jobs contributing to 2.5% of total employment in HK.

END -

Issued by Hong Kong Container Terminal Operators Association

For enquiries:

Mr. Ryan Chan, Secretary - General

Tel: 3126 9471

Email: [ryanchan@hkctoa.com](mailto:ryanchan@hkctoa.com)