

## Chapter 17

# Transport and Logistics

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Hong Kong is a preferred transport and logistics hub in Asia, aided by its efficient, reliable and well-connected airport and seaport. In particular, its public transport system, widely regarded as one of the best in the world, provides comprehensive, comfortable and safe travel options at affordable prices.

The Transport and Logistics Bureau formulates policies on Hong Kong's internal and external transport, including land transport, maritime transport and logistics, and air services. The bureau is supported by the Civil Aviation Department, Highways Department, Marine Department and Transport Department.

### Transport Strategy and Policy Objectives

The government aims to provide a safe, efficient, reliable and environment-friendly transport system that meets the community's economic, social and recreational needs, and is capable of supporting sustainable development in Hong Kong. It does this by:

- expanding and improving the transport infrastructure in a timely manner;
- improving the coordination and, together with the operators, the quality of public transport services; and
- managing road use to reduce congestion and promote safety.

The government ensures these objectives are environmentally sustainable by supporting environmental improvement measures and basing its public infrastructure plans on sustainable development principles. The environmental impact of new transport projects, during both construction and operation, is monitored closely and mitigation measures are implemented where necessary.

Together with transport operators, the government also acts to reduce the adverse impact of road-based transport on the environment, including rationalising bus routes and encouraging the deployment of more environment-friendly buses.

### Major Transport Infrastructure Development Blueprint

The *Hong Kong Major Transport Infrastructure Development Blueprint*, promulgated in December, outlines the future development of the city's railway and major road networks to meet Hong Kong's long-term transport and logistics demand up to 2046 and beyond. The blueprint's planning principles are 'infrastructure-led' and 'capacity-creating' and also aim to foster integration with other Guangdong-Hong Kong-Macao Greater Bay Area (GBA) cities, improve efficiency and shorten journey times. In addition to large-scale transport infrastructure, the government is also taking forward smart and green mass transit systems in Kai Tak, East Kowloon and Hung Shui Kiu/Ha Tsuen New Development Area.

### Rail Transport

#### MTR

Hong Kong's railway system forms the backbone of the public transport system and is essential to the city's continued economic, social and land development. It carried a daily average of 5 million passengers in 2023, accounting for about 44 per cent of public transport passenger travel.

The railway system is operated and managed by the MTR Corporation Limited (MTRCL), a publicly listed company of which the government is the majority shareholder. It comprises:

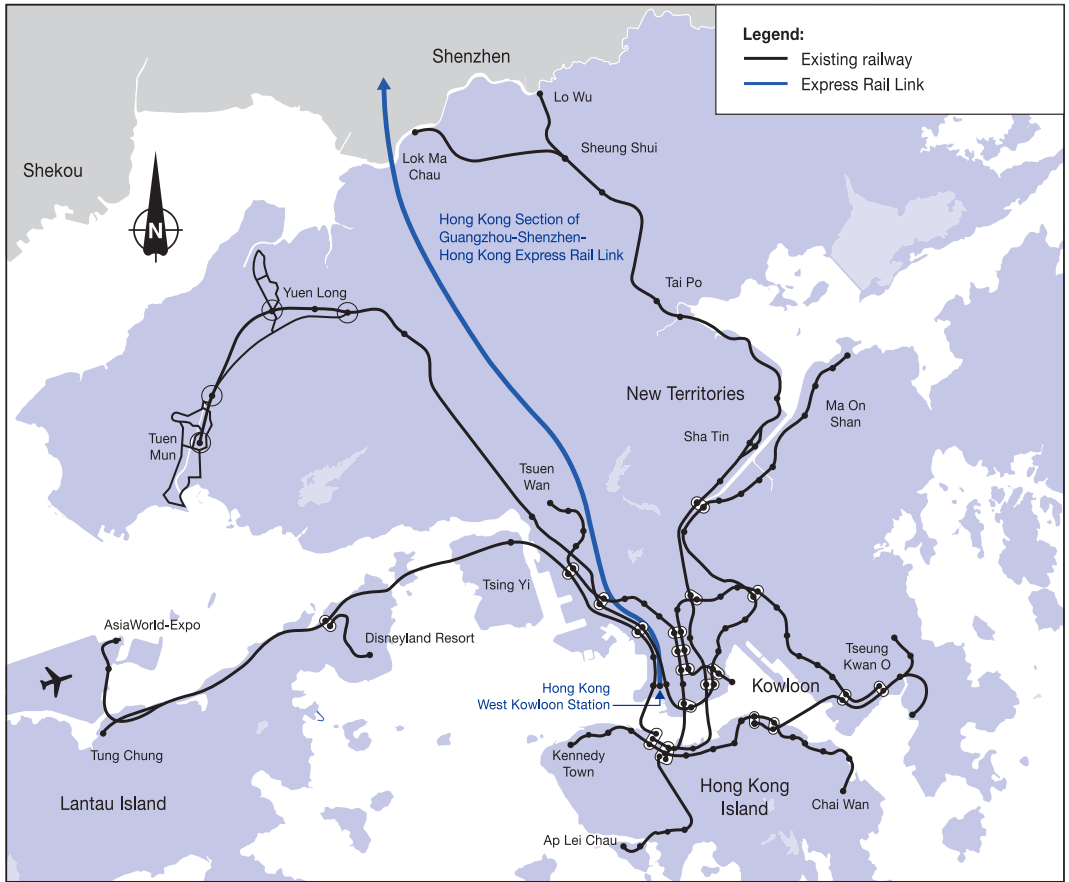
- the Airport Express (Hong Kong-AsiaWorld-Expo)
- the Disneyland Resort Line (Sunny Bay-Disneyland Resort)
- the East Rail Line (Admiralty-Lo Wu/Lok Ma Chau)
- the Island Line (Chai Wan-Kennedy Town)
- the Kwun Tong Line (Tiu Keng Leng-Whampoa)
- the South Island Line (South Horizons-Admiralty)
- the Tseung Kwan O Line (Po Lam/Lohas Park-North Point)
- the Tsuen Wan Line (Tsuen Wan-Central)
- the Tuen Ma Line (Tuen Mun-Wu Kai Sha)
- the Tung Chung Line (Hong Kong-Tung Chung)
- the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL)
- the Light Rail

The 271-kilometre system is made up of 99 heavy rail stations, including a 35.2km Airport Express connecting the urban areas to Hong Kong International Airport and AsiaWorld-Expo, and 68 light rail stops across a 36.2km network in the northwestern New Territories.

The Hong Kong section of the XRL is a 26km underground rail corridor running from West Kowloon to Shenzhen, where it connects to the Mainland section. It provides direct high-speed rail travel between Hong Kong West Kowloon Station and 73 Mainland destinations (10 short-haul and 63 long-haul).

With the gradual resumption of normalcy in society, train services to and from Lok Ma Chau Station and Lo Wu Station on the East Rail Line resumed from 8 January and 6 February respectively. Services on the Hong Kong section of the XRL also resumed from 15 January.

### Existing Railway Network



### Future Railway Development

Construction works of the Tung Chung Line Extension, Tuen Mun South Extension, Kwu Tung Station and Oyster Bay Station commenced in 2023 for progressive completion from 2027 to 2030. Construction of Hung Shui Kiu Station and the Northern Link Main Line will commence within the current term of the government.

The governments of Hong Kong and Shenzhen jointly pursue cross-boundary railways projects through the Task Force for Hong Kong-Shenzhen Cooperation on Cross-Boundary Railway Infrastructure and its Technical Group. Projects currently being taken forward include the Hong Kong-Shenzhen Western Rail Link (Hung Shui Kiu-Qianhai), which connects the northwestern part of Hong Kong and Qianhai in Shenzhen, and the Northern Link Spur Line which provides a direct link to the new Huanggang Port in Shenzhen via the Hong Kong-Shenzhen Innovation and Technology Park in Lok Ma Chau Loop.

## Tramway

Electric trams have been running on Hong Kong Island since 1904. Hong Kong Tramways runs six routes on 13km of double tracks along the northern shore of Hong Kong Island between Kennedy Town and Shau Kei Wan, and about 3km of single track around Happy Valley.

The company's 168 passenger trams, including one sightseeing tram for tourists, one air-conditioned tram and three trams for private hire, make up the world's largest fleet of double-decker trams in operation. The tramway recorded a daily average of about 134,000 passenger trips in 2023.

## Road Transport

### Road Network

The territory has 2,239km of roads, 1,467 road structures, 23 road tunnels (including three immersed-tube harbour crossings and a subsea tunnel constructed by tunnel boring) and five major cable-supported bridges.

### Tunnels

The government owns 21 road tunnels, all managed and operated by private companies under management contracts: the Eastern Harbour Crossing, Western Harbour Crossing, and the Cross-Harbour, Lion Rock, Aberdeen, Kai Tak, Shing Mun, Tate's Cairn, Tseung Kwan O, Scenic Hill, Airport, Lung Shan, Cheung Shan, Central-Wan Chai Bypass, Tuen Mun-Chek Lap Kok (TM-CLK), Cheung Tsing, Tai Wai, Sha Tin Heights, Eagle's Nest, Nam Wan and Tseung Kwan O-Lam Tin (TKO-LT) tunnels. Of these, the Cheung Tsing, Central-Wan Chai Bypass, Lung Shan, Cheung Shan, Kai Tak, Nam Wan, Airport, TM-CLK, Tseung Kwan O and TKO-LT tunnels, as well as the Scenic Hill Tunnel that forms part of the Hong Kong-Zhuhai-Macao Bridge (HZMB) Hong Kong Link Road, are toll-free.

The Tai Lam Tunnel is operated by a private company under a build-operate-transfer franchise which will expire in May 2025.

There is also a private tunnel which is open only to vehicles taking goods or providing services to Discovery Bay.

### Bridges

The five major cable-supported bridges are Tsing Ma, Kap Shui Mun, Ting Kau, Stonecutters and a section of Shenzhen Bay Bridge. The first two carry both road and rail traffic. Tsing Ma Bridge, with a main span of 1,377 metres, is one of the world's longest span suspension bridges.

The HZMB includes the Main Bridge, Hong Kong Port and Hong Kong Link Road.

The 9km TM-CLK Link connects Tuen Mun with the HZMB Hong Kong Port and North Lantau via a bridge and a subsea tunnel.

The 1.8km Cross Bay Link in Tseung Kwan O is the first marine viaduct in Hong Kong comprising carriageways, a cycle track and a footway.

### *Tsing Ma Control Area*

The Tsing Ma Control Area, a 21km expressway network, covers the Cheung Tsing Tunnel, the Ting Kau, Tsing Ma and Kap Shui Mun bridges, and parts of the Tsing Kwai Highway.

### *Tsing Sha Control Area*

The Tsing Sha Control Area, a 13km expressway network, consists of Stonecutters Bridge, and the Nam Wan, Eagle's Nest, Sha Tin Heights and Tai Wai tunnels.

### *Road Boundary Crossings*

There are six road-based boundary crossings between Hong Kong and the Mainland, opening daily for goods and passenger vehicles, at Lok Ma Chau, Man Kam To, Sha Tau Kok<sup>1</sup>, Shenzhen Bay Port, the HZMB Hong Kong Port and Heung Yuen Wai. The passenger clearance service at the Heung Yuen Wai Control Point commenced on 6 February. Cross-boundary travellers can also use the HZMB to travel to and from Macao. The Lok Ma Chau Control Point and HZMB Hong Kong Port operate 24 hours, while the Man Kam To and Heung Yuen Wai control points are open from 7am to 10pm and the Shenzhen Bay Port from 6.30am to midnight.

In 2023, the control points of Lok Ma Chau, Man Kam To, Shenzhen Bay Port, HZMB Hong Kong Port and Heung Yuen Wai recorded on average 8,400, 1,800, 9,600, 6,200 and 2,200 daily vehicle trips respectively, and 23,000, 2,800, 62,200, 59,100 and 34,100 daily passenger trips respectively. The total number of cross-boundary passengers travelling by land and sea recorded an average of 493,200 a day. Most travellers using the road-based control points take local public transport or cross-boundary shuttle buses, which carried an average of 70,900 and 54,300 passengers a day respectively.

The 'Northbound Travel for Hong Kong Vehicles' scheme was launched on 1 July, allowing eligible Hong Kong private cars to travel between Hong Kong and Guangdong via the HZMB without the need to obtain regular quotas. The scheme enables Hong Kong citizens to drive to Guangdong via the bridge, facilitating further connection among cities in the GBA.

### *Future Road Network Development*

The dual two-lane Tai Po Road between Sha Tin Plaza and Wo Che Estate is being widened to a dual three-lane carriageway for completion in 2024.

Widening works for the section of Castle Peak Road-Castle Peak Bay between Kwun Tsing Road and Hoi Wing Road to a dual two-lane carriageway are under way. Construction is targeted for completion in 2024.

The eastern section of the proposed Fanling Bypass, scheduled for completion in 2025, will be a dual two-lane carriageway of about 4km, connecting the Fanling North New Development Area to Fanling Highway.

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<sup>1</sup> Passenger clearance services at the Sha Tau Kok Control Point have been suspended since January 2020 to facilitate the port's redevelopment.

Route 6 will provide an express link between Kowloon West and Tseung Kwan O. It comprises the Central Kowloon Route, Trunk Road T2 and Cha Kwo Ling Tunnel, and TKO-LT Tunnel. Upon full commissioning, targeted for 2026, it is expected to reduce the journey time in peak hours between Tseung Kwan O town centre and Yau Ma Tei Interchange from about 65 minutes to about 12 minutes.

The Central Kowloon Route is a 4.7km dual three-lane route with a 3.9km tunnel connecting West Kowloon to Kowloon Bay and the Kai Tak Development in East Kowloon, diverting traffic along the major east-west corridors in Kowloon to relieve traffic congestion and cope with future demand. Construction is targeted for completion in 2025.

Trunk Road T2 and Cha Kwo Ling Tunnel, scheduled for commissioning in 2026, is a 3.4km dual two-lane trunk road with a 2.1km subsea tunnel passing under the seabed of Kwun Tong Typhoon Shelter, linking the Central Kowloon Route on the west and TKO-LT Tunnel on the east.

The proposed Trunk Road T4 is a dual two-lane carriageway that will connect Sha Tin Road to Shing Mun Tunnel Road and Tsing Sha Highway, allowing vehicles to travel directly between Sha Tin East/Ma On Shan and Tsuen Wan/West Kowloon, thus relieving the traffic conditions in Sha Tin district and Tai Po Road (Sha Tin section). Construction is targeted to commence in 2024.

Widening works for the section of Hiram's Highway between Marina Cove and Sai Kung town centre are targeted to commence in 2024.

The government is carrying out investigation studies for the proposed Route 11 (section between Yuen Long and North Lantau), the proposed Tsing Yi-Lantau Link and the proposed widening of Yuen Long Highway (section between Lam Tei and Tong Yan San Tsuen) to meet traffic demand to and from urban areas arising from developments in the northwestern New Territories.

The proposed Tuen Mun Bypass is a dual two-lane carriageway that will connect the TM-CLK Tunnel and Tuen Mun Area 40 with Yuen Long Highway and Kong Sham Western Highway. The government is carrying out the investigation study for the bypass.

The design and site investigation for proposed improvements to rehabilitate Lion Rock Tunnel by enhancing its capacity and improving its connecting roads to alleviate traffic congestion during peak hours and cope with future demand began in 2023.

## **Buses**

### ***Franchised Buses***

Franchised buses are the largest road-based carriers with 3.7 million daily average passenger trips in 2023, accounting for 32 per cent of total daily public transport patronage. Following the merger of Citybus Limited and New World First Bus Services Limited on 1 July, there are four franchised bus operators in Hong Kong: Kowloon Motor Bus Company (1933) Limited, which mainly operates bus routes in Kowloon and the New Territories; Long Win Bus Company

Limited, which mainly operates bus routes connecting the New Territories with North Lantau and the airport; New Lantao Bus Company (1973) Limited, which mainly operates bus routes on Lantau Island; and Citybus Limited, which operates under two franchises, with one covering bus routes on Hong Kong Island, in Kowloon and the New Territories, and the other covering bus routes connecting the urban areas with North Lantau and the airport. At end-2023, these four companies together operated a total of 699 bus routes using 5,899 licensed buses, out of which 5,849 are wheelchair-accessible low-floor buses.

### *Non-franchised Buses*

Non-franchised bus services play a supplementary role in the public transport system. They relieve heavy demand on regular public transport services primarily during peak hours, fill gaps which cannot be met by regular public transport and provide tailor-made services to specific groups of passengers such as tourists, estate residents, employees and students. At the year end, there were 6,921 registered non-franchised public buses.

### *Public Light Buses*

The number of public light buses has been capped at 4,350 since 1976. There are two types of public light buses: green minibuses and red minibuses. Green minibuses provide scheduled services with fixed routes, fares, vehicle allocation and timetables as stipulated by the Transport Department. At the year end, 3,393 green minibuses were operating 359 routes, recording a daily average of 1,306,200 passenger trips. Red minibuses are not required to operate on fixed routes or timetables and may set their own fares but have limited operating areas. There were 950 red minibuses in operation at the year end, recording a daily average of 157,800 passenger trips.

In July, the government introduced the Labour Importation Scheme for the Transport Sector – Public Light Bus/Coach Trade to address the acute manpower shortage by allowing the trades to import drivers, on the prerequisite of safeguarding the employment of local workers.

### *Taxis*

At the year end, there were 15,250 red urban taxis, 2,838 green New Territories taxis and 75 blue Lantau taxis. These carried about 727,900 passengers per day in 2023. There were about 790 taxi stands and designated taxi pick-up/drop-off points.

### *Private Cars*

At the year end, there were 577,908 licensed private cars, of which 44,169 were new vehicles first registered during 2023.

### *Road Transport Management*

Effective transport management is essential for the safe and orderly operation of the transport system. Modern technology is applied in a variety of ways to enhance transport management.



### *Licensing*

At the year end, there were 2,586,950 licensed drivers, 808,689 licensed private vehicles and 6,936 government vehicles. The licensed private vehicles are comprised of 74,417 motorcycles and motor tricycles, 577,908 private cars, 17,806 taxis, 12,470 public buses, 841 private buses, 4,109 public light buses, 3,370 private light buses, 75,024 light goods vehicles, 33,434 medium goods vehicles, 7,345 heavy goods vehicles and 1,965 special purpose vehicles.

On average, 3,762 learners' driving licences were issued per month.

### *Driver Improvement Scheme*

People who have been convicted of serious traffic offences or accumulated 10 driving-offence points within two years are required to attend a driving improvement course. In 2023, 24,418 people attended the course, 19,988 of whom on a mandatory basis. In the first six months of 2023, about 93 per cent of course participants did not incur new driving-offence points within six months of completing the course.

### *Pre-service Courses Requirements for Commercial Vehicles*

In addition to the requirement to pass the driving test, applicants for full driving licences for a taxi, public light bus or public bus must complete the relevant pre-service course within a year prior to applying for the licence. In 2023, about 6,521, 2,035 and 2,067 people completed pre-service courses for taxi, public light bus and public bus drivers respectively.

### *Vehicle Examination*

Vehicles are examined routinely to ensure they are safe, roadworthy and properly maintained. In 2023, government vehicle examination centres conducted about 222,000 examinations for commercial vehicles, and the Transport Department conducted about 3,600 spot checks on franchised buses.

Private cars over six years old and light goods vehicles not exceeding 1.9 tonnes are inspected annually at 40 designated car testing centres run by the private sector, which performed about 390,000 vehicle examinations in the year.

All imported vehicles must be examined to ensure the statutory requirements are met before they can be registered and licensed. About 1,000 vehicle types were approved in 2023.

### *Intelligent Transport Systems*

The Intelligent Transport Systems help disseminate real-time and predicted traffic and transport information to the public, and assist in traffic management and incident handling. The information is available through the Transport Department's HKeMobility mobile application and website, as well as the government's public sector information portal, data.gov.hk.

To enhance traffic management and transport efficiency, the Office of the Government Chief Information Officer and the Transport Department jointly developed the Traffic Data Analytics System which provides real-time and estimated journey time for the next 15 to 90 minutes by analysing historical and real-time traffic and transport data, as well as weather data and forecast

from the Hong Kong Observatory. The related information is disseminated through the HKeMobility mobile application and data.gov.hk.

The Transport Department publishes the Consolidated Annual Open Data Plans (Spatial Data Plans Included) on its website which lists the datasets available for download, including traffic snapshots, traffic volume, traffic speed, estimated journey times of cross-harbour routes and major routes.

The computerised Area Traffic Control system responds to changing road conditions and enables a series of green signals that allow vehicles to pass through successive road junctions with minimum stops and delays, thus achieving smooth traffic flow. By the year end, it was linked to 1,974 out of 1,997 road junctions operating with traffic signals, and will be connected to the remaining junctions progressively. It adopts light-emitting diode traffic signals to protect the environment.

The department is preparing to implement real-time adaptive traffic signal systems at suitable junctions. Sensors installed at these junctions monitor the real-time traffic conditions and can calculate the optimal green traffic signal times for vehicles and pedestrians at that particular moment. A pilot project at five independent junctions has been completed and the system is being tested at eight linked junctions in Tung Chung town centre.

Traffic control and surveillance facilities, such as vehicle detectors, closed-circuit television cameras, variable message signs, variable speed limit signs and lane control signals, are provided on trunk highways and in all tunnels and the respective approach roads, the HZMB Hong Kong Link Road, the Tsing Ma and Tsing Sha control areas, Airport Road, Shenzhen Bay Bridge and Tolo Highway, and are being installed on major highways under construction or reconstruction. About 1,200 traffic detectors have been installed on strategic routes and major roads, while a Journey Time Indication System with 29 sets of indicators and a Speed Map Panel System with five sets of panels are in operation.

The Traffic and Incident Management System further supports the management of traffic and transport incidents and the dissemination of information.

To combat red-light jumping and speeding, fixed digital red-light cameras are in operation at 210 signalised junctions, and 64 digital speed enforcement cameras are deployed on a rotational basis in 228 fixed camera housings.

### *HKeToll*

The HKeToll free-flow tolling service was launched in stages at all government-tolled tunnels and the Tsing Sha Control Area during 2023. Using toll tags, motorists can drive through toll booths without having to stop to pay. As at end-2023, more than 810,000 vehicle tags had been issued, accounting for more than 99 per cent of the city's licensed vehicles. About 92 per cent of vehicle owners had opened HKeToll accounts.

## *Parking*

The government seeks to increase the supply of parking spaces where circumstances permit. As at end-2023, there were four ongoing automated parking system projects for short-stay car parks and construction works for three car parks with automated parking systems had commenced. Parking vacancy information for more than 650 government and non-government public car parks is available on the HKeMobility mobile application and website.

As at end-2023, there were 36,900 on-street public parking spaces, both metered and non-metered, and 207,100 off-street public parking spaces provided in 11 public car parks managed by the Transport Department or by public and private bodies, such as the Housing Department.

## *Road Safety*

There were 17,189 road traffic accidents involving injuries in 2023, of which 1,000 were serious and 96 were fatal. The total number of fatal and serious road traffic accidents decreased 3.4 per cent compared with 2022.

## **Pedestrian Transport**

### *Improving the Pedestrian Environment*

In 2023, the Transport Department continued to take forward initiatives to enhance walkability and connectivity. These include widening the footpath on Jaffe Road, collaborating with relevant departments to apply the new pedestrian planning framework in new development areas and suitable redevelopments in built-up areas, implementing walkability enhancement measures in Central and Sham Shui Po, synchronising traffic lights at 12 staggered pedestrian crossings, and implementing covered walkway projects at selected locations including those connecting to public hospitals.

To enhance pedestrians' safety at road crossings, the department is working with the Electrical and Mechanical Services Department to install auxiliary devices that project a red light onto the ground at about 100 signalised crossings, including black spots or crossings with a higher number of vehicle-to-pedestrian collisions in the past.

### *Hillside Escalator Links and Elevator Systems*

The first phase of a new lift and pedestrian walkway system between Castle Peak Road and Kung Yip Street in Kwai Chung opened in October, with the second phase to open in January 2024.

Lift and pedestrian walkway/escalator system projects are under construction between Fortress Hill MTR Station and the uphill area in the vicinity of Braemar Hill in North Point, between Saddle Ridge Garden and Sai Sha Road in Sha Tin, and between Hing Shing Road and Tai Wo Hau Road in Kwai Chung. They are scheduled for completion progressively from 2025.

### ***Universal Accessibility***

Where technically feasible, barrier-free access facilities such as lifts and ramps may be installed at footbridges, elevated walkways and subways that span public roads. The Highways Department installed 12 such facilities during the year, of which five lifts were built using the modular integrated construction method, the first of its kind under the Universal Accessibility Programme.

## **Maritime Transport**

### ***Domestic Ferries***

Ferries provide essential transport links to outlying islands where no or limited land transport is available, as well as an alternative transport service between the inner harbour and other areas in Hong Kong.

Eleven franchised and licensed ferry operators run 23 regular passenger ferry services, two services for dangerous goods vehicles, and two special services for the harbour, outlying islands and other areas. These are supplemented by about 72 'kaito' ferry services, which cover relatively remote areas. Ferries recorded a daily average of about 48,000 passenger trips within the harbour and about 59,800 passenger trips serving the outlying islands in 2023.

### ***Cross-boundary Ferries***

Cross-boundary ferry services to Macao and eight Mainland ports operate from the Hong Kong-Macau Ferry Terminal in Sheung Wan and the China Ferry Terminal in Tsim Sha Tsui.

Services between Hong Kong and the Mainland and Macao resumed in early 2023 and, during the year, 6.13 million passengers travelled to and from Macao and 1.4 million passengers travelled to and from Mainland ports.

### ***Local Vessels***

In 2023, about 21,020 passenger, cargo, fishing and pleasure vessels were licensed in Hong Kong to provide services for the port and the community.

## **Public Transport Fare Concessions**

The government encourages public transport operators to offer fare concessions, taking into account their operating and financial conditions, the market situation and passenger needs.

MTR concessions include monthly passes covering stations on the East Rail, Tuen Ma and Tung Chung lines, the Student Travel Scheme, fare concessions for children, Fare Savers and interchange discounts.

Franchised bus operators offer various forms of fare concessions, including concessionary half-fares for children under 12, section fares for mid-distance and long-distance routes and bus-bus interchange concession schemes. The tramway and ferries have discount fares for the elderly and children, and some green minibus routes offer concessionary fares.

### **Government's Fare Concessions and Subsidies**

Under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities, eligible people who use designated Octopus cards pay only \$2 per trip on general MTR lines<sup>2</sup>, franchised bus routes<sup>3</sup>, ferry routes<sup>4</sup>, green minibus routes, tramways and designated red minibus routes, 'kai-to' routes and residents' service routes approved by the Transport Department to join the scheme. In 2023, an average of about 2.58 million passenger trips were made under the scheme each day.

Special measures that had allowed more commuters to benefit from the government's Public Transport Fare Subsidy Scheme during the epidemic concluded on 31 October. Since 1 November, the government has provided a subsidy amounting to one-third of the commuters' actual monthly public transport expenses in excess of \$400, subject to a maximum of \$400 per month for each Octopus card.

In 2023, the annual subsidy amount under the scheme was about \$3.9 billion, representing a monthly average subsidy amount of about \$326 million, with an average of about 3 million beneficiaries per month.

### **The Port**

Hong Kong is an international maritime centre and a regional hub port. During the year, about 92,200 ocean-going vessels from all parts of the world and river-trade vessels from the Pearl River visited the city. The port cargo throughput was about 175 million tonnes and there were 8.48 million cross-boundary ferry and cruise passenger journeys. Many high-speed ferries and local vessels operate in, or pass through, the harbour. Hong Kong is also one of the world's busiest container ports, handling about 14.4 million twenty-foot equivalent units (TEUs) of containers in 2023.

### **Port Administration**

The Marine Department administers the port, with its principal task to ensure the safety of navigation and efficiency of shipping activities in Hong Kong waters. This is achieved through comprehensive traffic management, harbour patrols, vessel traffic services, provision of navigation aids and mooring buoys, and strict enforcement of the rules and standards of major international maritime conventions.

The department liaises closely with shipping and commercial organisations and takes advice on port administration from users and operators of port facilities through a number of advisory and consultative committees.

<sup>2</sup> General MTR lines refer to domestic services including the Light Rail and MTR buses in the northwestern New Territories, and excluding the Airport Express, East Rail Line services to and from Lo Wu, Lok Ma Chau and Racecourse stations, and the first-class service of the East Rail Line.

<sup>3</sup> Excluding 'A' and 'NA' routes to the airport, racecourse routes, new long-haul services and routes operating on a pre-booking and group hire basis.

<sup>4</sup> Excluding deluxe class services.

The department's website provides information on the port, the shipping register, and its services and facilities. Its Electronic Business System simplifies and speeds up the processing of port formalities, ship registration and relevant applications, including submission, payment, self-printing of permits and checking of application status.

### **Port Infrastructure, Facilities and Services**

Marine civil works are essential to keep the port running smoothly. The Civil Engineering and Development Department carries out maintenance work on public landing facilities, ferry piers and terminals, Kai Tak Cruise Terminal, breakwaters and other public marine facilities, and regular maintenance dredging of the harbour, navigation channels and major river channels. It maintains about 500 hectares of typhoon shelters, 130km of seawalls and breakwaters, 320 piers and landing facilities, 100 dolphin mooring structures, 110 beacons, 5km of quays at public cargo working areas, 14,100 hectares of fairways and 3,590 hectares of anchorage areas.

The department also plans, designs and builds public marine facilities. In 2023, the construction works for a public landing facility at Lei Yue Mun and nine piers under the Pier Improvement Programme were ongoing. Technical studies and detailed design for pier improvement works at another 13 remote public piers in the New Territories and outlying islands were under way.

Container handling facilities are a key part of the logistics infrastructure. The nine container terminals at the Kwai Chung-Tsing Yi area, which are all privately run and operate round the clock, handle about 77 per cent of Hong Kong's container throughput and have 24 berths with a total handling capacity of around 20 million TEUs per year. In addition, the Marine Department manages six public cargo working areas with a total berth length of 4,828m, providing an alternative for operators handling cargo carried by local vessels.

The Kwai Tsing Container Basin and its approach channel have a navigation depth of 17m. This enables ultra-large container ships to use the port at all tides, strengthening Hong Kong's position as an Asia-Pacific regional port.

The Marine Department operates two cross-boundary ferry terminals, the Hong Kong-Macau Ferry Terminal, round the clock, and the China Ferry Terminal, daily from 7am to midnight. The department controls the use of these ferry terminals under the Shipping and Port Control (Ferry Terminals) Regulations.

The department operates 29 patrol launches to enforce marine legislation, maintain safety of the port and shipping, and respond to marine emergencies. It carries out hydrographic surveys and produces paper and electronic nautical charts. The Vessel Traffic Centre and its local traffic control stations provide information and traffic management services to visiting vessels in Hong Kong waters.

Pilotage is compulsory in Hong Kong waters for visiting vessels of 3,000 gross tonnage or above, oil tankers of 1,000 gross tonnage or above, and all gas carriers. The Director of Marine regulates and monitors pilotage services.

Immigration and quarantine services for ships are available at the western and eastern quarantine and immigration anchorages. An immigration service is also available at the Tuen Mun Immigration Anchorage for river-trade vessels. The department conducts random shipboard inspections of vessels in Hong Kong waters according to international and local standards.

All designated port facilities in Hong Kong comply fully with the International Maritime Organisation's International Ship and Port Facility Security Code. The Marine Department implements the code through monitoring training of port facilities' staff, overseeing security exercises and carrying out annual audits of port facility security arrangements.

The department also enforces safety requirements on works carried out on board vessels, including cargo handling, ship repair and marine construction, under the Shipping and Port Control (Works) Regulation and the Merchant Shipping (Local Vessels) (Works) Regulation. It conducts safety checks on such works and promotes safe working practices and regulations. It also provides survey and certification services for local vessels to ensure they comply with safety and pollution prevention requirements.

### **Port Development**

The department provides professional advice on the planning of projects that affect port and marine traffic, and publishes port and maritime statistics periodically on its website. The government looks at ways to enhance port performance and operational efficiency, such as facilitating the use of port backup land.

### **Maritime Industry**

The port of Hong Kong offers frequent and comprehensive ocean liner services, with more than 300 international container vessel sailings weekly, connecting to almost 500 destinations worldwide, according to *Shipping Gazette* 2023 data. Over 1,100 port and maritime companies operate in the territory, providing quality services such as port services, ship agency and management, shipbroking, ship finance, marine insurance, and maritime legal and arbitration services. Hong Kong is also a ship finance centre in the region. According to the Hong Kong Shipowners Association, Hong Kong's shipowners own or manage about 10 per cent of the world's merchant fleet in terms of deadweight tonnage. As at the year end, Hong Kong had in place double taxation relief arrangements covering shipping income with 53 tax jurisdictions. To foster the development of high value-added maritime services, tax concessions are offered to ship leasing, marine insurance, ship agency, ship management and shipbroking businesses.

### **Hong Kong Maritime and Port Board**

The Hong Kong Maritime and Port Board is a high-level advisory body chaired by the Secretary for Transport and Logistics and comprises maritime and port industry figures. It aims to create a maritime business-friendly environment, nurture local maritime talent and promote Hong Kong's strengths in the industry, so as to enhance the territory's position as an international maritime centre.

The board held the seventh Hong Kong Maritime Week from 19 to 25 November to promote Hong Kong as a preferred base for maritime businesses and raise public awareness of the economic significance of the port and maritime sectors. A physical and online attendance of more than 2.9 million was recorded.

### ***Maritime and Aviation Training Fund***

The maritime and aviation sectors receive government support in manpower development from the Maritime and Aviation Training Fund. During the year, an additional \$200 million was injected into the fund to support training in the logistics sector, promote the development of high-end, high value-added and smart logistics, and step up the promotion of Hong Kong's advantages in maritime, aviation and logistics services. With an accumulative commitment of \$500 million, this fund supports scholarships, training and promotion initiatives to build up a diversified and competitive pool of professionals and technical personnel.

In September, the Maritime Services Traineeship Scheme – Legal was launched to incentivise law firms and barristers with maritime business to provide more traineeship places, so as to nurture more home-grown maritime lawyers. Since its inception in 2014, the fund has benefited more than 18,000 students and people working in the sectors through 16 schemes.

### ***Hong Kong Shipping Register***

The Hong Kong Shipping Register, administered by the Marine Department, ranked fourth in the world in 2023 in terms of gross tonnage. As at end-December, the registered ships recorded over 128 million gross tonnage in total. To ensure the Hong Kong-registered ships' compliance with international standards, the department conducts a quality control assessment before allowing ships to join the register and implements a Flag State Quality Control System. The Port State Control detention rate of Hong Kong-registered ships is well below the world average, putting the Hong Kong flag among the top performance flags in the white list under the Tokyo Memorandum of Understanding and Paris Memorandum of Understanding of Port State Control. Hong Kong also holds the United States Coast Guard's Qualship 21 status. Regional desk services are provided in Shanghai, London, Singapore, Sydney, San Francisco, Tokyo and Toronto to offer direct support for shipowners and promote the register.

### ***Marine Accident Investigations***

The department's Marine Accident Investigation Branch investigates all serious accidents on board Hong Kong-registered ships and ships in Hong Kong waters. The purpose of an investigation is to determine the circumstances and possible causes of an accident and to recommend preventive measures. In 2023, the branch investigated 20 serious accidents. To raise awareness of maritime safety, the investigation reports of all serious accidents are published on the department's website.

### ***Seafarers***

The department's Seafarers and Examination Branch supervises the registration, employment, competency, discipline, health, safety and welfare of Hong Kong seafarers and seafarers working on board Hong Kong-registered ships. During the year, 54,759 seafarers of different nationalities served on board Hong Kong-registered seagoing ships and 399 officers and ratings served on high-speed ferries plying the Pearl River Delta region.



The Sea-going Training Incentive Scheme encourages young people to join the maritime profession in Hong Kong by providing financial incentives to take up seagoing cadetship training. In 2023, the scheme signed up 40 cadets.

## **Participation in International Maritime Activities**

### *International Maritime Organisation*

The Hong Kong Special Administrative Region (HKSAR) Government, under the name 'Hong Kong, China', is an associate member of the International Maritime Organisation and has a permanent representative in London. The Hong Kong maritime industry is consulted on, and informed of, all issues discussed at organisation meetings that may affect Hong Kong. These topics include maritime safety and security, marine pollution, maritime laws, seafarers' training and standards of certification. HKSAR Government officials attended 22 organisation meetings in 2023.

### *Port State Control*

Hong Kong is a member of the Memorandum of Understanding on Port State Control in the Asia-Pacific. The Marine Department leads the Advisory Group for Technical Cooperation Programmes and is also a member of other working groups. In 2023, the department conducted 500 initial Port State Control inspections for about 10 per cent of all foreign ocean-going ships which visited Hong Kong. The detention rate was 3.4 per cent.

### *Maritime Search and Rescue*

The Maritime Rescue Coordination Centre acts on distress alerts and coordinates search and rescue operations within Hong Kong waters and for about 450,000 square nautical miles of the South China Sea.

## **Government Fleet and Dockyard**

A fleet of more than 980 government vessels serves 13 government departments. The Marine Department manages 83 of these vessels to serve its port operations and the needs of other government departments. These vessels include patrol launches, purpose-built conveyance launches, pontoons, hydrographic survey launches and explosives carriers. In 2023, the department also contracted 33 vessels, including conveyance launches and tugboats.

The department's Government Fleet Division is responsible for the management of the Government Dockyard, as well as the design, repair and maintenance of all government vessels. The dockyard occupies a 9.8-hectare site on Stonecutters Island and has an 8.3-hectare sheltered water basin to moor vessels. There are 10 covered docking sheds, four movable canopies, 30 open-yard docking cradle spaces, a shiplift system and three ship-hoists capable of dry-docking vessels of up to 750 tonnes.

During the year, 31 new craft costing \$195 million were built and delivered to the government. Seven new craft building contracts, involving 49 new craft worth \$2.3 billion, were awarded to shipbuilders. Currently, 54 new craft costing \$3.28 billion are under construction. The expenditure in maintaining the Government Dockyard facilities and government fleet was close to \$680 million.

## **Air Transport**

Hong Kong is a major international and regional aviation centre. In 2023, around 120 airlines operated direct services between Hong Kong and around 180 destinations worldwide.

### ***Hong Kong International Airport***

In 2023, air traffic at Hong Kong International Airport (HKIA) continued to recover steadily. During the year, HKIA handled 39.5 million passengers, a year-on-year increase of 600 per cent. Total cargo throughput and flight movements increased by 3.2 per cent and 100 per cent, to 4.3 million tonnes and 276,000, respectively. During the December holiday travel peak, daily passengers and flight movements reached 80 per cent and 90 per cent of pre-pandemic levels respectively.

In February, the Airport Authority Hong Kong (AAHK) and the Dongguan Municipal People's Government signed an agreement to develop the 'sea-air intermodal cargo transshipment' mode, which will set up a logistics park in Dongguan and a cargo pier within the restricted area of HKIA to allow more cargo to be transported to and from the GBA through Hong Kong. A pilot programme began upstream security screening in 2022, with the full process for exporting and importing goods established respectively in April and December 2023.

The Labour Importation Scheme for the Transport Sector – Aviation Industry was introduced in July to address a manpower shortage in the sector, while also safeguarding the employment of local labour.

In August, the SkyPier Terminal at HKIA started operations, providing a seamless transfer service for air passengers to travel between the Mainland or Macao and the rest of the world via the HZMB, without having to go through immigration procedures in Hong Kong.

In November, HKIA became the world's first airport to obtain all four industry-wide accreditations for handling special cargo, covering the transportation of pharmaceuticals, perishables, live animals and lithium batteries.

Two cargo hubs, DHL's expanded Central Asia Hub and the Cainiao Smart Gateway, opened in 2023, while in December, the AAHK announced an agreement with United Parcel Service to develop a new hub facility at HKIA.

### ***Future Development***

To strengthen Hong Kong's competitiveness as a global and regional aviation hub, the AAHK is undertaking the Three-runway System project for targeted commissioning in end-2024.

The authority is also developing HKIA into an Airport City through various infrastructure projects that will increase the airport's capacity and functionality, as well as improve its connections with the GBA.

With its expansion, HKIA will be able to handle the targeted annual passenger and cargo volumes of around 120 million and 10 million tonnes respectively from 2035.

### **Air Services**

Under the Basic Law, the HKSAR Government negotiates and concludes bilateral air services agreements with aviation partners to provide the legal framework for scheduled air services between Hong Kong and other places. There are 67 such agreements. The government also reviews traffic rights and air services arrangements with its aviation partners to expand the territory's aviation network and allow more competition in the market.

The number of destinations served by local airlines increased in 2023 compared with 2022. As at the year end, Cathay Pacific Airways Limited, Hong Kong Airlines Limited, Hong Kong Express Airways Limited and Greater Bay Airlines Company Limited respectively operated direct services to 83, 26, 24 and seven destinations worldwide. AHK Air Hong Kong Limited and Hong Kong Air Cargo Carrier Limited operated direct all-cargo services to 14 and 18 destinations respectively. By the year end, the local airlines maintained a total fleet of 270 aircraft.

In 2023, six non-Hong Kong airlines launched scheduled passenger services to Hong Kong: Hebei Airlines and Lucky Air started services from Guiyang and Kunming respectively in January; Jiangxi Air from Nanchang in February; Royal Air Charter Service from Caticlan in July; Qingdao Airlines from Qingdao in September; and Tata SIA Airlines from Delhi in October.

In addition, two non-Hong Kong airlines launched scheduled all-cargo services to Hong Kong: Rusky Aero Indonesia and One Air started services from Jakarta and London respectively in December.

### **Air Traffic Management**

The Civil Aviation Department's Air Traffic Management System provides safe and reliable air traffic control services to flights operating within the Hong Kong Flight Information Region. The number of aircraft movements handled in 2023 was 110 per cent higher than in 2022.

### **Aviation Security**

Conventions and agreements on aviation security, promulgated by the International Civil Aviation Organisation, are implemented by the government through the Aviation Security Ordinance. The Hong Kong Aviation Security Programme stipulates the aviation security requirements for operators and service providers at the airport. The Civil Aviation Department monitors the implementation of these requirements to ensure international standards are met.

### **International Aviation Hub**

The Civil Aviation Department organised major international events during the year, including hosting two meetings of the International Civil Aviation Organisation, focused on matters such as enhancing air traffic management efficiency, addressing challenges in the Asia-Pacific region and promoting industry safety initiatives. The Asia Pacific Region Innovation and Capacity Building Symposium 2023, jointly organised with the Civil Aviation Administration of China, was also held in the city.

The home-developed aircraft C919 and ARJ21 visited Hong Kong for the first time from 12 to 17 December. A series of visiting activities was held, including a welcoming ceremony and a

static display at HKIA, toured by nearly 60 groups with more than 500 representatives. The C919 also conducted a flight demonstration over Victoria Harbour. The activities enabled the public to gain a better understanding of the pace of aviation development in the country and enhanced the sense of national identity among young people.

## **International Transport and Logistics**

Logistics is an important sector of the economy, accounting for 6.2 per cent of Hong Kong's Gross Domestic Product. Given its strategic location, world-class infrastructure and business-friendly environment, the territory is a preferred transport and logistics hub in Asia, aided by its efficient, reliable and well-connected airport and seaport. It also has one of the world's busiest international air cargo centres and container ports.

### ***Logistics Industry***

In October, the government promulgated the Action Plan on Modern Logistics Development to formulate strategies and action measures to meet the development needs of the logistics sector.

Apart from providing the necessary infrastructure for the logistics sector to grow, the government also provides subsidies to encourage the industry to enhance competitiveness. The Pilot Subsidy Scheme for Third-party Logistics Service Providers encourages the sector to adopt technology to enhance efficiency and productivity. It will be enhanced in 2024, with the funding ceiling for each applicant enterprise doubled and the scope of funding extended.

Two other logistics-related funding schemes, the Professional Training on Smart and Green Logistics Scheme and the Logistics Promotion Funding Scheme, under the Maritime and Aviation Training Fund will also be launched in 2024 to provide more dedicated funding support to strengthen manpower development and promotional efforts of the logistics industry.

The Hong Kong Logistics Development Council is a high-level advisory body chaired by the Secretary for Transport and Logistics, providing a forum for the government and industry stakeholders to formulate initiatives to spur the development of the logistics sector.

### **Websites**

Airport Authority Hong Kong: [www.hongkongairport.com](http://www.hongkongairport.com)

Civil Aviation Department: [www.cad.gov.hk](http://www.cad.gov.hk)

Cross-boundary ferry services: [crossboundaryferryservices.mardep.gov.hk](http://crossboundaryferryservices.mardep.gov.hk)

Highways Department: [www.hyd.gov.hk](http://www.hyd.gov.hk)

Hong Kong Logistics Development Council: [www.logisticshk.gov.hk](http://www.logisticshk.gov.hk)

Hong Kong Maritime and Port Board: [www.hkmpb.gov.hk](http://www.hkmpb.gov.hk)

Marine Department: [www.mardep.gov.hk](http://www.mardep.gov.hk)

Public sector information portal: [data.gov.hk](http://data.gov.hk)

Transport and Logistics Bureau: [www.tlb.gov.hk](http://www.tlb.gov.hk)

Transport Department: [www.td.gov.hk](http://www.td.gov.hk)