

Green Lantau Association

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Cheung Sha,  
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Hong Kong Port Development Secretariat  
38/F Two Exchange Square  
Connaught Place  
Central  
Hong Kong

Dear Sirs,

### **Consultation on Port Master Plan 2020**

The Green Lantau Association wishes to make the following comments, driven in part by the apparent proposal to site a new port at North West Lantau (NWL).

#### **HK Port today**

1. The HK Port (HKP) has served Hong Kong (HK) and China well since commissioning. Built when HK had a manufacturing industry and China ports were undeveloped, the HKP had a unique role to play. However these days are past. Manufacturing has largely gone to the Pearl River delta (PRD) and the port facilities in the PRD are now almost equal to HK in service standards and capacity. The customers are in the PRD, and lines of communication to their increasingly efficient and lower priced port facilities are shorter and do not cross customs and immigration borders. **HKP is now in the wrong place for the current and future demand.**

2. HKP currently contributes significantly to HK's GDP, and provides considerable direct and indirect employment. It is a profitable operation, and makes excellent returns for its private sector owners on their historic investment. There has been steady but unspectacular growth in throughput, but envious eyes have been cast at the phenomenal growth across the border. **Understandably there is considerable reluctance to accept any diminution in regional influence and lack-lustre throughput volumes.**

3. The Study document looks at ways of arresting the decline in market share, and goes further in proposing ways to achieve greater throughput. **What the Study has not addressed is need for the measures against the background of the considerable environmental impact that the Port occasions.**

4. HK has a small land area. Whilst much is in Country Parks, the remaining areas are highly urbanised and major highways carrying considerable volumes of container traffic are a feature of northern Kowloon and the New Territories. The effect of the huge volume of container traffic on air quality is considerable. The land required for related road, parking and storage infrastructure is massive and intrusive.. **Questions of whether HK should or could absorb more of the same should be postulated and addressed.**

### **Improving the Efficiency of HKP**

5. The acknowledged shortcomings under which HKP operates are set out in the Study document. The key issues are :-

- (i) reducing inland shipping costs
- (ii) maximising efficiency of existing assets
- (iii) reaching ‘an accommodation’ with Shenzhen ports over charging

### **Reducing inland shipping costs**

6. Called the Super-connectivity Initiative (SCI), these measures focus in the main of persuading China to relax licensing, registration, customs clearance and other border crossing formalities. These measures are properly seen as critical to achieving greater competitiveness. And yet these measures are currently and for the foreseeable future, completely outside HK’s control. This self-evident fact should oblige very careful and prudent planning, and on-going success be discounted far more heavily than the 40% postulated in the preferred scenario. **Indeed, when it comes to committing vast capital expenditure to a possible new port, it would be highly imprudent to base projections on the continuation of commercial favours from another jurisdiction.**

### **Maximising efficiency from existing assets**

7. It is with some surprise we note the various recommendations, having assumed that the Port would have been continually subject to review, and necessary improvements undertaken as and when required. Indeed, this is the often touted advantage of having businesses in commercial hands. We wonder if there has been a past failure of supervision and management, although some of the measures (PPI particularly) require compromises that would not be made unless under pressure. **It would appear however, that the Port operators and the government supervision have not been sufficiently proactive.**

### **Reaching ‘an accommodation’ with Shenzhen ports**

8. It is clear that Shenzhen will always have the ability to undercut HK on Terminal Handling Charges (THCs). We note with considerable disquiet that it is proposed to address this in conjunction with Shenzhen, by “keeping tariffs at a level that delivers regional economic benefits”. The implied intention is to form a price cartel. This is not only unethical, but is critically subject to breach by players at any time. The sale of oil on the world market is a prominent case in point. **It would be quite inappropriate to rely on price-setting agreements as a basis for postulating future market share, and hence the requirement for a new port.**

### **A new port for Hong Kong**

9. It is here we have our greatest concern. It is quite clear in our view that any forecast of significant growth will be little more than crystal ball-gazing. Indeed the Study report frankly acknowledges the imponderables. Yet despite these, success in achieving the necessary competitive improvements has been assumed with a mere 40%

discount from the ideal and maximum position. Were these measures to a large part be under HK control, the forecasts might be acceptable. However unfortunately and sadly, this they are not. . Wishing success is simply not the same as achieving it. HKP is at the crossroads. There is an equal chance that the present growth may disappear, as much as there is for increased market share. **Using the present forecast as a basis for postulating new port facilities is wildly optimistic in our view.**

10. We have mentioned the impact of the present port operations on Hong Kong's environment. HK has moved on from the development imperatives of the 70s and 80s. We are now a more mature economy and society, and our expectations have matured too. We can see that in the huge public demand for cleaner air. CLP have proposed extensive and expensive remedial measures for their power stations which they expect the public to agree pay for through increased tariffs. We are much more prepared now to pay for the quality of life that developed countries enjoy. The Port is 'old infrastructure', and the associated service and back-up facilities have lead to a massive degradation of our countryside to provide roads and the then unforeseen container stacking yards that disgrace the rural NT. Container trucks clog our roads creating pollution and congestion. Moves to move some volume to rail traffic have failed at the starting gates. **Rather than postulate more of this, surely it is time to have a stock-take of the environmental costs before any new port is proposed.**

11. Turning now to the choice of location for a new port, we have two concerns . The first is the matter of process. Whilst initial comparative studies have been made between two options Southwest Tsing Yi (SWTY) and Northwest Lantau (NW:L),it is only NWL that it recommended for further study. **This is not only highly presumptive and usurping public debate, but dangerous in that failure of the only offered option to win public support leaves the Administration with no option.** This was surely the lesson to be learnt from the Hei Ling Chau super prison fiasco.

12. Our second concern is obviously with the selection of NWL. The attraction of a green field site is wholly understandable. Taken in isolation without looking at the wider issues, it will be, as in the case here, always the preferred option. A startling omission for example, is the benefits to be derived from removing the currently degrading and hazardous installations from Tsing Yi, which now has a considerable and vulnerable residential population. This might be justification in itself for the SWTY option. Another omission is the failure to consider the visual impact of infrastructure works. The Island Eastern Corridor functions as intended, but has increasingly attracted criticism of it's grossly intrusive impact in an erstwhile spectacular view. **The north Lantau coast and the fishing village of Tai O similarly offer vistas wholly rural and unique to HK. The NWL Port will devastate these** and it is not possible to mitigate them. This much is clear inasmuch as only an "Ecological Study" is proposed in the Study document.

13. The road links to the NWL Port have only been alluded to. This is a significant issue which cannot be left to later study. A standalone road link to the North Lantau Highway would physically destroy the remaining untouched North Lantau coast. This area is uniquely old and ecologically valuable. The coastal pathway forms the only easily accessible countryside to the planned 200 000 residents of Tung Chung. **A standalone road link which utilizes the shoreline should not be constructed.**

14. We have observed that infrastructure breeds a desire for more development. This is already evident in the Lantau Concept Plan where development is even being proposed to take advantage of proposed infrastructure. It is a self-perpetuating cycle of infrastructure and development feeding off each other. In other than in a conservation area, this might be acceptable, but as regards Lantau, this would spell the end for efforts to conserve the vistas, ecology, and environment of this magnificent and uniquely valuable island. **We therefore strongly oppose the construction of new port facilities at NWL.**

### **In conclusion**

15. We acknowledge the contribution made by HKP to HK's past and present prosperity, and endorse the initiatives proposed in the Study to improve the standing of the Port and wealth generated. We believe however, that it will not prove possible to contrive a scenario where container volumes handled by HKP can reliably be forecast such as provide adequate justification for the massive cost (in all regards) of building a new port.. We would wish that a more holistic view be taken, looking at the present impacts of the Port on our fragile environment. This would help put the true total costs to the community of a new port in perspective. We would seriously question the logic that dismisses SWTY and endorses NWL. At very least, both options should be investigated in the unlikely event need is established for a new port. We oppose the construction of the NWL Port on over-riding environmental grounds.