Sustain with Global Supply Chain Standards

Legend of a Global Logistics Hub

Strategically situated at the heart of Asia alongside the region’s major business markets, Hong Kong has been considered as the key gateway to China. Such geographical advantage allows Hong Kong to benefit as China’s main provider of logistics, trading and financial services. Under “One Country, Two Systems”, Hong Kong is one of the most open and vibrant cities in the world featured with unique competitive edges including the free port status, legal and judicial systems, transparent and efficient customs procedures and clearance, effective intellectual property protection and stable pool of industry talents.

For port traffic in Hong Kong, the growth over 1972-2012 had been phenomenal with the total tonnage increasing almost 18 times. This growth was associated with a huge volume of logistics transactions handled by different parties spanning from manufacturers, providers, customs authorities, inspection agencies and the retailers who possess heterogeneous infrastructural logistics resources and processes. These parties are effectively connected through the application of global supply chain STANDARDS such as GS1 standards for efficient management of product barcode, shipping container code and electronic data interchange (EDI). It enables them to communicate with one single business language.

Since the second half of the 2000s, Hong Kong’s leadership position was challenged by its regional counterparts such as Guangzhou, Shanghai and Shenzhen. The industry has successfully retained its competitive advantages by offering high quality, distinctive value added services like barcode/RFID pick-and-pack, testing, quality control etc. Such new business model rests on a substantial transformation into a computerized supply chain underpinned by radio-frequency identification (RFID) and internet based visibility platforms. One of the focuses of the recent “One Belt, One Road” initiative unveiled by Chinese President Xi Jinping in 2013 is to improve cross border trade logistics through enhanced supply chain connectivity among countries in the region. Asia-Pacific Economic Cooperation (APEC) has recognized Global Data Standards (GDS) as one of the key enablers to deliver supply chain connectivity, realizing benefits such as efficiency, integrity, visibility and innovation.

Looking Forward: Global e-Commerce Logistics

The rise of global e-Commerce is rapidly changing the way brand owners and marketers interact with consumers. Brand manufacturers are availing themselves of the opportunity to logistics providers that have the expertise in providing value added services that complement and enhance existing warehousing, distribution and fulfillment operations to realize efficient and accurate product delivery in the multi-tiered supply chain.

The continued application of global supply chain standards remains the key to thriving e-Commerce logistics. The product barcode will continue to serve as an effective conduit between bricks and clicks by seamlessly connecting online and offline channels. An increasing number of e-Commerce conglomerates such as Google, Amazon, eBay and Alibaba Tmall.com are demanding GS1 barcode number to enhance search results, product identification and big data analytics.

The global e-Commerce opportunities are aspiring. Hong Kong’s logistics industry is riding on this trend and actively participating in the global supply chain in a more competitive position by leveraging unique advantages including privileged access to the China market under the Closer Economic Partnership Arrangement (CEPA), the negotiating Hong Kong-ASEAN Free Trade Agreement, and the infrastructure superiorities like the building of Hong Kong-Zhuhai-Macao Bridge and the Guangzhou-Shenzhen-Hong Kong Express Rail Link.

Logistics industry’s sustainable development is the key to strengthening Hong Kong’s connectivity with the global market. With the successes achieved, the expertise accumulated and the logistics talents developed, we are sure that it will continue to be the catalyst for Hong Kong’s economic growth.