

THE AMERICAN CHAMBER OF COMMERCE IN HONG KONG

Position Paper

Traffic Congestion At The Hong Kong-Shenzhen Border

The Issue

The rapid growth of China's economy and the surge in foreign investment and trade begun in 1978 has brought the economies of China and Hong Kong increasingly close together. Hong Kong plays a vital role in China's development, providing not only the necessary capital and expertise, but also by acting as the main channel through which goods flow in to and out of China.

As the economic activity between Hong Kong and Guangdong province grows, so does the volume of cross-border traffic. The average daily cross-border traffic in 1990 was 13,514 vehicles. By July 1994, that number increased to 21,398. However, improvements in the procedures and facilities at the border crossings have not kept pace with the increased activity, resulting in lengthy and costly traffic delays at the border.

Position

THE PRC GOVERNMENT SHOULD STRENGTHEN THE MANAGEMENT AND EFFICIENCY AT THE HONG KONG-SHENZHEN BORDER CROSSING.

Rationale

The inspection process at the border should be streamlined. When vehicles enter into the Chinese mainland, they must undergo inspections by three different departments: border police, plant and animal inspection, and customs inspection. While each of these departments has assigned areas of responsibility, frequently they undertake inspections of the other departments, such that vehicle drivers may undergo the same inspection by different departments. As a result, the average time for complete inspection of one vehicle is over 20 minutes. The inspection procedure should be streamlined such that only one or two departments carry out all the necessary inspections, thus shortening the inspection time per vehicle.

Coordination between these departments must be improved. Each of the four above-mentioned departments operate independently and do not report to each other. The municipal or provincial government should establish an oversight body to which the border departments must report and which can improve coordination of their activities.

Border inspection booths should be manned to full capacity. Booths at the border crossings are frequently unused. For example, the crossing at Lok Ma Chau has 14 booths, yet at a given time all 14 booths may not be in use. This adds unnecessary delays by limiting the number of vehicles that can be inspected at any one time.

The cross-border economic activity between Hong Kong and China is growing at a rapid pace, and will continue to do so into the foreseeable future. An increasingly congested and inefficient border crossing is detrimental to all concerned parties. Such circumstances could force manufacturers to shift production to other locations, either inside or outside of China. The attractiveness of Hong Kong as the regional transportation hub will be undermined as companies find their shipments are frequently delayed. Improvement in the efficiency of the border inspection system will benefit both mainland China and Hong Kong by helping maintain their attractiveness amongst foreign companies as places to establish business.