

# Pilot Subsidy Scheme for Third-party Logistics Service Providers

With a view to maintaining competitiveness of Hong Kong's logistics sector, the Government of the Hong Kong Special Administrative Region launched the "Pilot Subsidy Scheme for Third-party Logistics Service Providers" (the Pilot Scheme) on 12 October 2020 to encourage the adoption of technology by the logistics sector for enhancing efficiency and productivity. The Pilot Scheme also covers the purchase of screening equipment including X-ray machines and Explosive Trace Detection (ETD) equipment under the Regulated Air Cargo Screening Facilities (RACSFs) Scheme accepted by the Civil Aviation Department.



## **Overview of the Pilot Scheme**

## **Eligibility**

All non-listed enterprises registered in Hong Kong under the Business Registration Ordinance (Cap. 310) with substantive business operations in Hong Kong, which also meet the following conditions, are eligible to apply:

- Providing third-party logistics services, e.g. value-added services in supply chain and distribution;
- · Being related to either inbound or outbound goods; and
- Maintaining eligibility throughout the period of project implementation

Cumulative Funding Ceiling per Applicant Enterprise HK\$2,000,000\* (including project audit fee)

The Government will cover a maximum of two-thirds of the total approved project cost (except the project audit fee, the maximum cost of which is HK\$10,000)

Maximum Number of Projects per Applicant Enterprise

Maximum of 4 approved projects per Applicant Enterprise

**Project Duration** 

Maximum of 24 months

#### **Commencement Date**

Applicant Enterprises can choose to start the projects after the submission date of application pending the application results

\* Only applicable to applications received on or after 1 February 2024. For applications received before this date, the approved funding amount will be calculated based on the HK\$1 million total cumulative subsidy ceiling for each Applicant Enterprise.

| Submission of Progress<br>Report /Final Report<br>and Final Audit<br>Accounts | Project Duration  | Submission of<br>Progress Report   | Submission of<br>Final Report and<br>Final Audited Accounts |
|---|---|--|---|
|   | 18 months or below  | Not required   | Within two months upon project completion                   |
|   | More than 18<br>months and up to<br>24 months   | One progress report<br>covering the first 12 months<br>to be submitted within one<br>month after the relevant<br>12-month period | Within two months upon project completion                   |
| Disbursement of Grant   | Initial Payment Amount: 75% of the total approved funding Final Payment: Remaining amount of the total approved funding |  |   |
| Application Time  | Open for application all year round   |  |   |
| Application Submission  | Please visit tplsp.hkpc.org to submit online application.   |  |   |



## **Scope of the Pilot Scheme**

The Pilot Scheme provides funding support to projects undertaken by Hong Kong third-party logistics companies in the adoption of logistics technology solutions to enhance their productivity and operation efficiency, and/or ESG performance.

#### **Examples of Items Covered by the Pilot Scheme**

### (i) Logistics Technology Solutions

| Automation, Robotics and Artificial Intelligence<br>Applications | Technology Infrastructure   |  |
|--|---|--|
| Electronic Data Interchange (EDI) System                         | Warehouse/Distribution Center Management System (WMS)             |  |
| Transportation Management System (TMS)                           | Real-time Location System (RTLS)                                  |  |
| Enterprise Resources Planning System (ERP)                       | Internet-of-Things (IoT) and RFID Applications                    |  |
| Logistics and Supply Chain Analytics Applications                | Environmental, Social, and Governance (ESG) Technology Solutions# |  |

- (ii) ESG Implementation Consultancy Services# (capped at 30% of total project cost)
- (iii) Project-based Training# (capped at 10% of total project cost)
- (iv) Purchase (including hire purchase) of **X-ray machines and / or ETD equipment** already purchased (including hire purchased) or ordered between 30 October 2018 and 30 June 2021 for the purpose of setting up RACSFs.
- # Only applicable to applications received on or after 1 February 2024.



## **Enquiries**

For details, please contact Secretariat of the Pilot Scheme:

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