

TEN FREIGHT AND LOGISTICS BODIES ISSUE URGENT RENT RELIEF APPEAL

Ten freight and logistics organizations have issued an urgent appeal to landlords to provide the industry with rental relief in light of the enormous negative impact of the COVID-19 outbreak on the industry.

The freight and logistics industry is being hit hard by the ongoing COVID-19 pandemic, with the global supply chain severely interrupted. 95% of the shipments are cancelled, put on hold or disrupted, and operators are facing unprecedented threats, tremendous risk of payment defaults and liquidity difficulties. Without timely relief from landlords' high rental costs at this critical moment, it is estimated that a substantial number of SMEs and micro companies operating within the industry will close down or go bankrupt, forcing tens of thousands of workers out of jobs.

With trading and logistics operations forming one of the four pillars of Hong Kong industry, and cargo throughput topping the list worldwide, the sector occupies substantial office and warehouse space in the city. Leasing of these office premises and warehouse space accounts for the largest proportion of costs in the freight logistics industry. The huge pressure of rental commitments is a deciding factor in determining the survival of a considerable percentage of operators. The ten freight and logistics bodies have appealed for the support of landlords in the form of temporary rental relief to help the industry weather the current tumultuous economic environment.

The key role of freight logistics operators is to ensure the supply of food, necessities and other goods for Hong Kong citizens and communities affected by COVID-19. It is vital to the future of the industry and to the wider economy, including leasing and rental businesses, to work together to ensure survival in order to be able to maintain the delivery of shipments to users and consumers. Immediate, temporary rental relief is vital, and would go a long way towards tiding the industry over the current crisis.

Ten freight & logistics bodies (in alphabetical order) are: Federation of Hong Kong Industries Group 21 – Transport & Logistics Services Council (TLSC); Guangdong and Hong Kong Feeder Association (GHKFAL); Hong Kong Association of Aircargo Truckers (HAAT); Hong Kong Association of Freight Forwarding and Logistics (HAFFA); Hong Kong Logistics Association (HKLA); Hong Kong Logistics Management Staff Association (HKLMSA); Hong Kong Sea Transport and Logistics Association (HKSTLA); The Chamber of Hong Kong Logistics Industry (CHKLI); The Chartered Institute of Logistics and Transport in Hong Kong (CILTHK) and The Institute of Purchasing & Supply of Hong Kong (IPSHK).

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