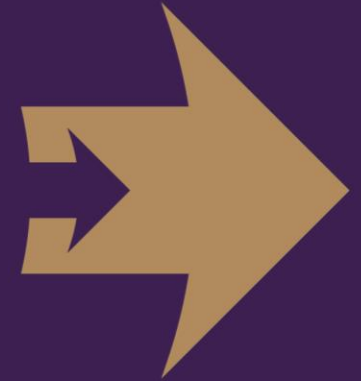

Business Plan 2016-2018



CILT Hong Kong

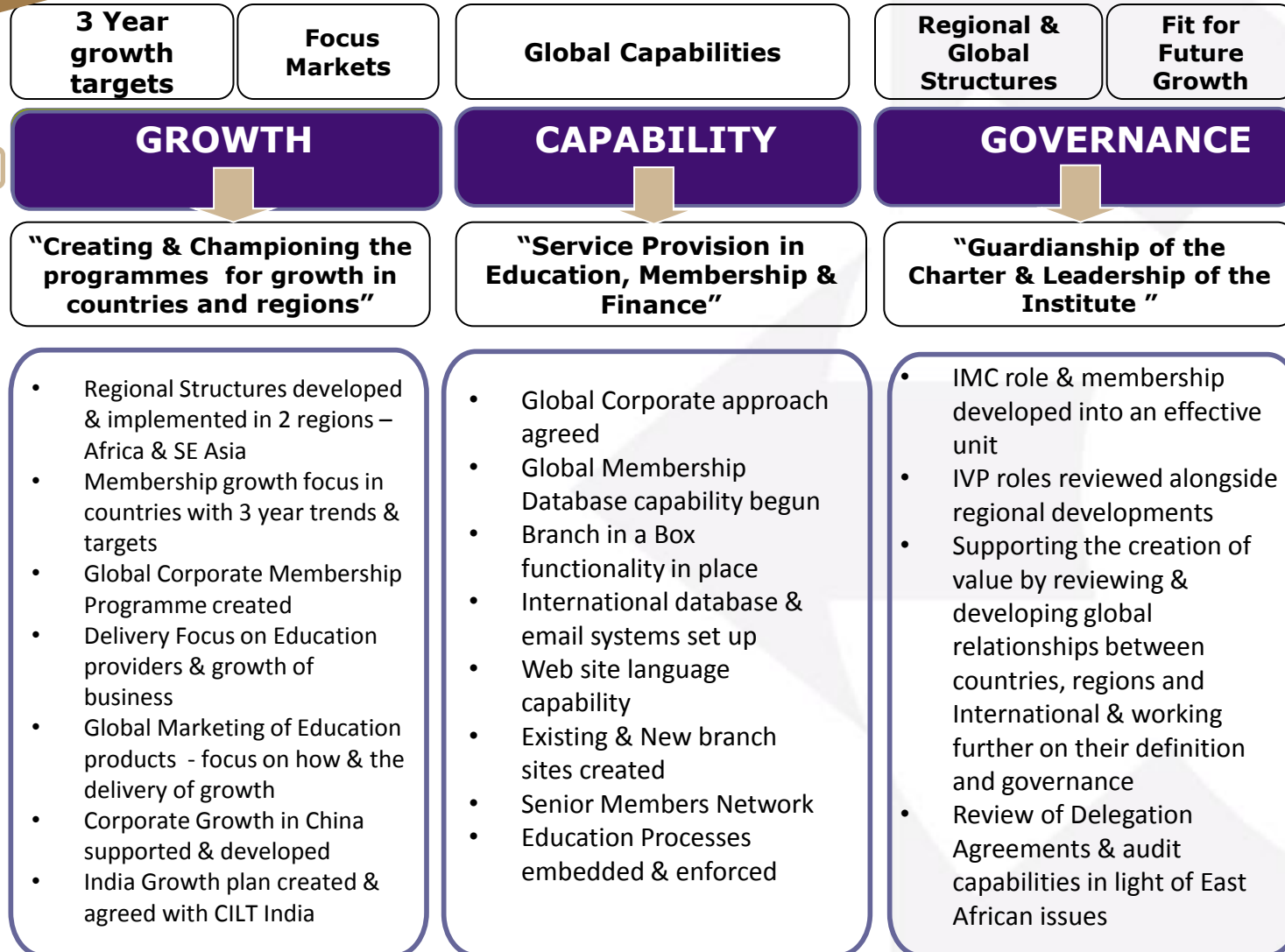


**The Chartered
Institute of Logistics
and Transport**

Our International Priorities for 2016 – 2017

- CILT Hong Kong's Business Plan is set in the context of the International Growth Strategy announced in Montreal in May 2016.

First Choice in the Profession



First Choice for Transport & Supply Chain Professionals

International Priorities 2016

- Regional structures developed and implemented in 2 regions – Africa & SE Asia
- Membership growth focus on countries with 3-year trends and targets
- Global Corporate Membership Programme created
- Delivery focus on education providers and growth of business
- Global marketing of education products - focus on how and the delivery of growth
- Corporate growth in China supported and developed

CILT Hong Kong Business Plan

- CILT Hong Kong's business plan is to serve as an effective means of defining the Institute's goals and the steps needed to reach them
- In the business plan, CILT Hong Kong spell out the vision, objectives, values, strategies and plans to meeting what the Institute intends to achieve

CILT Hong Kong Vision

- To Advance and Promote the Art and Science of Logistics and Transport'

CILT Hong Kong Mission

- To set the highest standards and promote the advancement of professional practices in the logistics and transport industry
- To provide a broad range of professional and education services to members and assist them in developing their careers
- To escalate the status and visibility of both the individual and corporate members in the society

CILT Hong Kong Values

- Professionalism
- Integrity
- Excellence
- Sustainability
- Personal development, public recognition and social status
- Contribution to the community

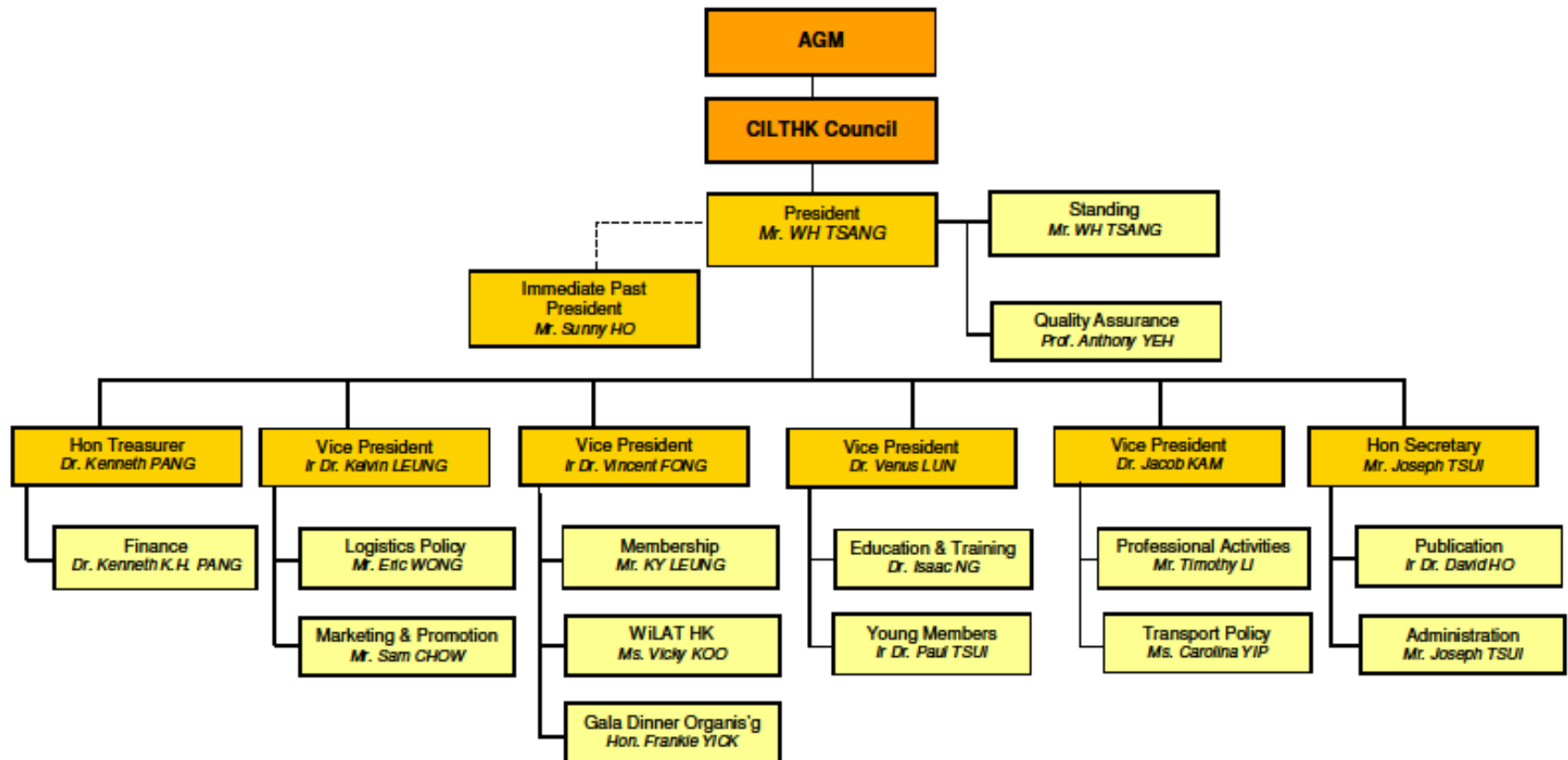
CILT Hong Kong Background

- 1968 Set up as Hong Kong Branch of CIT
- 1972 Became a Hong Kong Section
- 1991 Became a National Council and named as The Chartered Institute of Transport in Hong Kong
- 1997 Introduced the local Professional Qualifying Examination
- 1999 Incorporated as a company limited by guarantee in Hong Kong and awarded tax exemption status
- 2000 Purchased and occupied self-own office premises
- 2001 Introduced Organisation Membership

CILT Hong Kong Background (cont'd)

- 2001 Renamed as The Chartered Institute of Logistics and Transport in Hong Kong
- 2001 Mr Jack SO, FCILT, elected as the President of CILT International
- 2004 Introduced the CILT Award (1st award of this nature for transport and logistics industry in Hong Kong)
- 2008 Celebrated the 40th Anniversary
- 2008 Hosted the CILT International Council Meeting
- 2012 Dr Dorothy CHAN, FCILT, elected as the President of CILT International
- 2012 Set up the Wilt Hong Kong
- 2012 Mr Stephen CHAN, MILT, appointed as the first Convenor of CILT International Young Professionals

The Chartered Institute of Logistics and Transport in Hong Kong Proposed Organisation Chart for the Session 2016-2018



Transportation and Logistics in Hong Kong

Profile of Sectors

- Premier transportation and logistics hub in Asia
- A diverse multi-modal internal public transport system with the rail as the backbone and all services operated by private enterprises or public corporation under prudent commercial principles without direct government subsidy
- A diverse multi-modal external transport system for the carriage of passengers and freight
- Hong Kong's International Airport being the world's 3rd busiest international passenger airport and the largest international air cargo handler in the world since 2006 (cargo throughput of 4.52 million tonnes in 2016) (note 1)
- Hong Kong's container port being the 5th busiest and handled 19.81 million TEUs in 2016 (note 2)

Transportation and Logistics in Hong Kong

Percentage of GDP Spent

- Trading and logistics being one of the four pillar industries and driving force of Hong Kong's economic growth (the other pillar industries are financial services, tourism, and professional and producer services)
- The trading and logistic sector in Hong Kong generated 22.7 percent of the total GDP in 2015 (note 3).
- Transportation, storage, postal and courier services contributed 6.5 percent of the total GDP in 2015 (note 3).

Transportation and Logistics in Hong Kong

Growth Measures

In terms of GDP (note 3)

	2011	2012	2013	2014	2015
Import/export, wholesale and retail trades	25.9%	25.4%	25.0%	24.1%	22.7%
Transportation, storage, postal and courier services	6.3%	6.0%	6.0%	6.2%	6.5%

Transportation and Logistics in Hong Kong

Number of professionals employed

Extract from the 2014 Manpower Survey Report of the Transport Logistics Industry by Vocational Training Council (note 4)

	No. of Employees	No. of Employees
All industries in Hong Kong (note 5)		3,871,100
Transport & Logistics (employees engaged in the principle jobs in the industry)		108,465
- <i>Managerial</i>	9,280	
- <i>Executive / Supervisory</i>	14,397	
- <i>Technician / Assistant / Clerical</i>	32,352	
- <i>Crafts / Operative / Driver</i>	52,436	

Transportation and Logistics in Hong Kong

Training Potential

- Tailored-made training plus mentorship programme for young executives through lectures delivered by industry leaders
- General training programme for all members on managerial, operational, legal and financial issues etc
- Training and mentorship programme for nurturing and guidance of young members
- Activities for promoting gender diversity and inclusion for all in the logistics and transport industry
- Conferences, forums, seminars, events and training programmes organised in-house or join force with other related organisations in the logistics and transport industry
- Collaboration with educational institutes for more accredited academic programmes

Challenges for the industry in Hong Kong

Submissions by CILT Hong Kong in 2016-2017 (note 6)

Subject	Date	To
Views on Future Container Terminal Development in Hong Kong	2-May-2017	To: Secretary for Transport and Housing
Hong Kong 2030+: Towards a Planning Vision & Strategy Transcending 2030	16-Mar-2017	To: Planning Department
A Perspective on the Proposed Policy on Premium Taxes and Hire Car Permits (HCPs)	30-Dec-2016	To: Secretary for Transport and Housing
2017 Policy Address and 2017/18 Budget Consultation	23-Dec-2016	To: Acting Financial Secretary
Representations on Case BE/00004 (Notice issued under section 16 of the Competition Ordinance of a proposed block exemption order for certain liner shipping agreements)	14-Dec-2016	To: Competition Commission (Hong Kong)
Taking a Cue from the Hanjin Shipping's Demise to Avoid Recurrence of Unmitigated Damages to Stakeholders	18-Nov-2016	To: Secretary for Transport and Housing
Proposed Development Strategy for Lantau (LanDAC)	26-Apr-2016	To: The Secretariat, Lantau Development Advisory Committee
Views on the Central District ERP Pilot Scheme	10-Mar-2016	To: Prof Anthony Cheung, Secretary for Transport and Housing

CILT Hong Kong Transportation and Logistics Vision 2017 - 2019

- To identify opportunities and challenges through SWOT analysis and discussion in Council and Committee meetings
- To prioritise the focus areas having regard to the CILT Hong Kong's strategic advantage profile (charter status, history, network and prominent organisation and individual members etc.)
- To embrace all sectors subject to the opportunities and the threats with a view to promoting the well being of the industry and in turn the members
- To strive for enhancement in CILT Hong Kong's image and visibility and secure its position as the leading professional institute in Hong Kong
- To continue with membership drive by adding values in areas e.g. professional qualification, employment opportunities, career development, opportunities of training and exposure and networking etc

Key Focus Areas

First Pillar- Governance

In Hong Kong, we

- Have a clear organisation structure with division of responsibilities among Committees set out
- Possess a sturdy and robust corporate governance structure with details set out in a handbook for compliance of all
- Maintain dialogue with CILT International, Forums, Territories and Branches for exchanges with a view to further improving the governance as and where appropriate

Key Focus Areas

Second Pillar- Capability

In Hong Kong, we have

- Accredited 25 education programmes over 8 universities/post secondary institutions through CILT Hong Kong accreditation programme
- Organised 22 talks, seminars, activities and visits in 2015-2016 for participation of members
- Supported 34 conferences, forums, visits and other activities organised by other organisations in 2015-2016
- Teamed up with our Organisation Members, leaders and practitioners in the transport and logistics industry to organise the Career and Life Formula (CALF) programme for their young and budding managers

Key Focus Areas

Second Pillar- Capability (cont'd)

- Exerted efforts to uphold the standard and status of CILT membership and maintain our visibility at these education institutes
- Continued to serve as a think tank and issue position papers in response to major transport and logistics policies promulgated by HKSAR Government with a view to playing the role of a think tank and upholding our professional image in the community at large
- Invited companies of sizeable operating scales in logistics and transport industries to join as Organisation Member in CILT Hong Kong

Key Focus Areas

Second Pillar- Capability (Cont'd)

- Next Step - initial thoughts on further tasks among others
 - Revamping CILT Hong Kong's website to enhance IT capabilities in membership registration / database management / marketing capabilities
 - Making more intensive use of the digital media for communicating with members on current and topical transport and logistics issues on a timely basis
 - Taking more proactive actions in the liaison with the news media for better media coverage and publicity about CILT Hong Kong
 - Extending the training programmed e.g. the CALF programme as an added value to Organisation Members as well as our non-institute members

Key Focus Areas

Third Pillar- Growth / Retention

In Hong Kong, we have and will continue with our efforts in recruiting more Organisation Members and non-institute members as well as retaining members through

- Continual improvement to CILT Hong Kong's image, visibility and membership status through organising activities and offering professional inputs on current topics e.g. air cargo activities, anti-trust legislation, OBOR, HK2030+ and Big Bay Area etc
- Proactive liaison with potential Organisation Members by referrals and promotional activities like distribution of newsletters to arouse their awareness about CILT Hong Kong
- Proactive invitations and appeals for non-members and students to join CILT Hong Kong such as introducing about the Institute in the university orientation programmed

Key Focus Areas

Third Pillar- Growth / Retention (Cont'd)

- Encouragement of employers on the adoption of CMILT as an important criteria for staff recruitment and promotion
- Exemption of the administration fees for students to join CILT Hong Kong, the costs to be offset by an adjustment in the fees for programme accreditation of the programmed for the tertiary education institutes
- Creation of a team of students entitled as “Student Ambassadors” under the YMC in Hong Kong for designation to specific schools for close liaison with students
- Retention of members such as those retirees (high drop out rate) by involving them more in CILT Hong Kong’s activities and organising special activities to suit their interest

Example Key Focus Area 1: Membership

ISSUES

- Recruiting more Organisation Members
- Recruiting more individual members in particular Student Members

STRATEGIES

- Distribution of CILT Hong Kong publications and invitation letters
- Delivery of membership recruitment talks
- Concession for student members (exemption of membership fees)
- Collaboration with universities and other organisations in the industry

Focus Area Template

ISSUES

- Ensuring governance and integrity
- Enhancing capability in capitalising on opportunities and meeting challenges
- Placing emphasis on growth and retention of members

STRATEGIES

- Growth and recruitment of both new Individual and Organisation Members
- Stabilisation of existing membership through retention of members of high drop out rate e.g. retirees
- Exploration of additional income through the provision of services and training
- Optimisation of resource usage and if necessary through rationalisation of activities

CILT HK Marketing Plan

- Marketing research to ascertain members' wishes, preference and the need for changes
- Boosting of the image and visibility of CILT Hong Kong to create a prestigious feeling and sense of belonging among members
- Dissemination of information to members through CILT Hong Kong's website, emails, newsletters, meetings and activities etc
- Exploration of more intensive use of digital channels and digital media for communications with the members
- Dissemination of information to general public through press releases and press interviews such as on the submissions on current issues lodged with the HKSAR Government

CILT Hong Kong Marketing Plan (Cont'd)

- Improvement to image and awareness about CILT Hong Kong through
 - Representations in HKSAR Government's public committees and forums
 - Introductory talks to educational institutes and corporations
 - Organisation of activities e.g. CILT Award, Student Day and Essay Competition
 - Organisation and sponsorship of conferences and seminars
 - Collaboration with other organisations on e.g. awards and students' scholarships etc

CILT Hong Kong Operational Plan

- Implementation of strategies by the respective Committees under the guidance of the Council and the Standing Committee and the support of the Administrative Office
- Division of responsibilities of the Committees clearly defined though collaborations of the Committees required for overlapping tasks
- Formulation of plans normally on an annual basis with necessary adjustments for meeting ad hoc requirements
- Long term plans exist for continual process e.g. education programmes, quality assurance measures and membership drive etc

CILT Hong Kong Targets and Financials

CILT Hong Kong Targets

- Remains financially sound and the Institute is able to continue as a going concern
- Acquire more resources for service improvement in terms of quality and diversity thus meeting if not exceeding the members' expectation

CILT Hong Kong Targets from Memberships

Projection over the period 2016/2017 – 2018/2019

	2015/2016	2016/2017	2017/2018	2018/2019
Membership Grades	Number	Number	Number	Number
Chartered Fellows	127	137	150	165
Chartered Members	1,037	1,047	1,060	1,070
Members	286	288	290	300
Affiliates	154	155	160	170
Student Members	104	105	200	300
Organisation Members	31	30	32	34
Total	1,739	1,762	1,892	2,039

Notes:

Figures in 2016/2017 to 2018/2019 are estimated as per past years' reference.

CILT Hong Kong Targets from Sponsorships

	2016 (un-audited accounts)	2017 (budget)	2018 (forecast)	2019 (forecast)
Gala Dinner	HK\$320,000	-	HK\$400,000	-
Academic Events	HK\$67,300	HK\$82,000	HK\$82,000	HK\$82,000
Wilt Events	HK\$33,780	HK\$558,100	HK\$100,000	HK\$100,000
Other Events	HK\$97,595	HK\$59,600	HK\$80,000	HK\$80,000
Total	HK\$518,675	HK\$699,700	HK\$662,000	HK\$262,000

CILT Hong Kong Targets from Education Accreditation Fee Income

	2016 (un-audited accounts)	2017 (budget)	2018 (forecast)	2019 (forecast)
Existing accredited programmed	HK\$18,000	HK\$122,500	HK\$192,000	HK\$20,000
New applications		HK\$50,000		
Total	HK\$18,000	HK\$172,500	HK\$192,000	HK\$20,000

Accreditation Fee Structures:

	<i>Full Exemption (5-year)</i>	<i>Partial Exemption (3-year)</i>
<i>New application</i>	<i>HK\$25,000</i>	<i>HK\$15,000</i>
<i>Renewal</i>	<i>HK\$18,000</i>	<i>HK\$10,000</i>

CILT Hong Kong Targets from Events

	2016 (un-audited accounts)	2017 (budget)	2018 (forecast)	2019 (forecast)
Gala Dinner	HK\$363,800	-	HK\$400,000	-
CALF	HK\$34,200	HK\$79,800	HK\$100,000	HK\$100,000
Others	HK\$59,973	HK\$48,900	HK\$55,000	HK\$55,000
Total	HK\$457,973	HK\$128,700	HK\$555,000	HK\$155,000

CILT Hong Kong Overall Profit and Loss for 2016 - 2019

	2016 (un-audited accounts)	2017 (budget)	2018	2019
Revenue				
- Membership Fee, etc.	HK\$1,728,740	HK\$1,806,295	HK\$1,896,600	HK\$1,991,430
- Other Income	HK\$778,015	HK\$454,200	HK\$830,200	HK\$337,000
- Sponsorship	HK\$518,675	HK\$699,700	HK\$662,000	HK\$262,000
Total/Estimated Revenue	HK\$3,025,430	HK\$2,960,195	HK\$3,388,800	HK\$2,590,430
Total/Estimated Expenditure	(HK\$2,939,770)	(HK\$3,119,961)	(HK\$3,174,950)	(HK\$2,745,700)
Surplus/(Deficit)	HK\$85,660	(HK\$159,766)	HK\$213,850	(HK\$155,270)

Notes on the Total/Estimated Revenue in 2016-2018 :

- extra income/sponsorship received/to be received for the CILTHK Gala Dinner in 2016 & 2018; and the Wilt Dinner in 2017
- Programmed accreditation fees are to be generated in 2017 and 2018 for the lot of accredited programmed will undergo renewal assessment

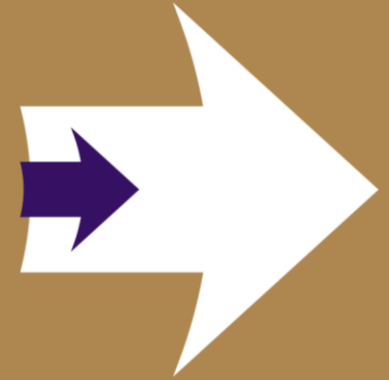
Conclusions

- Through the good efforts made in the past years, CILT Hong Kong has been gathering momentum in the development of its image and recognition in Hong Kong
- However, the operating environment faced by CILT Hong Kong is increasingly difficult
- The membership faces the danger of decline due to the
 - Higher drop out rate as a result of increasing retirees
 - Long working hours impose deterrent effect on youngsters in joining professional institutes (general phenomenon in Hong Kong and probably world wide)
- The financial situation is not too promising due to
 - Continual increase in the running costs in particular the staff costs
 - Restricted sources of income i.e. major one being the membership fees (increase sensitive due to the possible resistance by members)
- Efforts are being made to explore more sources of income or otherwise rationalisation of some activities for cost savings might have to be contemplated

Notes

- Note 1 <http://hong-kong-economy-research.hktdc.com/business-news/article/Hong-Kong-Industry-Profiles/Air-Transport-and-Express-Cargo-Industry-in-Hong-Kong/hkip/en/1/1X000000/1X0018JT.htm>
- Note 2 http://www.mardep.gov.hk/en/publication/pdf/portstat_2_y_b5.pdf
- Note 3 <https://www.censtatd.gov.hk/hkstat/sub/sp250.jsp?tableID=036&ID=0&productType=8>
- Note 4 [http://www.vtc.edu.hk/uploads/files/publications/transport_logistics_training_board/en/2014%20MPS%20Rpt/2014%20TLTB%20MPS%20Report%2020150827%20\(Eng%20-Web\).pdf](http://www.vtc.edu.hk/uploads/files/publications/transport_logistics_training_board/en/2014%20MPS%20Rpt/2014%20TLTB%20MPS%20Report%2020150827%20(Eng%20-Web).pdf)
- Note 5 <http://www.censtatd.gov.hk/hkstat/sub/sp200.jsp?tableID=008&ID=0&productType=8>
- Note 6 http://www.cilt.org.hk/webadmin/adminnews2/view_news_public.jsp

Thank you



T: +44 (0) 1536 740162

E: info@ciltinternational.org

Charity Registration Number: 313376



**The Chartered
Institute of Logistics
and Transport**