



Hinterland Connectivity- From Ports to Prosperity

Lessons from Hong Kong on Digital Trade Facilitation

AIIB Transport Knowledge Week 14-18 September 2026



IAPH is an NGO
headquartered in
Tokyo, Japan since
November 1955

Recognized as the
only international
organization
representing the
voice of the world
port industry

IAPH is granted
Consultative Status
as Non-governmental
Organization (NGO)
from five United
Nations (UN)
specialized agencies
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intergovernmental
body

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214 regular members and 186 associate members,
total 400 members from 100 different countries



The Global Trade Challenge

Over \$2 Trillion Trade Value

Requires seamless coordination across multiple transport modes simultaneously

Cascade Congestion Cycle

World-class ports underperform because cargo gets stuck 50 kilometres inland

Why Hinterland Connectivity Matters Now

Physical Gaps

Many ports lack efficient rail-sea-land-river intermodal links, leaving inland regions disconnected from global trade

Digital Gaps

Data sits in silos – terminals, customs, banks, and truckers all use incompatible systems, creating friction at every handoff

Policy Gaps

Even where infrastructure exists, misaligned regulations and slow clearance processes steadily erode competitiveness

AIIB's focus on cross border connectivity and transport integration can help to address all these subjects

Hong Kong's Position World Merchandise Trade Year 2025

The world's 6th largest
importer,
accounting for 3.1% of world
total imports

The world's 5th largest
exporter,
accounting for 2.9% of world
total exports

The world's 5th largest trader,
accounting for 3.0% of world
total trade

Hong Kong ranked the top financial hub in Asia and
the third globally

Challenges

Proportion of SMEs

Accounts for 98% of HK enterprise and 40% of all SMEs in Trading & Logistics Import/Export Trade and Wholesale. Encompassing roughly 82,400+ establishments

SME Trade Finance Gap

Banks usually require massive collateral or complex, audited financial statements to approve trade financing. SMEs rarely have these readily available. Struggle to secure bank loans

Platform Fragmentation

Hong Kong's logistics sector suffered from fragmented data silos. Cargo tracking, customs, and airport data lived on separate systems, making it highly time-consuming for banks to cross-verify information

Mitigating Trade Fraud

Paper-based or manual electronic bills of lading and invoices are highly vulnerable to duplicate financing fraud (where a company uses the same shipment to apply for loans at multiple banks)

The Hong Kong Story: A Living Laboratory



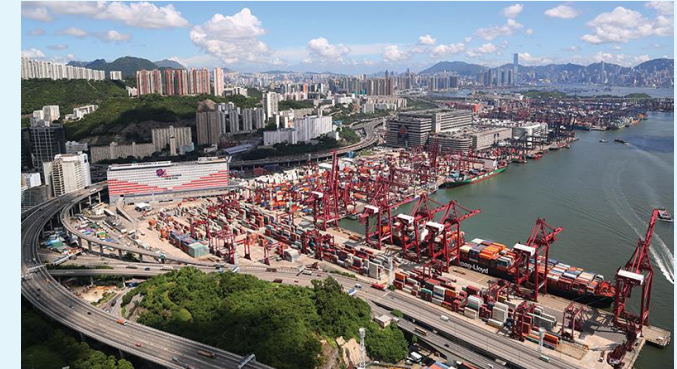
GBA Super-Connector

One of the largest maritime and aviation cargo centres in the Greater Bay Area, with deep ties to the Mainland and global markets



Rail-Sea-Land-River Intermodal

Linking inland provinces — Chongqing, Guangxi, Yunnan — to world markets through Hong Kong's multimodal network



Partner Port Network

Expanding across the GBA and Belt and Road countries, creating shared logistics corridors for regional prosperity

Infrastructure alone is only half the story — digitalisation is the game-changer

Digital Backbone: Port Community System (PCS)

LAUNCHED JANUARY 2026

A Nervous System for the Port

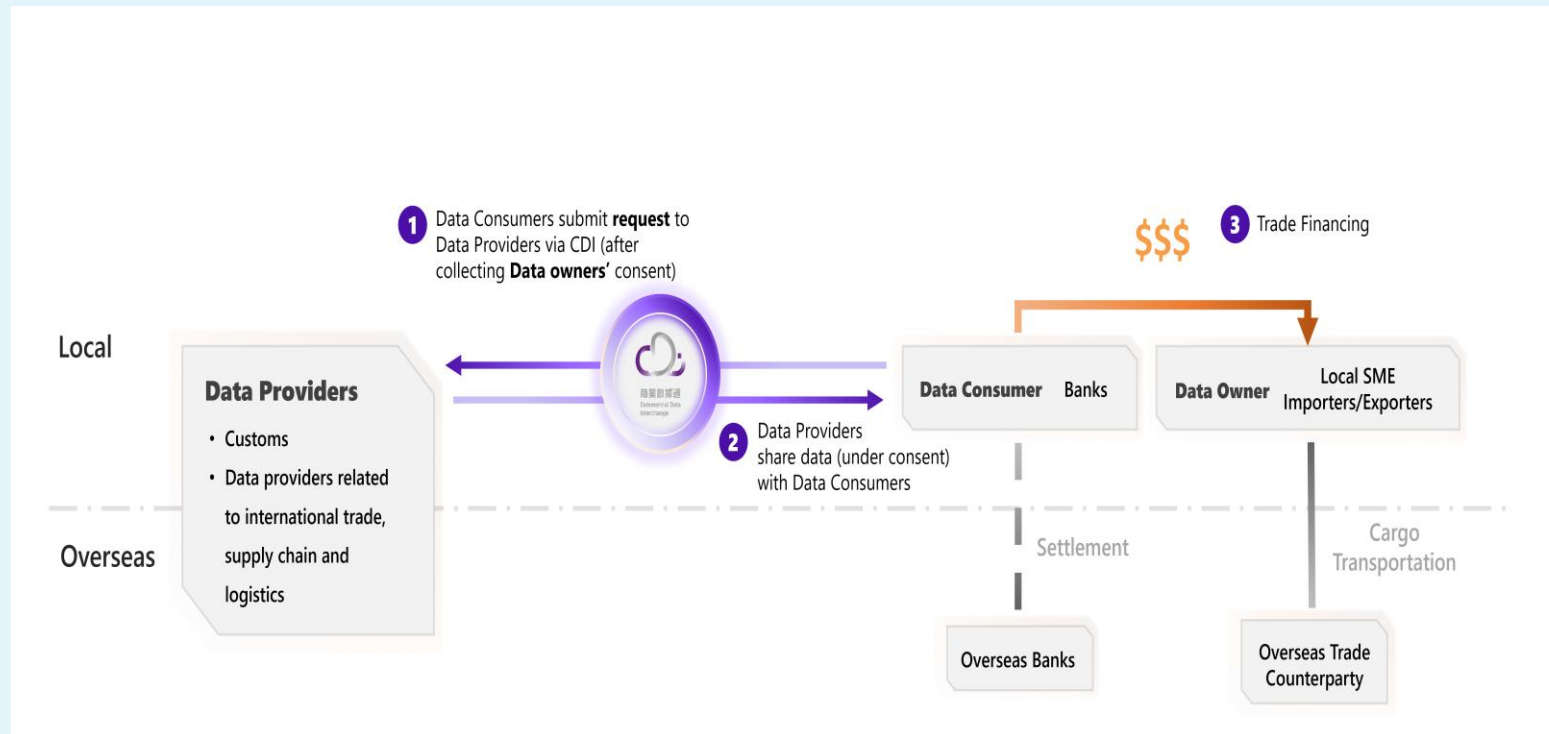
- **Real-time tracking:** Every consignment receives a unique QR code — trucks, warehouses, terminal operators, and airlines update status continuously
- **One-Data-Multiple-Declarations:** MOU with Guangdong E-Port enables a single data entry submitted to both Hong Kong and Mainland customs
- **Full supply chain visibility:** A shipper in Guangxi can track cargo from factory floor to vessel — customs authorities see the same live data

The result: duplication eliminated, clearance time cut from **days to hours**, and the entire supply chain made transparent



From Data to Finance: Project CargoX

How CargoX Works



LAUNCHED APRIL 2025 – HKMA

Turning Cargo Data into Financial Opportunity

- **Built on CDI:** The Commercial Data Interchange platform (since 2022) enables consent-based data sharing between companies and banks
- **Rich data for banks:** Real-time track-and-trace records, trade declarations, and air shipment data from PCS, HKIA Cargo, and the Trade Single Window
- **Proven at scale:** Six pilot banks validated reduced loan drawdown times and improved risk assessment. **21 banks** are now actively testing in 2026

Tangible Impact: What We're Seeing

40%+

Faster Loan Drawdown

One pilot bank cut loan drawdown time by
over 40 percent using real-time cargo
data

Minutes

Document Verification

Down from 3–5 days to minutes with
consent-based access to PCS and HKIA
Cargo data

21

Banks Testing in 2026

From 6 pilot banks to 21 active
participants – validating faster approvals
and better risk tools

SME Benefits

Faster access to working capital at
lower cost – banks can approve loans
before cargo arrives by predicting cash
flow from track-and-trace data

Bank Benefits

Reduced operational risk and the ability
to design financial products precisely
tailored to real logistics cycles

Policy Enablers: What Made This Possible

Government Leadership

Transport and Logistics Bureau led PCS development with sustained industry input, ensuring the platform served real operational needs

Regulatory Agility

HKMA created a sandbox environment where banks could test data-sharing arrangements without risk of breaching existing rules

Trusted Public Infrastructure

CDI operates as a neutral, secure public utility – giving SMEs the confidence they need to share sensitive data with financial institutions

Cross-Agency Coordination

TLB, HKMA, Airport Authority, and Customs aligned their roadmaps and timelines – removing bureaucratic friction from the critical path

International Outlook

Exploring tokenised electronic bills of lading and data partnerships beyond Hong Kong, preparing for the next frontier of trade digitalisation

Implications for AIIB Members



Physical + Digital = Multiplier Effect

Pairing hard infrastructure with digital systems amplifies investment returns well beyond what either delivers alone

SME Finance as a Connectivity Outcome

When cargo data flows freely, trade finance follows — unlocking capital for the businesses that drive employment and innovation

Data Interoperability Requires Early Agreement

Hong Kong's PCS connects to Guangdong's E-Port because data standards were aligned from the start — not retrofitted

A Replicable Model

Every country has different systems — but consent-based data sharing, one-stop platforms, and public-private collaboration travel well across borders

Three Asks for AIIB and Ministers

1

Prioritise Digital Layers in Infrastructure Financing

When AIIB finances ports, corridors, or logistics hubs . The marginal cost is small; the impact is transformational

2

Support Cross-Border Data Interoperability

We need international agreements on data standards, consent frameworks, and cybersecurity that enable – not hinder – the free flow of trade data across borders

3

Create a Knowledge-Sharing Platform on Trade Digitalisation

AIIB can host a platform where member countries exchange lessons

Connectivity with Purpose

More Than Roads and Rails

Hinterland connectivity is ultimately about data that flows as freely as cargo — invisible infrastructure that makes the visible kind work

Trust and Opportunity

It is about trust between governments, banks, and businesses — especially for the SMEs who drive employment and power innovation in every economy in this room

Hong Kong's Journey

Our experience with PCS, CDI, and CargoX is just beginning. We have as much to learn from others here as we hope to contribute

The Lesson

When we connect physical infrastructure with digital infrastructure, and align policy behind both — we don't just move cargo faster, we move trade faster

World Ports Conference

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