Project Cargo^x: Unlocking Trade Finance Value through Cargo Data

by Financial Infrastructure Department

Introduction

The HKMA is dedicated to advancing Hong Kong's financial infrastructure, including the provision of secure, stable, and efficient data infrastructure. One of the key initiatives on this front is Commercial Data Interchange (CDI), a next-generation financial data infrastructure that aims to enhance consented data sharing and facilitate small and medium-sized enterprise (SME) lending. In April 2025, leveraging CDI, the HKMA launched Project Cargo^x, a multi-year initiative that aims to enhance the digital ecosystem for trade finance by harnessing the power of cargo data. This article provides an overview of Project Cargo^x, its objectives, and its potential to transform the digital trade finance landscape in Hong Kong.

Background

Launched in October 2022, CDI is designed to assist banks in optimising the loan application and trade finance processes for SMEs, thereby enhancing their access to financing and expediting their transformation of business models and supply chains. By utilising the commercial data obtained through CDI, banks can digitalise and streamline their operations, enabling them to provide more competitive financing solutions for their clients while strengthening their risk management and increasing efficiency.

Since its official launch, CDI has facilitated more than 61,000 loan applications and reviews, with an estimated credit approval amount exceeding HK$50.1 billion as at the end of June 2025 (Chart 1).

Chart 1

SME loan applications and reviews facilitated by CDI
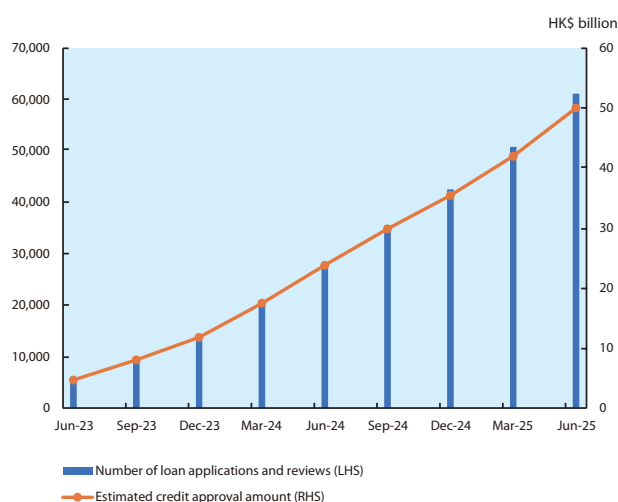
Hong Kong, as one of the world's busiest and most efficient ports, and ranking fourth in the International Shipping Centre Development Index 2025, plays a critical role in global trade. In 2024, the city's airport, Hong Kong International Airport (HKIA), was named the busiest cargo airport in the world for the 14th time since 2010, with over 4.9 million tonnes of cargo handled in 2024. These achievements demonstrate a strong demand for shipping and cargo services and the presence of a wealth of cargo data in Hong Kong.

Supporting SMEs and their need for trade financing

Supporting SMEs and their need for trade financing is crucial for the economic growth of Hong Kong. SMEs are the bedrock of the Hong Kong economy, accounting for 98% of enterprises and employing around 43% of the private sector workforce in the city. Around 40% of SMEs are in the import and export trade, wholesale, and retail industries. Efficient access to trade finance is key for these SMEs to capitalise on business opportunities and achieve their full potential.

Nevertheless, SMEs' access to trade finance is faced with challenges arising from different processing pain points. For instance, the heavy reliance on paper-based documents has led to inefficiencies and difficulty in tracking and verifying transactions. With light balance sheets, many SMEs also struggle to provide the collateral required by banks to secure loans. Furthermore, issues like duplicate financing have heightened the risk of default and fraud.

The above development and challenges culminated in the launch of Project Cargo[x] in April 2025, which aims to build a more inclusive and efficient digital ecosystem for trade finance, powered by cargo data insights and the CDI data infrastructure.

Objectives of Project Cargo[x]

As a multi-year, public-private collaboration leveraging CDI, Project Cargo[x] aims to address the challenges in trade finance by focusing on three key areas (Figure 1):

- leveraging cargo data to streamline and enhance trade finance processes;

- developing digital solutions to improve accessibility to trade finance for SMEs; and

- exploring connections with international data partners to facilitate the trade financing use case for banks in Hong Kong.

Figure 1
Key focus areas of Project Cargo[x]

Leverage **cargo data** to address processing pain points in trade finance.

Develop **digital solutions** to improve SMEs' accessibility to trade finance.

Explore connecting with **international data partners** via **CDI** to facilitate trade financing use case for banks in Hong Kong.
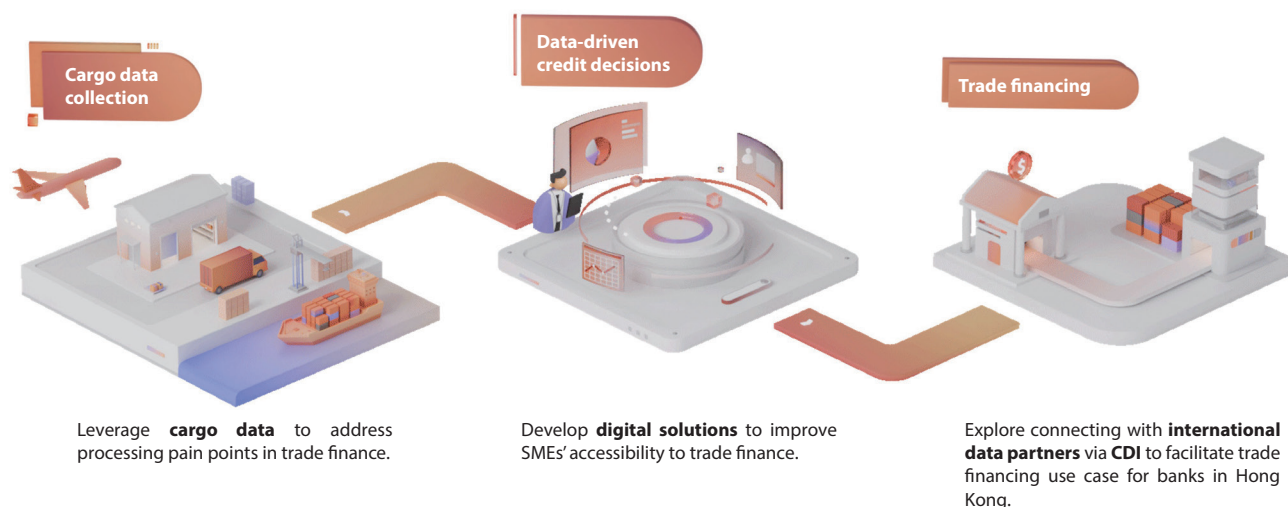
The Expert Panel

To facilitate industry engagement, the HKMA established an Expert Panel on Project Cargo[x] in April 2025. There are now 19 member organisations in the Expert Panel (Figure 2 and Table 1), comprising industry experts and key stakeholders from cargo data providers, trade associations, banks, credit reference agencies, and government agencies.

The Expert Panel serves as a vital platform for fostering collaboration and sharing industry experience to create a holistic understanding of the trade finance landscape, pinpoint areas for improvement, and identify processes for further digitalisation, particularly through cargo data.

Specifically, the Expert Panel will formulate a roadmap for digitising cargo data (encompassing sea, road, and air transportation data) and integrating relevant cargo data sources across jurisdictions with CDI, by the end of 2025.

Figure 2
Composition of the Expert Panel on Project Cargo[x]

To formulate a **roadmap** for digitising cargo data and integrating relevant cargo data sources/platforms across jurisdictions with CDI

Table 1

Members of the Expert Panel on Project Cargo[x]

(in alphabetical order) (as of July 2025)

1.	Airport Authority Hong Kong
2.	Bank of China (Hong Kong) Limited
3.	Bank of East Asia, Limited (The)
4.	Coface Greater China Services Limited
5.	Commerce and Economic Development Bureau
6.	Dun & Bradstreet (HK) Limited
7.	FreightAmigo Services Limited
8.	Fung Group (participating through HKUST Li & Fung Supply Chain Institute)
9.	GS1 Hong Kong
10.	Hang Seng Bank Limited
11.	Hong Kong Export Credit Insurance Corporation
12.	Hong Kong Monetary Authority
13.	Hongkong and Shanghai Banking Corporation Limited (The)
14.	International Chamber of Commerce Digital Standards Initiative
15.	Logistics and Supply Chain MultiTech R&D Centre
16.	Shanghai Commercial Bank Limited
17.	Standard Chartered Bank (Hong Kong) Limited
18.	Tradelink Electronic Commerce Limited
19.	Transport and Logistics Bureau

Proof-of-concept studies and pilots

With the guidance from the Expert Panel, the HKMA has been facilitating proof-of-concept studies to develop new solutions with strategic partners such as the Transport and Logistics Bureau (TLB) and the Airport Authority Hong Kong (AAHK) as well as pilot banks to improve digital trade finance through the use of cargo data and CDI in 2025 and 2026.

A key milestone was recently achieved, as six Project Cargo[x] pilot banks participating in the TLB's new trial phase of the Port Community System (PCS) preliminarily validated the effectiveness of using cargo track-and-trace data to verify trade authenticity. As part of the trial, some banks have also leveraged PCS's cargo data (including track-and-trace data, and trade declaration data through the "one-data-multiple-declarations" function) to predict cash flow trends and reduce loan drawdown time compared to using traditional paper-based shipping documents. This, in turn, helps streamline trade finance process for SMEs and strengthen risk management for banks.

Leveraging on the pilot trial conducted with the HKMA in 2024[1], the AAHK is collaborating with two pilot banks to share with them the air cargo and customs documents and data on the HKIA Cargo Data Platform as alternative data, with a view to streamlining banks' processes, such as account opening, credit line approval and drawdown application, for shippers and freight forwarders.

In addition, the HKMA, the Digital Policy Office, and the Commerce and Economic Development Bureau (CEDB) are collaborating closely on the planned connection with the CEDB's Trade Single Window (TSW) Phase 3, which is targeted for roll-out in phases in 2026, via the linkage between CDI and the Government's Consented Data Exchange Gateway. The planned connection will enable importers and exporters to authorise the sharing of their import and export declaration data on the TSW with banks, with a view to expediting loan approvals.

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[1]   The HKMA partnered with the AAHK in 2024 to share air cargo data on the HKIA Cargo Data Platform via CDI with pilot banks upon authorisation, thereby streamlining the trade finance process.

Data Summit

On 28 July 2025, the HKMA and The Hong Kong Association of Banks successfully co-organised the Data Summit 2025 under the theme of "*Empowering business and trade through advanced data infrastructure*". Drawing around 800 senior executives and industry professionals, the Summit explored how data infrastructure can enhance trade finance processes and facilitate SME lending, thereby fuelling trade and commerce growth.

Project Cargo^x was spotlighted at the Summit through keynote speeches from Ms Mable Chan, Secretary for Transport and Logistics, and Mr Fred Lam, Chairman of the AAHK, as well as panel discussions featuring industry experts. At the 15 interactive exhibition booths, data providers and banks showcased their cargo data solutions and use cases, with a view to demonstrating the power of cargo data and fostering industry collaboration.

Opening ceremony of the Data Summit 2025

Interactive exhibition booths at the Data Summit 2025

Conclusion

The launch of Project Cargo^x marks an important milestone in the development of Hong Kong's digital trade finance ecosystem. Leveraging cargo data and the HKMA's next-generation CDI data infrastructure, Project Cargo^x will help resolve some long-standing pain points in trade finance for banks, ultimately boosting efficiency and driving industry-wide innovation. As the project progresses, the HKMA will continue to explore new use cases and applications for cargo data, with the aim of overcoming traditional barriers and empowering SMEs with faster and more accessible financial services. With the guidance of the Expert Panel and the collaboration of key stakeholders, Project Cargo^x is poised to unlock new opportunities for trade finance, enhance risk management, and consolidate Hong Kong's position as a leading international trade and financial hub.