

# Logistics Hub & International Maritime Centre

## **Overview**

Hong Kong is a premier logistics and maritime hub in Asia and gateway for trade between Mainland China and the rest of the world. A strategic location, state-of-the-art infrastructure and high-quality services providers give Hong Kong its competitive edge.

## **Aviation**

- Strategic location places Hong Kong within five hours' flying time of half the world's population and four hours' flying time of most major cities in Asia.
- Over 120 airlines offer more than 1,100 flights daily to over 220 destinations.
- Hong Kong International Airport (HKIA) is the world's busiest air cargo hub (air cargo and airmail throughput over 5 million tonnes in 2017) and one of the busiest airports for passengers (72.9 million in 2017).
- Airport Authority Hong Kong (AAHK) has commenced construction of a Three-Runway System (3RS) that is expected to be completed by end-2024.
- On full commissioning of the 3RS, HKIA will have the capacity to handle over 100 million passengers and around nine million tonnes of cargo annually, meeting anticipated demand up to at least 2030.
- Tax concessions were introduced in 2017 to attract aircraft leasing companies to develop their business in Hong Kong.
- To strengthen Hong Kong's leading position as a major aviation hub in the region, AAHK established the Hong Kong International Aviation Academy in 2016 to nurture local and regional air transport management talent.

## **Port**

- One of world's busiest and most efficient ports (about 20.8 million TEUs in 2017).
- The Kwai Tsing Container Terminals has 24 berths operating round-the-clock in nine container terminals.
- About 320 container vessel sailings every week connect to around 470 destinations worldwide.
- Competitive advantages include a free port, efficient customs, a simple and low tax regime, reliable and efficient workforce, and free flow of capital and information.
- Water transport accounts for more than 90% of freight volume to and from Hong Kong.

## **Maritime**

- The Hong Kong Maritime and Port Board was set up in 2016 to foster development of the maritime and port sectors and promote high-value-added maritime services.

- The Hong Kong Shipping Register ranks 4<sup>th</sup> globally in terms of gross tonnage. Nearly 10% of the deadweight tonnage of the world's merchant fleet is owned or managed by Hong Kong ship owners.
- With a cluster of some 800 shipping-related companies, Hong Kong can provide a range of quality maritime services, including ship agency and management, shipbroking, marine insurance, and maritime legal and arbitration services.
- The High Court maintains specialist lists to deal with admiralty and commercial disputes. An Admiralty Court Users' Committee is headed by a judge of the Court of First Instance.

A raft of measures announced in the 2018 Policy Address support and enhance the development of high value-added maritime services. These include:

- tax measures to foster ship leasing business
- tax relief to promote the development of marine insurance and the underwriting of specialty risks in Hong Kong
- setting up Regional Desks of the Hong Kong Shipping Registry
- injecting \$200 million into the Maritime and Aviation Training Fund to nurture talent
- expanding the network of Comprehensive Double Taxation Agreements to attract more international marine and maritime service providers to set up offices in Hong Kong.

### **Land-based connectivity**

- The Hong Kong-Zhuhai-Macao Bridge (HZMB), commissioned in October 2018, expands Hong Kong's cargo hinterland to the western Pearl River Delta region. With the HZMB, the journey time between Zhuhai and Hong Kong International Airport is reduced from four hours to 45 minutes, whilst the journey time between Zhuhai and Kwai Tsing Container Terminals from 3.5 hours to 75 minutes.
- Currently there are six land-based control points serving cross-boundary passengers between Hong Kong and Shenzhen. Due for completion in 2019, the Heung Yuen Wai Boundary Control Point will connect with the Shenzhen Eastern Corridor and provide an access to eastern Guangdong.