

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, excellent connectivity, state-of-the-art infrastructure, a sound legal system, high-quality service providers, competitive tax regime, and status as an international business and financial centre give Hong Kong its competitive edge.

Aviation

- Hong Kong is within 5 hours' flying time of half the world's population and 4 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 has air services agreements with 47 countries along the Belt and Road.
- In 2018, all three air traffic categories at Hong Kong International Airport (HKIA) reached new annual heights. The airport served 74.7 million passengers and 427,766 flight movements, representing yearly increases of 2.5% and 1.7% respectively, while total cargo throughput increased by 1.5% year on year to 5.1 million tonnes, making HKIA the busiest cargo airport in the world for nine consecutive years.
- Airport Authority Hong Kong (AAHK) has commenced construction of a Three-Runway System (3RS), 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.
- In 2016, AAHK established the Hong Kong International Aviation Academy to nurture local and regional air transport management talent to strengthen Hong Kong's leading position as a major international and regional aviation hub.

Hub Port

- One of the world's busiest and most efficient ports. Competitive advantages include free port status, efficient customs and well-established port infrastructure. Water transport accounts for more than 90% of freight volume to and from Hong Kong.
- The nine container terminals at Kwai Tsing Container Terminals have 24 berths, operating round-the-clock year round. 15.5 million TEUs were handled in 2018.
- Every week, about 310 container vessel sailings connect to around 450 destinations worldwide.
- An important regional hub port, Hong Kong Port provides about 200 intra-Asia shipping services per week.
- Extensive liner services coverage underpins Hong Kong's position as an international maritime centre.
- Hong Kong Port maintains marine cargo movements with over 90 countries along the Belt and Road.

Maritime Services

- 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 (HKSR) ranks 4th 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 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.
- Hong Kong is a leading centre for shipping and commercial contract formation as well as dispute resolution. The High Court maintains specialist lists to deal with admiralty and commercial disputes. A judge of the Court of First Instance heads an Admiralty Court Users' Committee.
- Hong Kong is one of the most significant international ship finance centres in Asia – wide range of ship finance products available to suit various customers and investors.
- About 90 local and foreign insurance companies provide ship insurance services in Hong Kong.

Measures to enhance the development of high value-added maritime services include:

- 50% profits tax concession to marine insurance businesses, covering cargo insurance, marine hull insurance and marine liability insurance
- The Hong Kong Polytechnic University Department of Logistics and Maritime Studies provides academic programmes ranging from undergraduate to postgraduate levels, with major areas of specialisation in global supply chain and international shipping and transport logistics
- Maritime and Aviation Training Fund supports talent development, to enhance the overall competitiveness and professional competency of the industries
- Tax measures to foster ship-leasing business to attract more ship leasing companies to set up and expand business in Hong Kong and further develop Hong Kong's maritime industry
- The International Union of Marine Insurance has set up their Asian hub in Hong Kong
- Enhancing the services of HKSR via setting up Regional Desks to provide services such as ship registration and ship inspections, respond to Port State inspection and emergencies
- Expanding the network of Comprehensive Double Taxation Agreements to attract more overseas ship owners 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. The bridge slashes journey time between Zhuhai and Hong Kong International Airport from four hours to 45 minutes, and between Zhuhai and Kwai Tsing Container Terminals from 3.5 hours to 75 minutes.
- The HZMB and the adjacent Hong Kong International Airport have turned Lantau island into a "double gateway" to the world and other Guangdong-Hong Kong-Macao Greater Bay Area cities.
- There are six land-based control points serving cross-boundary passengers between Hong Kong and Shenzhen. The new Heung Yuen Wai Boundary Control Point, connecting with the Shenzhen Eastern Corridor and offering access to eastern Guangdong, is due for completion in 2019.