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**, including about 50 destinations in the Mainland.

➤ Hong Kong has Air Services Agreements or International Air Services Transit Agreements with about 50 countries along the Belt and Road.

➤ In 2019, the airport handled 71.5 million passengers and over 419,730 flight movements. Air cargo throughput amounted to 4.8 million tonnes.

➤ 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 air traffic demand at least up to 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. 18.4 million TEUs were handled in 2019.

➤ 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 concessions 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.

➢ Plan to introduce tax concessions to encourage more commercial principals of the maritime industry to establish a presence in Hong Kong.

➢ **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 technical support and 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, enables the Western Pearl River Delta to fall within a three-hour commuting radius of Hong Kong. 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 currently six land-based control points serving cross-boundary passengers between Hong Kong and Mainland China. The **Heung Yuen Wai Boundary Control** is the 7th road-based crossing, with capacity to handle up to 30,000 passengers and 17,850 vehicles per day. This new boundary control point will enhance connectivity to eastern Guangdong and further boost the flow of people and business between Hong Kong and the Mainland.