

## LCQ9: Consolidating Hong Kong's position as international maritime centre

Following is a question by the Hon Lai Tung-kuok and a written reply by the Secretary for Transport and Logistics, Mr Lam Sai-hung, in the Legislative Council today (June 12):

Question:

In April this year, the Transport and Logistics Bureau issued a post in social platform, pointing out that the comprehensive strength of Hong Kong's port is multidimensional and should not be measured solely by its container throughput ranking, and that Hong Kong remains a leading international maritime centre. Regarding the consolidation of Hong Kong's position as an international maritime centre, will the Government inform this Council:

(1) apart from the 2023 Xinhua-Baltic International Shipping Centre Development Index Report mentioned in the aforesaid post, whether the authorities have obtained other information relating to maritime or port rankings (including but not limited to the container throughput rankings of ports in various places provided by Lloyd's List, an authoritative media outlet in the international maritime industry, and Alphaliner, a maritime consultancy); if so, of Hong Kong's ranking in the past five years;

(2) whether it has compiled statistics on the total number of port and maritime-related companies in Hong Kong in each of the past five years, together with a breakdown by scope of business;

(3) whether it has compiled statistics on the number of maritime arbitration cases conducted in Hong Kong and the total amount in dispute involved in such cases in each of the past five years; whether it knows the ranking of the Hong Kong International Arbitration Centre among arbitration institutions worldwide in each of the past five years;

(4) whether it has compiled statistics on the number of local and overseas insurance companies engaged in marine hull insurance business in Hong Kong in each of the past five years, as well as the total amount of related premiums and their percentage in the total amount of related premiums worldwide;

(5) whether it has compiled statistics on the number of ship finance transactions conducted in Hong Kong in each of the past five years and the total financing amount involved, as well as the percentage of such total amount in the total amount of ship financing worldwide;

(6) whether it has compiled statistics on the gross tonnage of Hong Kong-registered vessels in each of the past five years; whether it knows Hong Kong's global ranking in terms of the number of vessels registered in each of

the past five years;

(7) whether it has compiled statistics on (i) the average number of international container liner services provided in Hong Kong per week, and (ii) the number of destinations worldwide connected by Hong Kong's international container liner services in each of the past five years;

(8) as it has been reported that due to the realignment of global supply chains and shipping alliances this year, some shipping routes have ceased to call at the port of Hong Kong, whether the authorities have assessed the far-reaching implications of the adjustment of global shipping routes, and the targeted measures they intend to take to cope with the crisis facing Hong Kong's maritime industry; and

(9) as it is learnt that the land leases of Container Terminals 1 to 9 in Kwai Tsing Container Terminals will expire in 2047, whether the authorities have negotiated with the terminal operators the arrangements after 2047 in order to plan the way forward for Hong Kong's development as an international maritime centre; if so, of the progress and details; if not, the time planned to conduct negotiation?

Reply:

President,

The Government of the Hong Kong Special Administrative Region (HKSAR) is committed to reinforcing Hong Kong's position as an international maritime centre. The Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035 and the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area have shown express support to the position of the Hong Kong port and the development of high value-added maritime services in Hong Kong for better integration into the country's development course. The Transport and Logistics Bureau promulgated the Action Plan on Maritime and Port Development Strategy on December 20, 2023, which sets out 10 strategies and 32 action measures in four directions to support the sustainable development needs of the maritime and port industry in Hong Kong, enhance the long-term competitiveness of the industry, as well as consolidate and enhance Hong Kong's position as an international maritime centre.

Having consulted the relevant departments, our reply to the various parts of the question raised by the Hon Lai Tung-kwok is as follows:

(1) Hong Kong was ranked fourth globally in the 2023 Xinhua-Baltic International Shipping Centre Development Index Report, reflecting Hong Kong's comprehensive strengths as a leading international maritime centre, with a high-quality maritime services cluster, excellent business environment, and ideal port conditions. The relevant global rankings of Hong Kong's shipping and port industry are as follows:

Year	Lloyd's List Top 100 container ports in the world ranking (Note 1)	Alphaliner Top 30 container ports in the world ranking (Note 2)	Ranking of flag of registration of merchant fleet (Note 3)
2019	8	8	4
2020	9	9	4
2021	9	10	4
2022	9	10	4
2023	Not yet released (Note 4)	11	4

Note 1: Data from the Lloyd's List

Note 2: Data from the Alphaliner

Note 3: Data from the UN Trade and Development

Note 4: Based on the calculation method of the Lloyd's List, an authoritative media in the international maritime industry, it is estimated that Hong Kong's container throughput ranked 10th in 2023 globally

(2) The number of port and maritime-related companies (by sector) is as follows (Note 5):

Sector	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022
1. Port and shipping	860	850	840	870	930
2. Maritime business services	280	290	300	290	280
Overall (Note 6)	1 140	1 140	1 130	1 160	1 210

Note 5: Estimated figures

Note 6: Figures may not add up to the total due to rounding

(3) The Baltic and International Maritime Council designated Hong Kong as one of the four arbitration venues in September 2020, alongside London, New York, and Singapore. A distinctive feature of arbitration is its confidential nature. In order to better safeguard the confidentiality of arbitrations, the Arbitration Ordinance (Cap. 609) restricts parties from publishing, disclosing or communicating any information relating to the arbitral proceedings or the award, unless where the parties agreed otherwise, where a party needs to protect or pursue own legal right or interest, or where a party discloses information relating to the arbitration when enforcing or challenging the award. In addition, maritime arbitration generally adopts the form of ad hoc arbitration, the procedures of which are wholly "administered" by the arbitrator(s) and the parties; if no party makes application to the court for enforcement or setting aside of arbitral award, any third party to

the parties to the proceedings will not have any knowledge of the ad hoc arbitral proceedings that have been conducted. Therefore, public information and statistics concerning arbitration activities in Hong Kong are relatively limited. According to information made public by the Hong Kong International Arbitration Centre (HKIAC), the number of maritime arbitration related cases submitted in Hong Kong is as follows (Note 7):

Year	Number of arbitration cases submitted in Hong Kong	Share of maritime-related arbitration cases
2019	308	14.4%
2020	318	18.6%
2021	277	17.0%
2022	344	12.5%
2023	281	16.0%

Note 7: Data from the HKIAC

The above statistics do not cover all maritime arbitration cases conducted in Hong Kong, which include maritime arbitration cases administered by other arbitral institutions, ad hoc maritime arbitration cases, maritime arbitration cases not seated in Hong Kong but heard in Hong Kong only, etc. Therefore, the above statistics can only partially reflect the position of maritime arbitration activities in Hong Kong. The HKIAC does not provide in its public information any statistics on the total dispute amount of maritime arbitration in Hong Kong.

The HKSAR Government does not maintain an official record of the ranking of global arbitral institutions. However, according to the 2021 International Arbitration Survey published by Queen Mary University of London, the HKIAC is the third most preferred arbitral institution worldwide.

(4) The number of local and non-local insurance companies engaged in the marine insurance business in Hong Kong and the total gross marine insurance premiums written are set out below (Note 8):

Year	Number of local insurers (as at year end)	Number of non-local insurers (as at year end)	Gross Premiums (HK\$ million)
2019	54	35	2,411.6
2020	54	33	2,764.5
2021	52	32	2,900.8
2022	52	31	3,074.0
2023	51	30	3,444.8 (Note 9)

Note 8: Data from the Insurance Authority

Note 9: Provisional figure

(5) Of the total amount of loans and advances provided by authorised institutions relating to transport and transport equipment for use in Hong Kong, the amount related to shipping is set out below (Note 10):

End-December	Loans and advances (HK\$ million)
2019	119,713
2020	129,405
2021	122,175
2022	98,769
2023	90,146

Note 10: Data from the Hong Kong Monetary Authority

(6) The gross tonnage of ships registered in Hong Kong and Hong Kong's global ranking in terms of gross tonnage are as follows:

Hong Kong Shipping Registry		
Year	Gross tonnage ( '000 tons) (Note 11)	World ranking (in terms of gross tonnage) (Note 12)
2019	127 448	4
2020	129 723	4
2021	131 147	4
2022	126 615	4
2023	128 120	4

Note 11: Data from the Marine Department

Note 12: Data from the UN Trade and Development

(7) The average weekly international container vessel sailings and the number of destinations for Hong Kong are as follows:

Hong Kong international container vessels		
Year	Average weekly sailings	Number of destinations
2019	300	420
2020	280	610
2021	270	590
2022	240	460
2023	320	490

(8) and (9) The Hong Kong Port (HKP) is renowned for its high efficiency and is one of the busiest international container ports in the world, which provides frequent and comprehensive liner services with over 300 international container vessel sailings per week, connecting nearly 500 destinations worldwide. This, coupled with the first-class airport and land boundary crossings and transport facilities, makes Hong Kong a regional hub with an extensive service network. The HKSAR Government has been maintaining communication with container terminal operators and the shipping industry to keep abreast of the latest market developments, including the operation and planning cycles of the routes of major shipping alliances around the world. In the short term, increasing local cargo volume is the key to attracting more international transshipment business to Hong Kong. We will utilise the advantages of Hong Kong's world-class multimodal transport network and take advantage of the Hong Kong-Zhuhai-Macao Bridge to strengthen logistics connections with western Guangdong, expand cargo sources, and open up new opportunities for the maritime and port industry. We will also actively work with the industry to enhance the international connectivity of the HKP in handling cargoes to and from more places. We will pragmatically explore with ports and cities in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) where we enjoy complementary advantage, so as to attain the goal of consolidating Hong Kong's position as an international maritime centre as well as bolstering the overall throughput of the GBA port cluster. Currently, Container Terminals 1 to 9 within the Kwai Tsing Container Terminals are being run commercially by five private operators respectively under various land leases. The HKSAR Government will handle the relevant land lease matters in due course.