

Action Plan on Maritime and Port Development Strategy



Transport and Logistics Bureau

The Government of the Hong Kong Special Administrative Region
of the People's Republic of China



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EXECUTIVE SUMMARY

With its superior geographical location, unique institutional advantages, free economic system and rich experience of international business and trade, Hong Kong is well-positioned to become the world's leading international maritime centre (IMC). The Central Government supports Hong Kong in enhancing its status as an IMC as set out in the Outline of the Fourteenth Five-Year Plan for the National Economic and Social Development and the Long-Range Objectives Through the Year 2035 (National 14th Five-Year Plan) and the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) (GBA Outline Development Plan). To realise these national strategies, we must actively enhance the long-term competitiveness of Hong Kong's maritime and port industry and promote the industry's sustainable development to further contribute to the Country's high-quality development.

The maritime and port industry is an important component of Hong Kong's economy. Its economic contribution accounts for 4.1% (or HK\$111.8 billion) of gross domestic product and 2.1% (about 78 400 jobs) of total employment. The maritime and port industry also facilitates the growth of trade and logistics industry, which accounts for over one-fifth of the local GDP and employs about one-sixth of the working population, making it the most significant of the four pillar industries of Hong Kong.

In view of the above, we promulgate the following ten strategies in four directions to uplift Hong Kong's status as an IMC in a comprehensive manner. Among them, we will focus on developing Hong Kong as a green and smart port and put forward a series of actions to promote the development of Hong Kong's maritime and port industry through enhancing port competitiveness, developing high value-added maritime services, and strengthening promotion and nurturing talents, etc.

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DIRECTION 1: Enhancing Port Competitiveness – “Vessels, Cargoes and Destinations”

Hong Kong is an IMC with a natural deep-water port. It is located at the heart of the Far East trade route and lies in the centre of Asia. Hong Kong remains as one of the busiest container ports in the world since the 1970s. As a prominent transshipment hub in Asia, Hong Kong Port's (HKP) competitive advantages lie in its free port status, efficient customs clearance, highly efficient operation and strong international connectivity (with over 240 international container liners per week connecting to more than 460 destinations worldwide). HKP is particularly well-versed in handling high-value and time-critical goods. Its strengths are complementary to other ports in the region, and together they jointly provide efficient services for manufacturing, import, and export trade in the GBA and South China region. HKP has long been a transshipment hub connecting the Mainland and the rest of the world. It was the world's number one container port for most of the period from 1987 to 2004.

Nevertheless, as the earliest and highly developed port in the GBA, HKP inevitably faces constraints for further development, such as limited supply of land in Hong Kong, high operating costs and relatively long distance from the manufacturing hinterland, etc. With the rapid development of ports in the Pearl River Delta region and the introduction of fully automated container terminals, the limited degree of automation of HKP's infrastructure is seen as a weakness when comparing with newer ports in the region, posing a challenge to HKP in lowering manpower requirements and operating costs through full automation.

Apart from the abovementioned limitations, HKP as a free port is more prone to external influence by the changing economic and political dynamics. In recent years, the ports in the GBA have grown proactively. Competition among ports has been fierce due to their geographical proximity and overlapping sources of goods. In addition, the Mainland has relaxed the Cabotage rule gradually in recent years, implemented the export tax rebate from port of shipment policy and streamlined customs clearance procedures through implementing policies such as establishing of combined ports¹ in the GBA. As a result, the freight handling efficiency of Mainland ports has greatly improved, leading to more cargoes being directly shipped from Mainland ports to overseas. Moreover, due to

¹ The ports engaged in foreign trade in the GBA mainly include: Yantian Port, Shekou Port, Chiwan Port and DaChan Bay Port in Shenzhen; Nansha Port in Guangzhou; Doumen Port, Gaolan Port, and Hongwan Port in Zhuhai; Huizhou Port; Dongguan Port, etc.

the impact of the COVID-19 pandemic in the past few years, quarantine restrictions implemented in various places have disrupted supply chains and led to port congestions. Container liners tended to skip port calls in order to catch up with their sailing schedules, and transshipment ports without sources of cargo were more likely to be bypassed. Although the pandemic has subsided, liners have reduced reliance on transshipment, dealing a further blow to the transshipment business of HKP.

Faced with the constraints and challenges identified, Hong Kong's port industry must actively explore new opportunities, maintain throughputs, and solidify its role and status as a regional transshipment hub. To this end, we will continue to strengthen logistics cooperation with other cities in the GBA, make good use of the Hong Kong-Zhuhai-Macao Bridge and improve the overall multimodal transport network to facilitate cargo transshipment via Hong Kong.

To maintain Hong Kong's port business and promote the development of an IMC, we will take every effort to develop Hong Kong as a green and smart port. From the three aspects of “vessels”, “cargoes” and “destinations”, we will holistically attract cargoes from around the world to make use of HKP and collectively tackle the challenges in relation to the zero-carbon emission target of the global maritime industry.



Strategy (1): Developing Hong Kong as a Green Shipping Hub

In terms of “vessels”, we will accelerate the promotion of green shipping and turn Hong Kong into a high-quality green fuel bunkering centre to attract more ships to call HKP for bunkering. This will further consolidate and enhance Hong Kong’s status as an IMC and contribute towards the national carbon emission reduction target . When promoting green fuel bunkering in Hong Kong, we will proceed in accordance with the emission reduction targets set by the International Maritime Organization (IMO)³ in order to meet the needs of ocean-going vessels (OGVs). Our recommended specific actions include:

- Study the feasibility of providing bunkering of green methanol and other clean fuel for local vessels and OGVs⁴, and plan to promulgate an action plan in 2024 for the provision of bunkering facilities and development of supply chains;
- Take forward the preparatory work for liquefied natural gas (LNG) bunkering for OGVs, including technical studies and installations;
- Work with the Hong Kong Maritime and Port Board (HKMPB) to promote green and sustainable development in the industry, raise the industry’s awareness of green and sustainable development and jointly formulate industry guidelines; and
- Nurture experts to ensure that they are equipped with the relevant technical expertise and keep abreast of the latest developments of global emission reduction.

² Hong Kong has all along been committed to implementing green port measures. For example, Hong Kong is the first port in Asia to mandate OGVs to switch to low-sulphur fuel at berth. The Government has also been collaborating with the Mainland to reduce emissions from vessels, including jointly implementing the establishment of a Domestic Emission Control Area in the waters of the Pearl River Delta waters with the Guangdong Provincial Government in 2019, further tightening requirements and that required all vessels to use compliant fuel (such as low-sulphur fuel or LNG), irrespective of whether they are sailing or berthing.

³ The IMO’s target in “2023 IMO Strategy on Reduction of GHG Emissions from Ships” is to achieve net-zero greenhouse gas (GHG) emissions by or around around 2050, and introduces indicative checkpoints for achieving the target: to reduce GHG emissions by at least 20%, striving for 30%, by 2030; and to reduce GHG emissions by at least 70%, striving for 80%, by 2040, taking 2008 as baseline year.

⁴ We will also explore the feasibility of providing bunkering of other clean fuels (including ammonia and hydrogen) at the same time.

Strategy (2): Facilitating Smart Port Development and Promoting Maritime Digitalisation

In terms of “cargoes”, in order to maintain the sustainable development and competitiveness of port operations, the industry needs to promote digitalisation and intelligence to improve cargo handling processes and increase efficiency. The Government will continue to actively develop smart port and promote data interconnection and sharing in the maritime and port industry through the digital Port Community System (PCS)⁵ to further improve operational efficiency and enhance the overall competitiveness of the port. Our recommended specific actions include:

- Complement with the Government’s goal and work in developing a logistics data platform connecting airport, port and other related logistics data platforms⁶; and study the operational arrangements of the PCS in the relevant consulting study to be commenced in 2024;
- Support the industry (including small and medium enterprises (SMEs)) to adapt to technological advancements and enhance the industry’s awareness of digitalisation. At the same time, we will study, from 2024 onwards, how to encourage the industry to make good use of existing digital solutions and technologies to improve the overall efficiency of the cargo handling process; and
- Expand the PCS to a wider range of products and delivery processes beyond cold chain products by 2025 to optimise port operations and multi-party coordination.

⁵ The digital sharing platform has been under trial by phases since 2023, which includes the local and cross-border delivery processes of cold chain goods.

⁶ A proposed action in the Action Plan on Modern Logistics Development issued by the Transport and Logistics Bureau on 31 October 2023.

Strategy (3): Striving for New Sources of Cargo

In order to enhance the port's competitiveness, we need to work with the industry to attract more cargo ships to operate in Hong Kong and increase cargo volume, consolidate Hong Kong as a regional transshipment hub and IMC, and enhance the status of the GBA world-class port cluster. Our recommended specific actions include:

- Commence and complete a review within the coming year on the port dues and fees/ permit that are imposed on OGVs and inland river vessels by the Government to maintain the port's competitiveness and attractiveness to the industry;
- Utilise the advantages of the multimodal transport network, including a world-class cargo airport and flexible logistics support arrangements, 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 continue to strengthen logistics cooperation with the GBA and other Mainland cities to facilitate the import or transshipment of goods through Hong Kong; and
- Join hands with the industry on stepping up promotion work in different regions and exploring new business opportunities in 2024. We will continue to leverage on Hong Kong's unique advantages to serve as the "super-connector" within the GBA. The Transport and Logistics Bureau (TLB) and the Guangzhou Port Authority signed the Memorandum of Understanding (MoU) on Greater Bay maritime cooperation in May 2023 to establish a communication and cooperation mechanism for port and shipping matters between the two parties. We will seek to establish cooperation and exchange mechanisms with other ports and cities in the region, and work with the industry to identify areas where we can leverage our complementary strengths to promote bilateral cooperation.

In terms of “destinations”, we need to expand the international connections of HKP and increase the number of origins and destinations of goods handled by HKP, so as to solidify our status as the transshipment hub in Asia. We will actively work with the industry to explore new external markets. By promoting Hong Kong’s diversified financial and professional services as well as the advantages of the maritime and port industry, we will attract more Mainland and overseas companies to use shipping and port companies in Hong Kong for regional distribution and even set up regional offices in Hong Kong. On this basis, we will explore new business opportunities in the Association of Southeast Asian Nations (ASEAN), the Middle East, and the Belt and Road countries. Our recommended specific actions include:

- Strengthen external exchanges and promotion to deepen the understanding of international maritime companies (including large overseas and Mainland maritime companies) about Hong Kong’s comprehensive advantages, so as to help the Hong Kong port industry expand its trade business and commercial cooperation. We will consolidate a set of promotional materials within the first half of 2024 to highlight the comprehensive advantages of using Hong Kong’s port, including Hong Kong’s tax regime, common law system, professional services, etc., to help enhance the investment promotion efforts by Invest Hong Kong (InvestHK) and related organisations. In fact, green fuel bunkering services and increased cargo sources will help attract more OGVs to visit Hong Kong and promote cargo movement; and
- Starting from 2024, we will work with the HKMPB to visit the Mainland or other GBA cities every year. We will also visit ASEAN, the Middle East (e.g. Dubai) and other emerging markets along the Belt and Road (e.g. Peru, Morocco, Oman), and organise more large-scale promotional events to promote Hong Kong’s maritime and port industry. These efforts will enhance exchanges and cooperation with cities around the world and help Hong Kong’s maritime and port industry strengthen its ties with other places.

DIRECTION 2: Strengthening High Value-added Maritime Services and Enlarging Maritime Network

Hong Kong is the most highly service-oriented economy in the world. Diversified professional services coupled with the institutional advantages of “One Country, Two Systems” have enabled Hong Kong to become a world-class international financial, trading and shipping centre. Currently, there are over 1 100 port and shipping companies in Hong Kong, providing a full range of high-quality maritime services. The main business scope covers port services, ship management and agency, ship operation, maritime law, ship finance, and other shipping services (e.g. classification society, maritime surveying).

Strategy (4): Exploring Further Tax Concessions to Attract International Maritime Enterprises

The Government has spared no effort in promoting the development of high value-added maritime services and shaping Hong Kong into a leading IMC. From 2020 to 2022, the Government launched a series of tax concessionary measures for ship leasing, marine insurance, ship agency, ship management, and ship brokerage businesses. These measures are already beginning to bear fruit. Between January 2020 and October 2023, InvestHK assisted 33 Mainland and overseas shipping companies to expand businesses in Hong Kong. We aim to promote Hong Kong's attractiveness to shipping commercial principals and expand the local maritime network. Our recommended specific actions include:

- InvestHK will step up its efforts in recruiting more overseas shipping companies to set up and expand businesses in Hong Kong, bringing more maritime-related businesses and commercial activities to Hong Kong;
- Launch a study on the introduction of tax concessionary measures in key maritime business sectors, including commodity trading from 2024; and
- Review the existing tax concessionary measures from 2024 to ensure that the international tax reform project by the Organisation for Economic Co-operation and Development (OECD) in response to the base erosion and profit shifting arising from the digitalisation of the economy (commonly known as “BEPS 2.0”) will not reduce the competitiveness of the current ship leasing tax regime. These include whether the Government needs to amend the Inland Revenue Ordinance and introduce new tax concession arrangements to replace the 20% tax base concession under the ship leasing tax regime. We will set up a dedicated task force to study tax issues related to tax concessions for commodity trading and BEPS.

Strategy (5): Enhancing Hong Kong Shipping Registry to Consolidate the High-quality Brand

Hong Kong's ship registration is widely recognised internationally. It ranks fourth in the world in terms of gross tonnage. The port state detention rate of Hong Kong-registered ships is very low, with a rate of 0.8% in the first three quarters of 2023, which is much lower than the global average (3.42%). Hong Kong's high-quality fleet sails worldwide and contributes to the navigation safety of various ports. In parallel, the high-quality brand of ship registration and large fleet of Hong Kong strengthen the local maritime industry. We have been dedicated to enhancing the services and coverage of the Hong Kong Shipping Registry (HKSR), and currently providing shipowners with more direct and faster support through the services of seven regional desks in London, Shanghai, Singapore, Sydney, San Francisco, Tokyo, and Toronto. We will take the following recommended specific actions:

- The Marine Department (MD) will strengthen ties with existing shipowners via more frequent business meetings, marine safety seminars and visits. It will also reach out to markets with growth potential (such as the Middle East and Southeast Asia) and strengthen the promotion of HKSR service through extensive corporate visits and exhibitions in target regions;
- To further accelerate growth, the MD will continue to optimise ship registration services and suitably employ digitalisation to streamline the process to facilitate ship registration;
- The HKSR will formulate competitive financial incentives to increase the attractiveness of the HKSR, including the consideration of providing block registration incentives for shipowners from 2024/2025 and green incentives for Hong Kong registered ships that meet international carbon reduction standards;
- We will also enhance the promotion of the HKSR. From 2024, the scale of the annual prize presentation ceremony co-hosted by the HKSR and the Hong Kong Shipowners Association (HKSOA) will be expanded. We will also explore introducing green ship awards to shipping companies with excellent performance; and
- The HKSR will make use of the existing network and work with InvestHK to encourage shipowners and ship management companies of Hong Kong registered ships to use more local maritime services to increase the demand for these services.



Strategy (6): Leveraging the Advantages of the Legal System to Promote Maritime Arbitration

Hong Kong has always been an important dispute resolution centre in the Asia-Pacific region. The city has a well-developed judicial framework, professional maritime legal services, the only Chinese-English bilingual common law system in the world, a rich selection of arbitration institutions, and the advantages of China's status as a party to the New York Convention with its scope of application extending to Hong Kong. With the concerted efforts of the Government and the industry, the Baltic and International Maritime Council's (BIMCO) BIMCO Legal and Arbitration Clause 2020 lists Hong Kong as one of the four designated arbitration venues in the standard contract for the global maritime industry, affirming Hong Kong's leading position in the field of maritime arbitration. To capitalise on Hong Kong's international position in maritime arbitration, we will actively encourage companies to choose Hong Kong as the seat of arbitration. This will enable Mainland enterprises aiming to "go global" to resolve maritime disputes in a familiar environment and hence smoothen the overall process of "domestic investment going global". We will take the following recommended specific actions:

- Foster cooperation between Hong Kong and other major maritime arbitration centres, international maritime institutions, legal organisations and trade groups, etc. through participating in international conferences and industry events. These will help showcase Hong Kong's expertise in international maritime law and dispute resolution, and expand the local arbitration talent pool. We will also continue to promote the advantages of maritime arbitration in Hong Kong through local events and external visits in 2024; and
- Actively nurture maritime legal talents who are familiar with international law, common law, civil law and the Country's legal system, and fully utilise Hong Kong's role as a gateway for Mainland and overseas shipping companies. The Government will explore the feasibility of organising regular practical training courses, seminars and international exchange programmes in the relevant fields under the framework of the Hong Kong International Legal Talents Training Academy proposed in The Chief Executive's 2023 Policy Address of the HKSAR Government (the 2023 Policy Address).



DIRECTION 3: Promoting Hong Kong Maritime Brand and Grooming Maritime Talents

The core direction to ensure the long-term and healthy development of Hong Kong's maritime and port industry is to enhance port competitiveness and develop high value-added maritime services to expand the local maritime network. In this regard, we need to adopt a multi-pronged approach, both internally and externally, to strengthen and promote Hong Kong's maritime brand and attract enterprises, cargo flows, and talents through different channels.

Strategy (7): Stepping up Multi-faceted External Promotion to Showcase Hong Kong's Maritime Strengths

Within an intricate and volatile international political environment, it is imperative to step up efforts to promote Hong Kong's maritime industry. We must tell the good stories of the Hong Kong maritime sector from multiple perspectives and publicise Hong Kong's opportunities to the world, showcasing the true picture of Hong Kong, and safeguarding Hong Kong's international image. At present, entities such as the HKMPB, InvestHK and the MD (HKSR) are carrying out maritime-related external promotion. Our recommended specific actions include:

- Strengthen the coordination of external promotion work of the Hong Kong team, and establish a cross-departmental task force in 2024 to enhance outreach work, attract investment, create business opportunities for Hong Kong enterprises, and regularly review the effectiveness of the work to adjust promotional strategies; and
- Continue to enhance the function of Hong Kong Maritime Week (HKMW) as a key platform, invite the industry to help promote the advantages of setting up business bases in Hong Kong, and produce multilingual promotional materials to promote Hong Kong's maritime strength. We will strengthen our connections with more than 1 000 local, overseas and Mainland companies and organisations to participate in HKMW activities in 2024, including showcasing the international status of Hong Kong's maritime industry in collaboration with media partners.

Strategy (8): Enhancing Maritime Influence through GBA and International Collaboration

We have been working hand in hand with the industry to participate in various large-scale international maritime conferences and exhibitions. For example, in December 2023, the Secretary for Transport and Logistics led the HKMPB and industry representatives to participate in the Marintec China 2023 in Shanghai, which is the second largest maritime technology exhibition in the world. The Hong Kong Special Administrative Region (HKSAR) Pavilion was set up at the exhibition with the support of five Hong Kong shipping companies with international background and HKSR, where they promoted Hong Kong as a high value-added maritime service centre in the GBA. Building on the strong foundation of the professional service industry, Hong Kong should position itself as a high value-added maritime service knowledge hub in the region, focusing on maritime law, ship finance, green shipping, etc., and provide high-quality and comprehensive maritime services to overseas companies that choose to develop in the GBA. In addition, Hong Kong's high degree of internationalisation can help Mainland shipping companies "go global" and integrate with the international maritime industry by conducting business in Hong Kong and making use of Hong Kong's efficient and comprehensive high-end maritime services. In this regard, we will continue to cooperate with industry organisations such as the HKSOA to enhance Hong Kong's influence on the global stage and promote the comprehensive strength of the GBA ports to the outside world. We will take the following recommended specific actions:

- The HKMPB will begin the preparatory work of the next the Greater Bay International Maritime Conference in collaboration with the HKSOA in 2024. The Greater Bay International Maritime Conference will provide us a platform to provide business opportunities for Hong Kong shipping companies, and actively explore opportunities for large-scale maritime industry events in targeted markets (such as the Middle East and Southeast Asia); and



- Enhance cooperation with more international maritime organisations which includes deepening the operations and activities of the BIMCO and the International Chamber of Shipping (ICS) in Hong Kong, thereby strengthening Hong Kong's role as a channel for international maritime companies and organisations to enter the Mainland market. This will assist the introduction of overseas capital, and give full play to Hong Kong's advantage of enjoying the strong support of the Motherland while being closely connected to the world. We will encourage international maritime organisations to increase their participation in HKMW 2024 (for example, by becoming support organisations), and continue to facilitate international organisations to host events in Hong Kong and other GBA cities.

Strategy (9): Expanding Maritime Talent Pool to Ensure New Impetus for the Industry

Maritime services pertain to a highly specialised industry and practitioners generally need to spend long time and substantial resources to become top-tier professionals. The vibrant growth of the maritime services industry also relies on Hong Kong's reputation as an internationally renowned place for knowledge exchange and talent aggregation. Since 2014, the Government has been supporting the sustainable development of Hong Kong's maritime talents through the Maritime and Aviation Training Fund (MATF), which administers training subsidy, incentive, and scholarship schemes, and sponsors industry organisations to organise promotional activities. Currently, the MATF supports 13 maritime-related schemes, benefiting more than 10 000 students and maritime practitioners, and approximately 90 000 individuals have participated in promotional and publicity activities sponsored by the MATF. To further train up and attract maritime talents, we will take the following recommended specific actions:

- Strengthen the communication and exchange with several maritime academic institutions within the GBA. We plan to commence relevant exchanges in the first quarter of 2024, jointly explore to promote cooperation and mutual recognition of qualifications among maritime academic institutions in multiple places, establish a joint training mechanism platform for maritime talents, and strengthen teacher exchanges so that maritime practitioners and students in the GBA can receive the required training in multiple places; and
- Complete a comprehensive review in 2024 to evaluate the impact and effectiveness of the MATF in attracting talents and promoting manpower development in the industry. Based on the recommendations made from the evaluation results, we will take relevant follow-up actions to refine the MATF funding schemes and enhance the effectiveness, flexibility, and preciseness of MATF in cultivating the maritime talents needed in Hong Kong to support the career development of the entire shipping industry, from navigation to high value-added maritime sectors.

The maritime industry is an international industry and has traditionally been categorised into three groups: ocean-going, local vessels, and maritime services. In the coming year, we will actively appeal to maritime academic institutions, students and the public to promote the compatible and diversified development of the maritime industry. Next year, we will start to strengthen promotional videos and talks to explain in detail that practitioners who have obtained the Certificate of Competency for Ocean-going Vessel Junior Officers only need to accumulate no more than 1.5 years of sea experience to turn to the shored-based maritime services sector, such as port captain and positions of the MD. They may also take relevant maritime courses to join the high value-added maritime industry, including maritime law and arbitration, ship management, ship finance, marine insurance, ship broking, etc. These industries have excellent prospects and are in high demand for talents with sea experience, which can attract young people to join the industry and plan their long-term life careers as early as possible.

To diversify training courses and contents, and build model for the industry, we will take the following recommended specific actions:

- Encourage local academic institutions from 2024 to cooperate with industry organisations and non-local institutions to establish and maintain partnerships to help launch more scholarship initiatives, joint courses, etc. to cover the latest subjects, industry-relevant skills, and career development pathways to nurture talent. Currently, the MATF subsidises maritime practitioners to study about 150 courses provided by various institutions, professional bodies, or industry organisations to enhance their skills and obtain professional qualifications. We will add newly launched joint courses to the list of approved courses to encourage continuous learning of practitioners. We will also provide policy and financial support to local academic institutions to invite highly qualified and renowned educators to teach the latest maritime subjects in Hong Kong, or hold workshops and seminars to impart knowledge of relevant expertise and skills to local students and in-service practitioners, introducing and exchanging latest developments and information in prevailing maritime field;

- Encourage existing local academic institutions to incorporate the latest maritime development subjects (including digitalisation, carbon emission reduction, etc.) from 2024 when developing and designing maritime training courses to cater for the latest market trends in professions and skills and therefore keep pace with relevant knowledge and skills required by students and practitioners. This will also provide courses or workshops on environmental, social and governance (ESG) in the maritime sector, to equip mid-level professionals with knowledge that is essential for keeping up with sustainable development of the maritime industry and social responsibility; and
- Engage with different sectors of the maritime services industry (e.g. ship finance, marine insurance, mercantile marine officers, maritime law and arbitration, etc.) from 2024 to recognise local young practitioners with outstanding performance and potential, formulate and submit feasible plans to the HKMPB for endorsement, and implementation in 2025 to establish an industry model to attract young people to join the industry. For example, awardees may be subsidised to pursue postgraduate studies in related fields to enhance their professional level, cultivate to become future professionals or leaders in the maritime sector, contribute to the Hong Kong maritime industry, and use their own successful experience to promote the Hong Kong maritime industry to the public.



DIRECTION 4: Enhancing the Support of Hong Kong Maritime and Port Board

In order to consolidate and enhance Hong Kong's status as an IMC, the Government merged the former Hong Kong Maritime Development Council and the Hong Kong Port Development Council on 1 April 2016 and established the HKMPB, which was chaired by the then Secretary for Transport and Housing. This provided a high-level platform for the Government to work closely with the industry to formulate policies and measures that are conducive to the further development of the port and maritime services industry. Three committees under the HKMPB oversee three main areas, including maritime and port development, manpower development, and promotion and external relations. The committees are chaired by industry representatives to enhance industry participation in formulating policy measures to promote the further development of Hong Kong's thriving port and become an IMC.

A Deputy Secretary of the former Transport and Housing Bureau (currently the TLB) also carries the title as the Commissioner for Maritime and Port Development (the Commissioner), and serves as the Secretary of the HKMPB. Over the years, the Commissioner has provided substantive support to the HKMPB in promoting Hong Kong's maritime industry locally and overseas. In addition to conducting overseas visits and attending local promotional events, the Commissioner also serves as a bridge of communication between the Government and important stakeholders in the maritime and port industry to smooth the implementation of a series of measures. These include launching various shipping tax concession measures to benefit ships leasing, agency, management and brokerage businesses; improving the services of the HKSR, which is the world's fourth largest shipping registry (in terms of gross tonnage); maintaining close collaboration with international maritime organisations to enable the setting up of offices by ICS and the International Union of Marine Insurance (IUMI) in Hong Kong; and securing the inclusion of Hong Kong as the fourth designated arbitration centre in the dispute resolution clauses of the BIMCO standard contract, alongside London, New York and Singapore.



Strategy (10): Strengthening the HKMPB in Collaboration with the Industry

In the 2023 Policy Address, the Chief Executive further empowered the Commissioner of the current TLB to coordinate Government departments and stakeholders to spearhead maritime development from an industry-oriented perspective, especially professional services such as maritime law, insurance, ship finance, etc., and develop our maritime strengths in collaboration with the trade. The Commissioner will lead the Secretariat of the HKMPB, relevant Government departments and industry stakeholders to work together to enhance the long-term competitiveness of Hong Kong's maritime and port industry through enhancing port competitiveness, developing high value-added maritime services and strengthening promotion and nurturing talent. When implementing the actions above, the Commissioner will exercise statutory powers, coordinate with different Government departments, flexibly allocate resources, and work together with various stakeholders (including local industries and organisations, Government entities and organisations at different levels in the GBA, ports of GBA, and international organisations). We will take the following recommended specific actions:

- Enhance the policy research capacity of the HKMPB. We have been conducting policy research to enhance Hong Kong's attractiveness as an IMC. In order to further cultivate the maritime ecosystem, we will conduct precise key policy research from 2024 to strengthen business areas such as ship finance, maritime insurance, maritime arbitration and ship management, to make Hong Kong the world's leading high-end maritime services market. Research areas include attracting and nurturing talents in the high-end shipping service industry, attracting more international organisations and companies to set foot in Hong Kong, and international tax trends related to the maritime industry, etc.;
- Enhance the function of the HKMPB in promotion from 2024. We will cooperate with the HKMPB, draw on the experience of industry players, and work with industry representatives to strengthen the promotion of the maritime industry and related policies, and promote the opportunities of Hong Kong's maritime industry to the world; and
- Utilise the additional resources allocated in the 2023-24 Budget to support the work of the next term of the HKMPB, including the policy research and promotion work as mentioned above.

The Government has carefully reviewed the industry's suggestion to establish a statutory maritime body. The Government bears an important role in the development of the maritime and port sectors, through actively engaging in various tasks such as legislative amendments (including the implementation of tax incentives), facilitating foreign investments, and engaging in official collaborations with other ports and cities. These responsibilities fall under the prerogative of the Government and cannot be carried out by non-governmental entities alone. In fact, the key functions proposed for a statutory organisation align closely with existing Government efforts. We will strengthen the function of the HKMPB, enhance efforts to take forward the ten strategies in four directions, and work with the trade to implement the aforementioned work holistically. We believe that this approach is more effective in actively driving the long-term development of the maritime and port industry as compared to the suggestion of establishing a statutory body. It is important to note that administration structures and systems vary around the world and should be tailored to fit for the conditions and development needs of local ports. We must consider whether such an organisation would be able or required to exercise specific statutory functions. For example, the current privately-owned Kwai Tsing Container Terminals and the relevant operations will not be subject to intervention by a statutory body in making commercial decisions in response to market conditions.

If the proposed statutory body lacks a stable and reliable source of income, it would have to rely on Government funding to sustain its operations and work. The flexibility of the organisation in allocating financial resources may be subject to certain restrictions, such as the need to make reference to the Government's principles of prudent use of public money.

As Hong Kong's maritime industry continues to thrive, it may be worth considering from time to time the feasibility of establishing a relevant institution in view of the increased workload in the long run. All in all, the Government remains committed to supporting the HKMPB and will prioritise effective communication with the industry to gain accurate insights into industry prospects and development trends. Taking into account the needs and recommendations of stakeholders, the Government will formulate policies and implement measures to consolidate and strengthen Hong Kong's status as an IMC.

FOREWORD: Unleashing the Maritime Powerhouse of Hong Kong

Hong Kong has long been recognised as an International Maritime Centre (IMC) – its illustrious maritime heritage began over one and a half centuries ago. Nestled in the heart of Asia, Hong Kong bridges the East and the West, serving as a gateway to the Mainland. The city's institutional strengths under the “One Country, Two Systems” principle further enhance its appeal as the preferred hub for companies in the maritime industry to set up their regional or global headquarters.

Hong Kong's success as an IMC is attributed to various factors. Firstly, it boasts a common law system and upholds the rule of law, providing a stable and reliable legal framework for maritime activities. Additionally, Hong Kong offers a low and simple tax regime, facilitating business operations and attracting companies seeking favourable financial conditions. The free flow of goods, capital, people and information contributes to the city's connectivity and efficiency. Moreover, Hong Kong's linked exchange rate system ensures currency stability, reducing financial risks for businesses operating within the maritime industry. The city's commitment to maintaining a free, open and business-friendly environment further solidifies its position as a top international financial centre in Asia and an IMC.

Hong Kong's capital market is international and vibrant, characterised by deep liquidity. These favourable conditions make Hong Kong an ideal location for companies seeking ship financing. With its world-class infrastructure and port facilities, expansive route network and high-quality shipping and maritime services, Hong Kong remains a dynamic and unique IMC that continues to attract and support the growth of the maritime industry.

Nonetheless, Hong Kong is facing a number of challenges brought by changing regional and international competition landscape, as well as disruptions in trade patterns. Competition from other ports in the region is intensifying. New supply chain and trade patterns are emerging from external drivers such as risk diversification strategies employed by multinational corporations, and the increasing demand for just-in-time deliveries by consumers. International trade is getting increasingly intricate, necessitating greater professional support from various industries. With climate change being one of the top policy considerations, the maritime and port industry is facing stronger demand from various authorities, and customers are expecting efforts from all industries in meeting zero-emission goals. Disruptive technologies such as digitalisation and artificial intelligence will transform the way shipping and ports operate, which has a bearing on the longer-term functions of the maritime and port industry.

Against this backdrop, this Action Plan has been prepared to ensure that Hong Kong rises above these global and regional challenges and remains competitive in the marketplace, with the support from the Central Government and the Hong Kong Special Administrative Region (HKSAR) Government. To this end, the Action Plan outlines actions under ten key strategies in four directions for Hong Kong, demonstrating the ambition to be a world-leading maritime centre well into the future.

The Action Plan consists of the following chapters:

- **Chapter 1** presents the strategy to enhance the competitiveness of the Hong Kong Port (HKP);
- **Chapter 2** discusses strengthening high value-added maritime services and enlarging the maritime network of Hong Kong;
- **Chapter 3** sets out the strategy to step up promotion of Hong Kong's maritime brand and groom maritime talents;
- **Chapter 4** addresses enhancing the support of Hong Kong Maritime and Port Board (HKMPB); and
- **Chapter 5** summarises 32 actions formulated under ten strategies.

With this Action Plan as our guide, Hong Kong will forge ahead by leveraging its strengths, addressing weaknesses, capitalising on opportunities, and mitigating threats to secure its position as a maritime powerhouse in the years to come.



VISION, MISSIONS AND TARGET



Vision

Develop Hong Kong into a leading international maritime centre providing excellent high value-added maritime services



Missions

- Further enhancing businesses such as ship finance, marine insurance, maritime arbitration and ship management, thereby enabling Hong Kong to become a global leading, high-end maritime service market
- Facilitating transformation of global maritime and port business towards zero emission
- Promoting the development of smart initiatives and digitalisation in the maritime industry
- Promoting exchanges and collaboration among maritime industries in the Greater Bay Area (GBA) and those around the world



Target

Strengthen the competitiveness of Hong Kong Port and accelerate the growth of Hong Kong's high value-added maritime services cluster with a view to entrenching Hong Kong's status as an international maritime centre

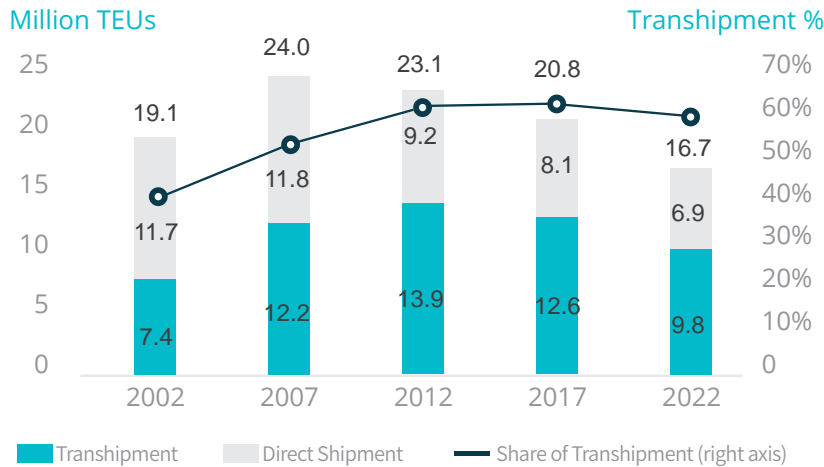
DIRECTION 1: Enhancing Port Competitiveness – “Vessels, Cargoes and Destinations”

1.1. Background

HKP is one of the busiest international container ports in the world. The port is called by more than 240 international container liners per week, connecting to more than 460 destinations worldwide. Handling 16.7 million Twenty-foot Equivalent Units (TEUs) of containers in 2022, it was the ninth busiest container port globally. The maritime and port businesses are important to the Hong Kong economy, accounting for 4.1% of its gross domestic product and 2.1% of total employment in 2021. Generally speaking, seaborne and river cargo account for some 90% of total inward and outward freight movements of Hong Kong.

Containerised transportation appeared in Hong Kong in the middle of the 1960s. Since the opening of the Kwai Chung Container Terminal in 1972, Hong Kong's container transportation business has entered into its official start-up stage. At that time, the port's container throughput was around 200 000 TEUs. Since the 1980s, Hong Kong's maritime and port industry has entered into a stage of rapid development. Hong Kong became as the world's second busiest port in 1986 and seized the title of world's busiest port in 1987. HKP has not handed over its throne until 2004. Container throughput at HKP has been on a downtrend for about a decade in the light of strong competition from other ports in the region, both in the GBA and southeast Asia. Some reasons for the decline include high relative through costs, constrained port operations areas, and shift in supply chain and trade flow pattern.

Transshipment cargo has accounted for about 60% of HKP's container throughput in recent years (Chart 1) and is envisaged to be the mainstay and key driver of our throughput due to HKP's comparative advantage in handling this cargo segment.

Chart 1: HKP's container throughput by type of shipment

Analysis of transshipment cargo destinations shows visible growth in throughput of more than 20% to Latin America and Oceania in the past few years (Chart 2a). Situated in the heart of Asia and at the southern doorstep of the Mainland, HKP channels the flow of transshipment cargo from Asia to other parts of the world, notably the Americas and Oceania which took up over one-fifth of our outward transshipment throughput (Chart 2b).

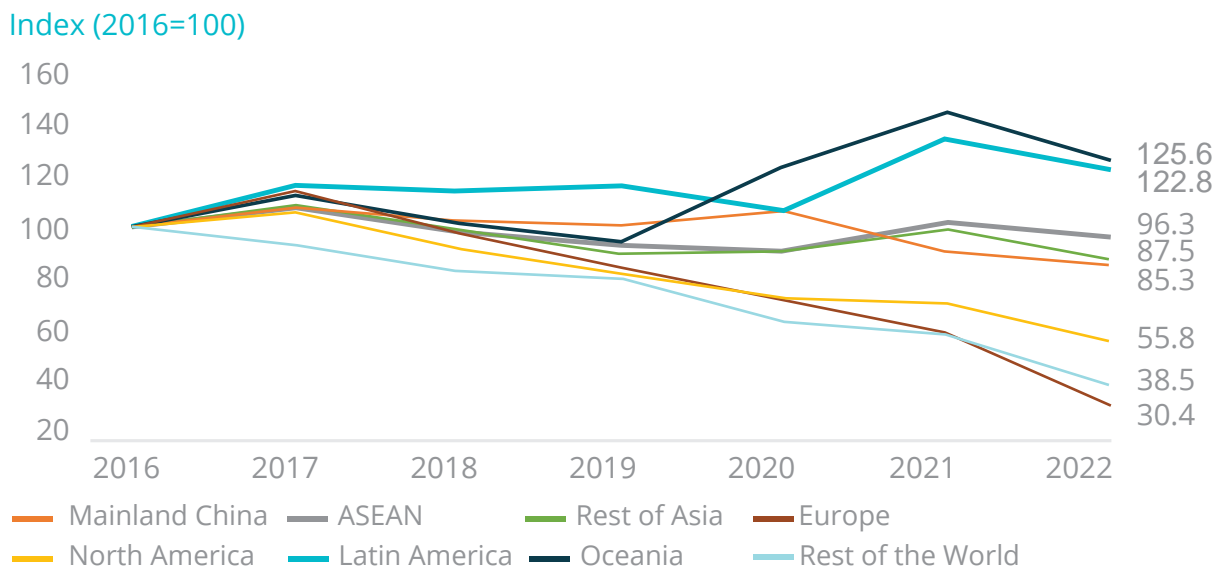
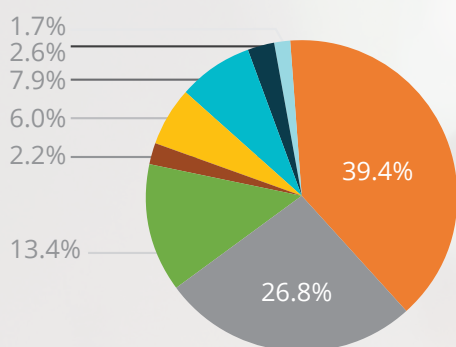
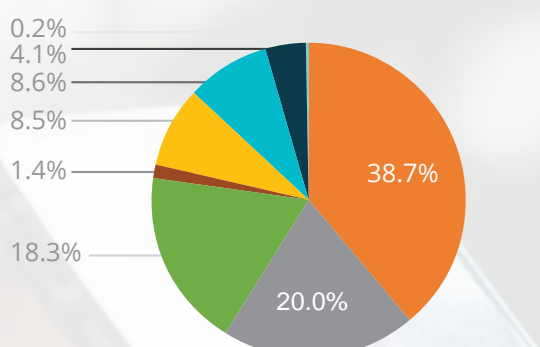
Chart 2a: Hong Kong's throughput by market (transshipment only)

Chart 2b: Cargo source and destinations for transshipment in 2022

Inward



Outward



Mainland China North America
 ASEAN Latin America
 Rest of Asia Oceania
 Europe Rest of the World

Mainland China North America
 ASEAN Latin America
 Rest of Asia Oceania
 Europe Rest of the World

HKP is known as an efficient “catch-up port” especially for time-critical cargo, due to its strong international connectivity and efficient customs.⁷ In 2016-2022, it has handled an increasing volume of transshipment of food, beverages, and tobacco, and mineral fuels by 22%. Besides, refrigerated cargo and other chemicals (including pharmaceuticals) accounted for 7.9% of total laden container throughput in 2022, up from 6.3% ten years ago (2012), reflecting the increasing share and Hong Kong’s comparative edge in handling such cold chain and high-value products.

⁷ In 2022, HKP handled 240 international container vessel weekly sailings connecting to more than 460 destinations worldwide.

Port Operations

HKP is renowned for its efficient port operations. It handles a significant volume of containerised cargo, serving as a major transshipment hub in the region. Hong Kong's port operations are crucial to the city's economy and global trade. HKP consists of multiple container terminals that handle a significant volume of cargo. While the operation of these terminals are not fully automatic, they are equipped with state-of-the-art facilities for container handling, storage, and distribution. Five port operators, including Modern Terminals Ltd, Hongkong International Terminals Ltd, COSCO-HIT Terminals (Hong Kong) Ltd, Goodman DP World Hong Kong Ltd, and Asia Container Terminals Ltd, manage these terminals and provide efficient and reliable services to shipping lines and logistics companies. HKP is an important underpinning of Hong Kong being an international trade centre, and more attention and effort to support HKP would be needed to entrench Hong Kong as an IMC.

Modernising Port Infrastructure

Container terminals operators have been modernising their hardware and software. Rubber-tyred gantry cranes have been reconfigured, enabling remote control for improving port productivity and occupational safety. With the objective to enhance efficiency, three of the terminal operators also founded OnePort Limited to provide information and paperless services in the port community to supplement the Terminal Operating System operated by individual terminal operators. Examples of paperless services include electronic Terminal Receipt, Common Barge Platform, electronic Booking Confirmation Note, electronic Release Order system, electronic Gate. Other modern technologies such as the use of autonomous trucks within terminal areas have also been explored.

The Government is driving smart port development through facilitating data flow and sharing among industry stakeholders, through the Task Force on Smart Port Development formed under the HKMPB. The smart port initiative will set up a digitalised port community system (PCS) to facilitate the flow and sharing of data among stakeholders in the maritime, port and logistics industries. The Government has set up the data sharing platform for trial by phases from 2023, focusing at cold chain at the initial stage, with a view to scaling it up for wider use by 2025. With streamlined port operations and optimised multi-party coordination, port efficiency will be enhanced, thereby enhancing overall competitiveness of HKP.

Decarbonisation and Green Shipping

With the ongoing expansion of the global economy and trade, the movement of goods and people across the world have reached unprecedented levels, leading to a significant rise in environmental repercussions associated with the maritime transportation. Meanwhile, the idea of environmental, social and governance (ESG) has gradually been spread among the business world, and the maritime and port industry has been increasingly enhancing the awareness of potential impacts brought by the environmental changes on the shipping companies and their supply chain. Consequently, service providers in the maritime and port industry that are dedicated to sustainable development practices may offer advantages to their clients that extend beyond enhanced output and performance. This dovetails with the objective of decarbonisation, as the industry strives to reduce its environmental footprint and foster a more sustainable supply value chain.

In order to embrace the evolving global environmental paradigm, the maritime and port industry is compelled to act swiftly and decisively in minimising its ecological impacts. As the worldwide competition of marine ports and trade intensifies, Hong Kong stands poised to establish itself as a frontrunner in this domain. The city possesses inherent strengths in the maritime and port industry, including high value-added maritime services, which can leverage the emerging green market, while also having the potential to explore on new avenues such as green fuel transition and green fuel bunkering. By proactively accelerating the sustainable transformation in its shipping industry, Hong Kong can position itself to meet the rising demand for environmentally friendly solutions.

The maritime and port industry has shown increasing aspirations to achieve zero-emission. The Paris Agreement, at the broadest level, recognises the importance of reducing emissions from shipping and encourages the international shipping industry to contribute to global climate goals. It urges countries to pursue the reduction of greenhouse gas (GHG) emissions from ships by promoting energy efficiency measures, encouraging the use of alternative fuels, and fostering innovation in technology and infrastructure. In terms of more detailed application of green fuels, the International Maritime Organization (IMO) has set low-sulphur emission standards that had to be complied with as of 1 January 2020, necessitating a shift from heavy-sulphur fuel oil towards low-sulphur fuel oil or alternative fuels with reduced sulphur emissions, such as liquefied natural gas (LNG) for ship propulsion. In addition, the IMO had adopted the latest strategy on reduction of GHG emissions from ships in July 2023, with the target to reach net-zero GHG emissions from international shipping by or around 2050, and introduces indicative checkpoints for achieving the target: to reduce GHG emissions by at least 20%, striving for 30%, by 2030; and to reduce GHG emissions by at least 70%, striving for 80%, by 2040, taking 2008 as baseline year.

As an IMC, Hong Kong has been promoting the development of green port through different measures and encouraging the industry to adopt more sustainable shipping initiatives. Moreover, as an Associate Member of the IMO, Hong Kong is obliged to ensure that the local legislation is in compliance with the requirements of the IMO, including the latest requirements on environmental protection, GHG emissions reduction, and promotion of sustainable international shipping. Hong Kong is also the first port in Asia to mandate ocean-going vessels (OGVs) to switch to low sulphur fuel while at berth. The HKSAR Government has been collaborating with the Mainland to reduce emissions from vessels, including establishing jointly with the Guangdong Provincial Government a Domestic Emission Control Area in the waters of the Pearl River Delta Region that further tightened requirements for all vessels to use compliant fuel, irrespective of whether they are sailing or berthing. In addition, to further encourage the use of clean marine fuel by OGVs, the Government has been working closely with the industry to take forward the adoption of LNG in OGVs, such as actively exploring the use of the offshore LNG terminal, newly in operation in July 2023, constructed by the two power companies as a bunkering facility for OGVs, planning for LNG bunkering areas, and formulating technical requirements and related safety regulations and requirements for offshore LNG bunkering.

1.2. SWOT Analysis

1.2.1. Strengths

Indisputable free port status

The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (GBA Outline Development Plan) supports enhancing the overall international competitiveness of the Pearl River Delta port cluster, and emphasises a complementary and mutually beneficial system of ports to achieve synergy; whereas the Outline of the Fourteenth Five-Year Plan for the National Economic and Social Development and the Long-Range Objectives Through the Year 2035 (National 14th Five-Year Plan) mentions the functional co-ordination of ports in proactively and progressively taking forward the development of the GBA.

Hong Kong is the only free port in the Mainland. Zero tariff and duties are levied on goods exported and imported via Hong Kong (except four dutiable commodities). The absence of customs duties and trade barriers allows for seamless movement of goods, attracting a diverse range of businesses and fostering a robust trading ecosystem. This advantage translates into efficient logistics, streamlined supply chains, and good quality of services for companies utilising HKP. Together with its strategic location at the heart of Asia that further amplifies its competitiveness, enabling it to serve as a gateway for goods entering and exiting the region. Hong Kong's free port status, coupled with its superior infrastructure, advanced technology, and commitment to quality and safety, solidifies its position as a leading port and strengthens its overall competitiveness in the global maritime industry.

High handling efficiency at the Port

HKP is renowned for its high-quality container port infrastructure and operational efficiency, which have contributed to its esteemed reputation. The combination of high-quality offerings, a favourable reputation, and cost-effectiveness makes Hong Kong an appealing choice for shipowners seeking reliable and efficient services. Moreover, HKP has earned its reputation as a “catch-up port” as it helps vessels make up for delays caused in other ports. According to information from the Shanghai Shipping Exchange, the average time an ocean-going container vessel spent in HKP was 1.04 days in 2022, much shorter than the average of the world's top 20 container ports at 2.38 days, reflecting HKP's high handling efficiency.

1.2.2. Weaknesses

Relatively low-price competitiveness for operation

Hong Kong, known for its high-quality services, has higher operating costs than neighbouring ports within the GBA. Hong Kong has nine container terminals – all run by five different private sector operators. The high costs of land, wages, and other operating costs in Hong Kong make it difficult for terminal operators to be competitive over price, especially as they are also competing against other ports in the region.

Slow adoption of green measures in Hong Kong port operation

Though Hong Kong has a vibrant financial sector, which includes a pool of ESG specialists, the general understanding of green ports and ESG in the maritime business is inadequate and remains to be an area for further development.

Currently, the Government is exploring the provision of LNG for OGVs and studying the feasibility of providing green methanol and other new clean energy bunkering. The Government is also actively looking into opportunities to develop and implement other next-generation green fuels and become a pioneer in this field (see “opportunities” below).

Port operation not fully automated and digitalised

Digitalisation in the port industry in Hong Kong has room to catch up with existing technological applications in other IMCs. While private terminal operators have been adopting various technologies (e.g. remote-controlled rubber-tyred gantry cranes, quay cranes equipped with solar panels on top of machinery house, etc.), it was reported that HKP has been methodical in its approach to adopting technologies for automation and digitalisation of port operation, taking into consideration the exorbitant investment required and the potential short-term impacts on profits resulting from upgrades. Given Hong Kong's role as a regional transshipment hub, it will be important for the port to promote broader adoption of advanced technology to enhance the cargo handling processes going forward.



1.2.3. Opportunities

Potential green incentives and green fuel opportunities

The Mainland is one of the largest producers of green methanol, a highly promising green fuel to reduce the carbon footprint associated with maritime transportation (the vast majority of methanol is generated from natural gas). Methanol is a light liquid at room temperature, it is easy to transport and store. A port will need to take up an intermediary role for transporting and widening the use of this product as an alternative fuel would be required. The Chief Executive's 2023 Policy Address of the HKSAR Government (the 2023 Policy Address) commits to study the feasibility of providing bunkering of green methanol and other green fuels for local and OGVs as well as LNG bunkering for OGVs. This is a potential opportunity for Hong Kong, with its free port status, to tap on.

Hong Kong may provide green incentives to better position itself as the green shipping hub in the region. For instance, financial incentives can be considered for Hong Kong-registered ships that have attained certain international standards on decarbonisation (e.g. attaining rating A or B in the Carbon Intensity Indicator (CII) introduced by IMO) within a period.

Persistent digitalisation efforts

While Hong Kong's port operation system is advanced and efficient, as announced in the 2023 Policy Address, the Government is currently promoting the digitalised PCS with a view to expanding its adoption to a wider range of delivery processes and products beyond cold chain by 2025 to service more users with digital solutions for data sharing to enhance port efficiency and streamline various work processes. More companies are entitled to enjoy wider benefits of the digitalisation effort, creating a more inclusive smart port vision for the long-term development of the industry.

Global supply chain and shipping business recovery from COVID-19

The global supply chain and shipping industry are experiencing a recovery phase following the impact of the COVID-19 pandemic. Against such background, many countries have resumed international and trade activities, including logistical operations, as they strive to normalise operations. While concerns about the global economy's outlook have cast a shadow over global consumption, potentially resulting in short-term decrease in input, the medium to long-term outlook remains optimistic. As consumer demand increases and international trade resumes, it is anticipated that port operations will experience positive growth, contributing to a rebound in the industry.

Hong Kong is a favoured destination for perishable high-value products thanks to Hong Kong's free port status that allows prompt dispatch of containers from terminals. This advantage is particularly beneficial for cold chain logistics. For instance, Hong Kong has been serving as the gateway to the Mainland when delivering the Chilean cherries to the Mainland during the New Year as they are a popular gift, HKP has been playing a reliable partner in keeping cherries cool during the whole

process chain. This also applies to other time-sensitive and perishable cold chain products, such as durians from Thailand. In fact, Hong Kong is the premier port for importing fresh fruit and vegetables to the Mainland market. Meanwhile, the industry is developing a code of practice allowing industries such as those handling imports and exports to tap the latest updates on cold chain logistics for optimising managerial and operational procedures. These developments can help HKP maintain its competitive advantage.

1.2.4. Challenges

Keen competition within GBA and declining transshipment hub status of HKP

Expansion of ports in the GBA outpaced that of Hong Kong. Though HKP is regarded by some as one of the most efficient ports in the GBA, the other GBA ports offer more affordable rates. These will intensify the competition among the ports in the region.

During the closedown of boundaries between the Mainland and Hong Kong at the height of COVID-19, some ships have already chosen nearby ports and Hong Kong as a transshipment hub is now in decline.

Adaptable regional competitors in offering more attractive incentives to develop their IMCs

Examples of incentive measures offered by regional ports are shown in the table below. In recent years, the Mainland has relaxed the Cabotage rule gradually, implemented the export tax rebate from port of shipment policy and simplified customs clearance procedures through policies such as establishing combined ports in the GBA. As a result, the freight efficiency of Mainland ports has greatly improved, leading to an increasing number of goods being directly shipped from Mainland ports to other regions.

Location	Incentive Scheme	Description
Singapore	Maritime Sector Incentive (since October 2011)	Offers tax concessions through various awards – Approved International Shipping Enterprise Award, Shipping-related Support Services Award, and Maritime Leasing Award, to attract shipping and maritime businesses to set up in Singapore.
Guangzhou Nansha	Measures on Supporting the High-quality Development of Guangzhou Nansha's Shipping and Logistics Sector (introduced in 2017; extended in September 2023 until end-2025)	Offers various cash awards of up to RMB 20 million to encourage maritime and logistics companies to set up, expand business, increase throughput, and open new routes, etc. in Nansha.
Shenzhen Qianhai	Special Funding Support for High-end Maritime Services Sector by the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (from September 2019 to end 2021)	Offered cash awards of up to RMB 3 million to attract various maritime business services such as ship management, ship agency, ship registration, etc. to set up in Qianhai.

Customs-related convenience between the Association of Southeast Asian Nations (ASEAN) countries may put Hong Kong in a disadvantageous position. Though Hong Kong is a major trading partner with ASEAN economies, since the establishment of Regional Comprehensive Economic Partnership (RCEP), most will directly select Mainland ports as their primary transshipment hub, skipping port calls in Hong Kong.

Lower cost of port operation in other competitive jurisdictions

Operating costs of newly developed ports in the Mainland (e.g. Yangshan, Ningbo, Yantian, Nansha) through a public-private partnership have been brought down substantially. Due to its abundance of land and government support, Yantian and Nansha Terminals have quickly become important shipping ports in the GBA. With more advanced port automation and digitalisation, they quickly become highly efficient ports in the region. Hong Kong, on the other hand, relies primarily on the five terminal operators which operate on a market economy approach.

Declining throughputs

The port operation, transshipment, and cargo throughputs are vital and integral parts of the overall maritime business ecosystem. The decline in container throughput and global ranking, however, has raised concerns. This highlights the changing dynamics of global trade and the need for continuous efforts to improve and adapt the port's operations to remain competitive in the ever-evolving maritime industry.

1.3. Actions

In light of the challenges, Hong Kong is faced with fierce competitors in the GBA and against the backdrop of the falling throughputs, and thus three strategies with eleven actions are formulated to aid in bolstering its port competitiveness. These include the acceleration of promoting green shipping in Hong Kong, transforming the city into a bunkering hub that offers high-quality green fuels, with resources to be found in the Mainland; providing comprehensive ESG training for professionals and developing decarbonisation knowledge within industry talent; implementing smart port and fostering a culture of digitalisation; introducing a wider range of products and delivery via cold chain logistics; and supporting small and medium enterprises (SMEs) in the maritime industry. Our goal is to stabilise the throughput of HKP.

Strategy (1): Developing Hong Kong as a Green Shipping Hub towards the Goal of Zero-carbon Emission

Governments and companies worldwide are prioritising green initiatives to address climate change, reducing carbon emissions, and improving ESG performance. In the Mainland, various strategies and measures have been made to combat climate change, achieving over a 51% reduction in carbon emission intensity by 2022 compared to 2005 levels. In Hong Kong, the Government is

striving to achieve carbon neutrality before 2050 and reduce Hong Kong's carbon emissions by 50% before 2035 as compared to the 2005 level.

To dovetail with national and local strategy to propel green development, the Government will proactively develop Hong Kong as a green shipping hub to enhance its attractiveness as an IMC. This entails accelerating the promotion of green shipping and establishing Hong Kong as a high-quality green fuel bunkering centre. However, there remain challenges such as a limited understanding of implementing ESG practices in the maritime industry, as well as competition in LNG and other clean energy bunkering.

Action (1): Study the feasibility of providing bunkering of quality green fuels and promulgate an action plan

As announced in the 2023 Policy Address, the Government will actively pursue the development of green shipping capabilities in Hong Kong. This includes expediting the establishment of LNG bunkering facilities and staying ahead in other green fuel options like green methanol bunkering capacities. We aim to attract more vessel calls for bunkering and create additional opportunities for cargo handling. In line with this commitment, TLB and Environment and Ecology Bureau will jointly study the feasibility of providing bunkering of green methanol and other alternative clean fuels for both local and OGVs and promulgate an action plan in 2024 for the construction of bunkering facilities and relevant infrastructure along the supply chains. The availability of next-generation green fuels from the Mainland will form part of the feasibility study. The Government will also take forward the preparatory work, including technical studies and installations, on providing LNG for OGVs. Subject to the study results that will be available within 2024, the Government will actively follow up on the implementation of the relevant measures.

Action (2): Accelerate the promotion of green and sustainable shipping and develop guidelines for the industry

In order to actively contribute to the promotion of green development set out in the report of the 20th National Congress of the Communist Party of China, we are committed to accelerating the promotion of green and sustainable shipping. We will collaborate with the HKMPB to enhance industry awareness of green and sustainable development and formulate guidelines for the industry, with a view to further consolidating and enhancing Hong Kong's status as an IMC as well as contributing to the Country's effort on decarbonisation.

Action (3): Nurture the development of talent specialising in green energy of the shipping industry

It is important to nurture the development of talent specialising in green energy of the shipping industry. This includes ensuring that the work force would possess proficient knowledge in relevant technical expertise and stay abreast of the latest developments on decarbonisation on a global

scale. For instance, staying updated on the latest international regulatory requirements on shipping emissions to net zero and carbon trading arrangements applicable to OGVs would be crucial. In this connection, from 2024 onwards, in addition to encouraging local training institutions to organise relevant courses, we will also explore initiating a funding scheme to attract students to join the shipping industry upon completion of the courses.

Strategy (2): Facilitating Smart Port Development and Promoting Maritime Digitalisation

Digital transformation has been a defining trend in global maritime industry and will continue to affect the industry in the years ahead. As such, port digitalisation has become a crucial benchmark for IMCs worldwide, which emphasises port efficiency and cost reduction. Digitalisation in the maritime and port industry in Hong Kong has room to catch up with existing technological applications in other IMCs.

To prepare for port digitalisation, the scaling up of the PCS would be an effective starting point, followed by providing support to the maritime and port industry in enhancing digital literacy and adaptability to technological advancements.

Action (4): Promote interconnectivity of port, airport and logistics data

To maintain its competitiveness amidst increasingly strong competition among hub ports, HKP will leverage on its unique advantages while promoting the wider application of digital technology in maritime and port operations. We will actively promote the development of smart port. The PCS is an important infrastructure for smart port development, an initiative to scale up the digitalised PCS to facilitate the flow and sharing of data among stakeholders in the maritime and port industries. The PCS will be an essential component in facilitating interconnectivity and interoperability of logistics data between different logistics information platforms. We will include the operational arrangements for the PCS in the relevant consultancy study to be carried out in 2024.

Action (5): Encourage the industry to leverage existing digital solutions and technologies to enhance cargo handling efficiency

To further promote smart port development, it is vital to encourage the industry to leverage existing digital solutions and technologies and explore how to adopt them in their business processes. From 2024, we will encourage the industry to establish better connections between existing platforms and systems used by various industry players to facilitate more efficient data exchange, with due consideration of consent in data sharing by each party. These will be achieved by the ongoing studies on the PCS for the utilisation of relevant technologies in various port and maritime business settings. These further studies will help showcase the benefits of technology adoption and guide the integration of digital solutions into port development plans and industry strategies.

We will support SMEs in the maritime industry (e.g. small shipping companies and agents) and equip them to adapt to technological advancements, particularly through smart capacity-building initiatives. These will include training programmes and workshops to enhance SMEs' digital literacy and adaptability to technological advancements. The goal is to build a digitalisation culture penetrating all levels of the maritime industry, including large corporations and SMEs. This would enable a more holistic smart port development in the long run.

Action (6): Utilise the PCS platform further for a wider scope of products and delivery processes

We have been developing the data sharing platform for the port community for trial by phases from 2023, focusing on the handling of cold chain products at the first stage, with a view to scaling it up for wider use (i.e. other than cold chain products) by 2025. Apart from handling the local and cross-boundary delivery of incoming cold chain products, HKP will leverage its comparative edge in dealing with other time-critical products (e.g. food items and pharmaceutical products). By developing cold chain logistics, HKP can move up the value chain and expand its scope to encompass a broader range of products and delivery processes. The strategic approach aims to streamline port operations and optimise multi-party coordination, ultimately reducing cargo handling time and cost. By enhancing port efficiency, PCS will contribute to strengthening the overall competitiveness of Hong Kong's port.

Strategy (3): Enhancing Port Competitiveness and Striving for New Sources of Cargo

HKP is a remarkable hub of global commerce and a paragon of efficiency, connectivity, and innovation. Ranked as one of the world's most renowned ports, it offers a multitude of advantages and opportunities for businesses and individuals alike. Despite the fundamental qualities, faced with the development constraints and competitive landscape explicated above, Hong Kong's port industry must actively strive to explore new opportunities, maintain throughput, and consolidate its role and status as a regional transshipment hub. Keys actions are described below.



Action (7): Review port dues or permit fees imposed on OGVs and inland river vessels

In order to enhance the port's competitiveness and attract more cargo vessels to operate in Hong Kong, we will commence and complete a review in 2024 on the port dues or permit fees that are imposed to OGVs and inland river vessels to Hong Kong.

Action (8): Strengthen collaboration with western Guangdong to expand the sources of cargoes

Hong Kong can leverage its world-class multimodal transportation network, including its top-notch cargo airport and highly efficient logistics services, and make good use of the Hong Kong-Zhuhai-Macao Bridge to explore new areas of collaboration with western Guangdong to facilitate the cargo flow and interconnectivity of goods within and beyond the region. By expanding the sources of cargoes, it can create new opportunities for the port and shipping industry.

Action (9): Serve as maritime super-connector among cities in the GBA

We will join forces with industry to embark on promotional campaigns in different regions starting from 2024, aiming to discover new business opportunities. Building upon Hong Kong's unique advantages, we will continue to serve as the maritime super-connector within the GBA. By encouraging business connections and collaborations between the international maritime enterprises and organisations in Hong Kong's maritime cluster and other GBA cities, a comprehensive maritime cluster can be formed within the GBA, with Hong Kong's maritime cluster making substantial contributions.

The Transport and Logistics Bureau (TLB) signed a Memorandum of Understanding (MoU) with the Guangzhou Port Authority in May 2023 to establish a mechanism for communication and cooperation on port and maritime-related matters. Regular meetings and exchanges are held to examine ways to increase cooperation, boost publicity and promotion, and encourage further talent exchange. To step up the exchanges with other cities in the GBA, more MoUs will be explored to establish liaison and cooperation mechanisms with ports and cities in the GBA to jointly explore areas that have complementary advantages for stepping up bilateral cooperation. We will continue to explore further areas for collaboration between Hong Kong and ports and cities in the GBA along with the industry to enhance the competitiveness of HKP as well as the GBA port cluster as a whole.

We will practically explore with GBA ports and cities on areas where we enjoy complementary advantage, so as to attain the goal of consolidating Hong Kong's position as an IMC as well as bolstering the overall throughput of the GBA port cluster. We will strive to maintain the role and positioning of HKP as Asia's transshipment hub. As such, it is particularly important to maintain or even enhance HKP's international connectivity (in terms of weekly international container vessel sailings or destinations).

There are views that HKP should form combined ports with other GBA ports to raise the operating efficiency. On this we should take a prudent approach. Hong Kong is a separate customs territory, with different import and export controls and regulations with the Mainland. HKP is internationally recognised as a port outside the Mainland territory, which is the cornerstone of our transshipment business. It is hence important to maintain HKP's unique and independent status. Currently, the

Customs authorities of the two places have jointly launched the Single E-lock Scheme to provide customs facilitation for goods to and from the Mainland transhipped through Hong Kong. Hong Kong Customs will continue to enhance cooperation with the Mainland Customs to develop the Hong Kong Authorised Economic Operator Programme and extend the Mutual Recognition Arrangement network with an aim to maintaining a favourable business environment for more enterprises and strengthening the competitive edge of Hong Kong as a major international trading and maritime centre. Hong Kong Customs will also keep promoting the Free Trade Agreement Transshipment Facilitation Scheme to facilitate more cargoes between the Mainland and the contracting countries and regions, especially those Belt and Road countries, to be transhipped via Hong Kong to enjoy the stipulated preferential tariff, with a view to upholding Hong Kong's status as a cargo hub.

Action (10): Enhance external promotion to highlight the comprehensive strength of HKP

To enhance the effect of promoting the strengths of HKP, we will produce a set of cohesive, consistent, and comprehensive promotional materials and messages for the maritime industry cluster in Hong Kong that highlight Hong Kong's unique advantage, particularly our edge over competing maritime cities. Key emphases include the integrity of the legal system, transparent policies, free flow of capital, and heritage and competitiveness as an IMC all along, which altogether supports the operation of HKP.

Action (11): Enhance international connectivity of HKP handling cargoes to and from more places

We aim to expand the international connections of Hong Kong's port and enhance its position as a key transshipment hub in Asia. To achieve this, we will actively collaborate with the industry to explore new markets. In order to attract prominent players in the maritime business and commercial sectors, it is important to step up the collaboration among TLB, HKMPB and Invest Hong Kong (InvestHK) and achieve synergy. More reaching out to high-potential maritime enterprises (including those from the Mainland and overseas) and visits to key maritime cities and companies (at various levels) in emerging markets along the Belt and Road Initiative, such as ASEAN countries and the Middle East (e.g. Dubai, Peru, Morocco and Oman) will be carried out together with HKMPB starting from 2024, leveraging on the existing networks and regional offices of InvestHK, Hong Kong Shipping Registry (HKSR) and various Economic and Trade Offices of the Government.

Hong Kong's advantages such as efficient port operations, high value-added maritime services, common law system, free capital and information flow, international connectivity, and competitive tax regime, etc. will be promoted to the targeted businesses to attract their establishment in Hong Kong, creating demands for using HKP. To this end, the Commissioner for Maritime and Port Development (the Commissioner) under TLB will facilitate the inter-bureaux and departmental coordination efforts, so as to better attract companies from port and shipping industries to set up presence in Hong Kong. Particular priority will be accorded to attracting commodity traders to set up their trading and ship leasing departments in Hong Kong.

We will also host more large-scale events to promote the maritime and port industry in Hong Kong, fostering exchange and cooperation with cities worldwide and to expand HKP's trading and business partners.

DIRECTION 2: Strengthening High Value-added Maritime Services and Enlarging Maritime Network

2.1. Background

Hong Kong maritime services have fundamental strengths. Strategically located at the south coast of the Mainland, serving as a gateway between the East and the West; combined with its indisputable free port status, Common Law Practice, and a favourable and simple tax regime, Hong Kong is an attractive destination for international trade. Over the years, diversified maritime services have developed in Hong Kong, for example, maritime arbitration and ship registry.

Despite the major role of traditional shipping businesses in Hong Kong, there has been growing competition across major global maritime cities, including various regional players such as those in the GBA. In the light of the intense competition from neighbouring ports, the Central Government and the HKSAR Government have outlined several key measures to foster Hong Kong's steady development from traditional port businesses to a more advanced IMC, including providing high-level policy direction in profiling such ambition. The city's capacity to build its high-quality and efficient port services not only serves international clients but also those within the GBA, which will support Hong Kong's continuous development as an IMC.

At present, there are over 1 100 port and maritime companies in Hong Kong providing a diverse range of quality services. Hong Kong's high value-added maritime services are bolstered by a robust and transparent legal framework, clear regulations, and a business-friendly environment. For instance, in developing the maritime service clusters, the Government has become more proactive by providing tax exemption and half rate tax concessions for various qualifying shipping-related exercises.

The city is also reputed for its efficiency, reliability, and adherence to international standards has received celebrated confidence and trust of global industry players. Besides, Hong Kong has been offering maritime education, where Hong Kong places an emphasis on developing maritime talent through specialised training and education programmes in order to cater to various aspects of the industry.

In addition to its unique advantages, Hong Kong can venture into untapped opportunities, embracing novel prospects in headquarters economy in the making and national policy initiatives and regional economic partnership. For instance, policy initiatives such as the Belt and Road Initiative and the GBA strategy enable Hong Kong to develop closer commercial connections with Belt and Road countries and GBA cities, leading to more business opportunities in the future.

With its comprehensive financial services, robust infrastructure, expertise, and commitment to excellence, Hong Kong continues to strengthen its position as a leading maritime centre, providing vital services that drive the growth and success of the global maritime industry. Still Hong Kong lacks sufficient talent, particularly in the maritime services.

Selected sectors of the high value-added maritime services are introduced below.

Ship Registration

Hong Kong has more than 150 years of experience in ship registration, inspection, and survey, which has contributed to its position as a major shipping hub with a significant role in international trade. To date, the HKSAR has more than 2 300 ships with an aggregated 127 million gross tonnage. This makes the HKSAR the fourth largest register in the world in terms of gross tonnage.

Vessels registered under a flag state/flag administration grants themselves the physical and legal protection of that flag state/flag administration. This means that the administration has the authority to enforce regulations over the vessels registered under its flag, in areas such as those vital to navigation, environmental protection, as well as safety of ship and crew on board.

Chart 3: Top 10 Merchant Fleet by Flag of Registration

As at 1 January 2023

Flag of registration	Gross tonnage (‘000 tons)	Deadweight tonnage (‘000 tons)	Number of vessels
Panama	238 760	365 096	8 174
Liberia	233 350	378 346	4 821
Marshall Islands	184 008	299 170	4 180
Hong Kong	126 883	200 075	2 537
Singapore	92 032	134 985	3 202
Malta	81 550	109 001	1 957
The mainland of China	81 309	124 334	8 314
Bahamas	61 405	72 674	1 274
Greece	35 248	59 016	1 215
Japan	30 817	41 726	5 229

Note: Figures include seagoing propelled merchant vessels of 100 gross tonnage and above
Source :United Nations Conference on Trade and Development

HKSR, renowned for its high-quality and safety, is therefore a preference for shipowners due to the high standards in inspection, certification, and the safeguard of safety and pollution prevention from HKSR, ensuring safety and adherence to IMO's requirements. Various fleet quality control schemes/regime implemented by Marine Department (MD) has been effective in ensuring the high quality of the whole HKSR fleet, thereby contributing to the building of the Hong Kong maritime brand as a whole. Ships registered in Hong Kong enjoy reputation of high quality with a low port state detention rate (0.8% as compared to the global average of 3.42% in the first three quarters of 2023). HKSR has consistently been listed on the whitelist of the Paris MoU and the Tokyo MoU, as well as consistently been recognised in the United States Coast Guard Qualship 21 programme, the three principal Port State Control (PSC) regional inspection regimes that target ships flying particular flags. With such high-quality branding of the HKSR, ships registered under the Hong Kong flag may less likely be targeted for PSC inspections.

Besides, the tonnage fee charged by HKSR is low. At the same time, taking into account the needs of the global shipping industry, there is no nationality restriction for seafarers working onboard Hong Kong registered ships, which provides a great convenience for global ship operators. Over the years, Hong Kong's shipping registry has grown in prominence and stature. The MD has established the HKSR Regional Desks in selected locations so as to widen the HKSR's service network, provide more direct and prompt support for shipowners and strengthen the promotion of HKSR's services. The HKSR Regional Desks in London, Shanghai and Singapore have been up and running since late 2019. The regional desk services were expanded to cover Australia in the second quarter of 2021 and San Francisco, Tokyo, and Toronto in the fourth quarter of 2021, covering almost all major port cities in the world frequently visited by Hong Kong flagged ships.

HKSR has embraced digitalisation, leveraging technological advancements to enhance its efficiency and competitiveness. HKSR has implemented various digital initiatives to streamline administrative processes, improve data management, and provide convenient services to shipowners and operators. For instance, in 2022, one-stop service platform for e-services was launched, furthering the digitalisation effort. The online vessel registration system which simplifies and expedites the registration process, is a good exemplar. Shipowners now can submit their documentation electronically, which would ultimately reduce administrative costs, improve accessibility, and enhance security. Being able to be verified electronically, electronic documents are easily accessible and saving time and effort for both users and the HKSR. To further enhance the convenience and efficiency of marine services, the Government has amended the law to facilitate the use of electronic certificates and electronic logbooks for Hong Kong-registered ships, which are OGVs under the HKSR, and seafarers, for example implementing electronic certificates and e-logbook for all Hong Kong-registered ships with effect from 21 July 2023. This has provided greater convenience for shipowners and reducing further administrative burden. It also reduces risks associated with counterfeit or fraudulent documents when processed electronically.

The digitalisation efforts of the HKSR shall extend beyond administrative processes. In other territories, for instance, The Republic of Liberia has introduced remote vessel registration, inspection and delivery services with a streamlined registration process, which makes it a competitive Shipping Registry particularly during the COVID-19 pandemic that made it difficult for in-person registration and inspection. The efforts in encouraging the shipping industry to use digital technology in areas such as vessel tracking, navigational aids and communication systems shall be further enhanced in order to stay up to date with the global trends and applications of advanced technology. These digital solutions will enable real-time tracking of vessels, efficient communication between ships and shore, and timely response to emergencies or incidents at sea.

Despite efforts in promoting digitalisation, HKSR has to continue to position itself as a leader in embracing technological advancements within the maritime industry. By leveraging digital solutions, streamlining administrative processes, and promoting the use of advanced technologies, HKSR can bolster its competitiveness, enhancing service delivery and playing a pivotal role in contributing to the overall digital transformation of the maritime and port industry.

Shipowning and Ship Management

Hong Kong is home to numerous ship management companies and maritime service providers. These companies offer comprehensive services, including ship operations, technical management, crewing, ship agency, and maritime consultancy. Shipowners and ship management companies in Hong Kong own and manage around 10% of the deadweight tonnage of the world's merchant fleet. Hong Kong's expertise in ship management and support services consolidates its position as a leading maritime centre in the region.

Ship Finance

Serving as a prominent hub for ship financing activities, Hong Kong is one of the most significant international ship finance centres in Asia. The city's robust financial sector, including a significant presence of global banks and financial institutions, offers various financing options for shipowners and operators. The vibrant shipping community provides ample opportunities for the ship finance and leasing businesses in Hong Kong, offering a wide range of ship finance products to suit the need of different customers and investors. Ship financing services include ship mortgages, lease financing and structured finance solutions tailored to the maritime sector. As at end December 2022, loans and advances for the shipping industry in Hong Kong reached about US\$12.6 billion. Hong Kong is also home to seven of the world's top ten bookrunners on syndicated marine finance loans.

Marine Insurance

Hong Kong is home to a vibrant maritime insurance market, offering an array of insurance products and services. The city also serves as a regional hub for marine insurance, providing coverage including hull and machinery, cargo, protection and indemnity (P&I), and other specialised insurance needs. Hong Kong has more than 80 local and foreign insurance companies providing ship insurance services. 12 of the 13 International Group of P&I Club members have a presence in Hong Kong, which is the largest cluster of representative members outside London. In 2022, the gross premium for marine insurance (excluding marine cargo insurance) was around US\$392 million. Supported by the world-renowned business insurance facilities, together with Hong Kong's strong legal framework and expertise in maritime law, contribute to its reputation as a reliable and trusted centre for maritime insurance. Companies offer comprehensive maritime insurance products.

Maritime Arbitration

Hong Kong is an internationally recognised legal and arbitration centre. The city's arbitration institutions, such as the Hong Kong International Arbitration Centre (HKIAC), provide a neutral and efficient platform for resolving maritime disputes. The Common Law system continues to be practised as constitutionally guaranteed, making Hong Kong the only common law jurisdiction in China and the only bilingual Common Law system with Chinese and English as the official languages in the world. With the New York Convention and the Arrangement on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region, arbitral awards made in Hong Kong are enforceable in over 170 Contracting States including the Mainland, USA, Singapore, Japan, and Korea. In 2020, the Baltic and International Maritime Council (BIMCO) officially named Hong Kong as one of the world's four arbitration venues, alongside London, New York, and Singapore. With a pool of experienced maritime arbitrators, coupled with its international recognition and enforcement of arbitral awards, this further enhances Hong Kong's status as a dispute resolution centre worldwide.



Strengthening our Maritime Cluster with Tax and other Incentives

The Government has been implementing various tax incentives to attract the maritime cluster to set up presence in Hong Kong, including through amending the laws in 2020 to offer tax concessions to ship leasing and marine insurance businesses. On ship leasing, the Inland Revenue (Amendment) (Ship Leasing Tax Concessions) Ordinance 2020 was enacted by the Legislative Council (LegCo) in June 2020. It provides for tax exemption and half rate tax concession on qualifying income by qualifying ship lessors and ship leasing managers respectively. On marine insurance, the Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related Businesses) Bill 2019 was passed by LegCo in July 2020. Among other things, it reduces the profit tax rate of eligible insurance business, including marine insurance, by 50% to 8.25%.

To further drive the development of high value-added maritime services sector, the Government enacted in July 2022 the Inland Revenue (Amendment) (Tax Concessions for Certain Shipping-related Activities) Ordinance 2022 to provide half-rate profits tax concessions to qualifying shipping commercial principals (i.e. ship agents, ship managers and ship brokers). The newly implemented tax concessionary measures would provide economic incentives for them to operate in Hong Kong and are conducive to fostering our shipping business and maritime cluster. Hong Kong's tax incentives now cover 80% of the firms in the maritime industry and is highly competitive when compared with other maritime cities and countries.

International Maritime Organisations

A number of prominent international organisations in the maritime community have established presence in Hong Kong. With concerted efforts of the industry and the Government, the International Chamber of Shipping (ICS) has established its first-ever overseas office in Hong Kong in 2019. BIMCO announced in September 2020 its adoption of the BIMCO Law and Arbitration Clause 2020 which has included Hong Kong as one of the four designated arbitration venues, alongside with London, New York, and Singapore. In addition, the International Union of Marine Insurance (IUMI) also established its Asian Hub in Hong Kong in 2016, which was IUMI's first offshoot outside its headquarters in Germany.

2.2. SWOT Analysis

2.2.1. Strengths

Favourable and simple tax regime

With a low tax rate and simple tax regime in Hong Kong, companies are subject to profits tax of no more than 16.5%, while salaries tax on individuals does not exceed 15%. Besides, Hong Kong adopts the territorial source principle of taxation and does not generally levy tax on foreign-sourced income. Specifically related to the shipping companies, profits derived from international shipping operations are not subject to profits tax in Hong Kong. This creates a business-friendly environment for shipping-related entities to conduct business in Hong Kong, better positioning the city to attract commercial principals.

Strength of Hong Kong Shipping Registry

The Hong Kong Shipping Registry (HKSR) is the world's fourth largest ship registry by gross tonnage, with a diverse fleet of vessels registered under its flag. Hong Kong's commitment to providing an eclectic of excellent services, combined with competitive registration and tonnage fees add to its advantage. In addition, a well-established quality assurance system and close working relationship with owners and companies for improving ships' quality makes it an attractive place for Ship Registry. Regional desk services are offered in major ports of call such as Shanghai, London, Singapore, Sydney, San Francisco, Toronto, and Tokyo, providing access to clients globally on 24/7 basis with a diverse range of support, making HKSR a favoured option for shipowners.

“Super-connector” role and international connectivity

Having a long-established network of over 460 destinations, Hong Kong has comprehensive shipping routes and frequencies, making it a pivotal hub for international connectivity. Its strategic geographic location, serving as a gateway between the East and the West, has enabled Hong Kong to earn its name as the “super-connector” between the Mainland and the rest of the world. In addition, Hong Kong has a well-established financial sector which plays a pivotal role in its super-connector status. The city is a leading international financial centre, home to a multitude of global banks, financial institutions, and investment firms. They are important facilitators to Hong Kong maritime development. What's more, the city bilingual fluency in underpinning in the use of Common Law is a unique strength.

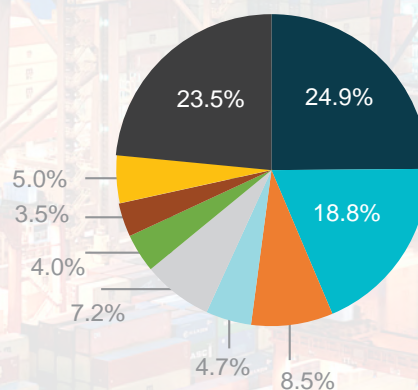
Common Law Practice and Free Flow of Information and Capital

Hong Kong enjoys the status as a separate jurisdiction practising Common Law and protecting the free flow of information and capital. Hong Kong is also bolstered by a robust regulatory framework, sound legal system, and deep capital markets make it an ideal platform for companies seeking capital, investment, and financial services. This highlights Hong Kong's ability to facilitate seamless movement of ships and global capital, playing a crucial role in enabling efficient trade and fostering economic growth in the region.

Comprehensive maritime services

Hong Kong is home to over 1 100 port and maritime companies providing a broad range of high value-adding maritime services, such as ship agency and management, ship broking, ship finance, marine insurance, maritime legal and arbitration services, etc. These have altogether provided a comprehensive, one-stop packages, connecting commercial principals to the necessary professional services, and contributing to a vibrant and resilient maritime ecosystem.

Chart 4: Composition of Maritime Services in Hong Kong



- Ship agents and managers and local representative offices of overseas shipping companies
- Shipowners and operators of sea-going vessels and vessels moving between Hong Kong and the ports in Pearl River Delta
- Inland freight water transport
- Shipbrokers
- Port-related companies
- Marine insurers
- Maritime legal and arbitration
- Maritime surveying and classification societies
- Ship finance

2.2.2. Weaknesses

Lack of sufficient manpower

Difficulties in recruiting labour for maritime services industry have been a hindrance to its future development. Largely owing to ageing population and the lack of new blood, both instructors and students, in joining the industry. The lack of high quality instructors restricts the ability to expand on maritime education, in particular the breadth of courses provided. The lack of rigorous studies to project the demand for skilled professionals (e.g. naval architects) and keep up with the maritime services industry needs and trends, may also contribute to the inability of devising long-term planning for the industry.

Room to utilise professional services offered by HK businesses

Hong Kong businesses provide a diverse array of professional services that hold immense potential. However, their full utilisation is hinged on the awareness of such services among potential business users, in particular, maritime legal, shipping finance and technological expertise. Despite the high calibre and reputation of Hong Kong's professional service providers, individuals and businesses may be unaware of the breadth and depth of the services available to them which may be owing to limited marketing and promotional efforts. Increasing awareness about the professional services and the sector offered by Hong Kong maritime services industry is essential to unlock their full potential and facilitate stronger partnerships between business users and service providers.

Stronger coordination required to oversee and drive the overall development of maritime industry

Some viewed that there were some inherent institutional limitations such as lack of continuity in leadership, insufficient autonomy in bringing in specialists to advise on policy matters and insufficient financial resources to support industry initiatives. Others suggested that the responsibilities are scattered across multiple government and quasi-public agencies which may pose difficulty and delay in communication, which may hinder the long-term development of the industry.

2.2.3. Opportunities

Changing global tax landscape

New international tax rules are emerging under the ever-changing global tax landscape. As an example, the international tax reform proposals to address base erosion and profit shifting risks arising from digitalisation of the economy (commonly known as "BEPS 2.0") developed by the Organisation for Economic Co-operation and Development (OECD). Pillar Two of BEPS 2.0 introduces a global minimum effective tax rate of 15% which is applicable to large multinational enterprise (MNE) groups with annual consolidated revenue meeting 750 million Euros.

Under the BEPS 2.0 framework, on the one hand, in-scope MNE groups in the maritime and port industry will be taxed at the rate of at least 15% in each jurisdiction they operate, which may weaken the effectiveness of tax incentives (i.e. non-taxation or preferential tax rates) as a means of competition in those jurisdictions. Thus, there is need for Hong Kong to consolidate its competitive advantage in a more level playing field.

On the other hand, the Government may enhance its awareness on the international tax reform trend during its comprehensive study on the BEPS 2.0, which in turn creates new opportunities to be leveraged on in the future.

At present, 139 jurisdictions of the OECD/G20 Inclusive Framework on BEPS, including Hong Kong, have agreed to the OECD's BEPS 2.0 proposal. Hong Kong shall seize the opportunity and devise new measures besides tax concessionary measures to attract businesses to be conducted in Hong Kong in order to maintain its competitive edge.

Mainland companies' adoption of BIMCO clauses

Recently, the Mainland has overtaken Greece as the world's largest maritime fleet owner in terms of gross tonnage, according to the global shipping information provider Clarksons Research. With the large cargo trade and strong financial support for the shipping sector, the Mainland would require large amount of arbitration and related legal services. Hong Kong would be an important arbitration centre for its hinterland, particularly for those adopting BIMCO contract. To take a more proactive approach, Hong Kong shall encourage more Mainland companies to designate Hong Kong as their preferred arbitration venue in their contracts.

2.2.4. Challenges

Easily replicable incentives / measures to be applied in other jurisdictions

Globally speaking, Hong Kong already has a relatively low and simple tax regime, companies are subject to profits tax of no more than 16.5%, while salaries tax on individuals does not exceed 15%. Besides, Hong Kong adopts the territorial source principle of taxation and does not generally levy tax on foreign-sourced income. For shipping, most profits derived from international shipping operations are not subject to profits tax in Hong Kong. As a result, it may be difficult to further lower taxes to attract companies to set up offices in Hong Kong using purely tax incentives. More flexibility and convenience of business registration can be explored instead. These incentives schemes are all replicable by other countries, thus Hong Kong needs to better its intelligence in keeping abreast of the latest international tax landscape and business environment in order to "stay ahead of the curve".

Strong competition as regional BIMCO arbitration centre

Hong Kong has emerged as a strong competitor in the arbitration landscape, particularly in the context of BIMCO's standard contract clause since 2020. Hong Kong has established itself as a leading international arbitration hub, offering reputable and efficient dispute resolution services for the maritime industry. Hong Kong's strategic location at the heart of Asia and the south coast of the Mainland has encouraged companies to use Hong Kong as a service provider in this regard. It boasts a robust legal framework, experienced maritime arbitrators, and a well-regarded arbitration institution, the HKIAC.

Despite these advantages, Hong Kong is facing competition from other arbitration centres sharing some of the features boasted by Hong Kong, for example also being named as a venue in BIMCO's Law and Arbitration Clause, operate in a strong legal system, and strive to offer world-class arbitration services.

Lack of interest to specialise in maritime services

The maritime services industry faces the challenge in attracting manpower to specialise in this field. There is a noticeable lack of interest from the labour population in pursuing careers within the maritime services sector, which can be attributed to multiple reasons. First, the general perception of maritime services may not be as glamorous as other industries, such as aviation, leading to a lack of visibility and awareness from younger talents. Secondly, the global and round-the-clock services demanded in the industry may dissuade potential talents who are seeking for a better work-life balance from joining the industry. Thirdly, maritime services require years of experience, the intricacy and technical nature of maritime operations demand specialised expertise and skills, which may pose a barrier for individuals considering a career transition into the field.

2.3. Actions

We have mapped out ten actions under three strategies to buttress the maritime services and enlarge the maritime network. The current tax regime is to be thoroughly analysed and a study will be undertaken to explore the viability of introducing new or enhancing existing tax incentives for attracting more players from key maritime business sectors. Meanwhile, encouraging Mainland enterprises to use the BIMCO contract and designate Hong Kong as the arbitration venue will increase the city's competitiveness as an international maritime dispute resolution centre. This, coupled with increasing activity with other global leading maritime centres, will further advertise Hong Kong's arbitration services. Marketing campaigns and specialised training programmes offered to professionals and prospective talent will revitalise interest in maritime services to improve the industry in the long run.

Strategy (4): Exploring Further Tax Concessions to Attract International Maritime Enterprises

As mentioned in Section 2.1 above, the Government has introduced a series of new tax concessions for the shipping businesses including ship leasing, marine insurance, ship agency, ship management, and ship brokerage from 2020 to 2022. The implemented measures have yielded positive initial outcomes. InvestHK has been actively promoting relevant tax concessions, and has assisted 33 maritime companies from the Mainland and overseas in establishing their presence in Hong Kong and expanding their businesses in the city from January 2020 to October 2023.

Nevertheless, the global business environment and international tax landscape are constantly changing, which may impact investment decisions. Various initiatives, such as BEPS 2.0, have been launched to address tax avoidance, and ensure coherence of international tax rules and a more transparent tax environment. The Government will implement the following measures to keep our tax regime on a par with the international standards.

Action (12): InvestHK to step up the promotion of existing tax concessions to attract more overseas maritime companies to set up and expand their businesses in Hong Kong

We are committed to promoting the development of high value-added maritime services to establish Hong Kong as a world-class IMC. InvestHK will step up the promotion of existing tax concessions to a wider range of companies including but not limited to shipowners, ship agents, ship managers and ship brokers. Concrete actions include launching a more comprehensive promotion plan and targeted campaigns to promote the relevant tax concessions in collaboration with relevant Government bureaux/departments with the support of a public relations consultant. The successful stories of existing maritime companies in Hong Kong, including how they utilised the tax concessions, will be featured in the promotion campaigns for advocating Hong Kong's attractiveness as an IMC.

Action (13): Explore offering further tax incentives for key maritime business sectors

From 2024 onwards, a research initiative will be undertaken to assess and explore the viability of introducing new or enhancing existing tax incentives for attracting more players from key maritime business sectors, with a particular focus on areas such as bulk commodity trading.

Action (14): Review the current tax regime in Hong Kong in relation to shipping activities

The Government will conduct a comprehensive study from 2024 to assess the tax implications of the latest changes in international tax rules, particularly BEPS 2.0, to ensure the effectiveness of the existing tax regime for the shipping industry.

In parallel, the Commissioner will chair regular meetings with the Inland Revenue Department as a liaison channel to keep Hong Kong's shipping-related tax concessions updated with international developments. Furthermore, the Commissioner would liaise with the relevant bureaux/departments on the suggestions to explore entering into more comprehensive avoidance of double taxation agreements with other economies pertaining to shipping and maritime services in view of the industry's suggestion.

Strategy (5): Enhancing Hong Kong Shipping Registry to Consolidate the High-quality Brand

As a main portion of the high value-added maritime services in Hong Kong, the ship registry shapes the base of ships' operating and subsequently adopting maritime services in Hong Kong. The HKSR provides quality and holistic one-stop registration services round the clock with speed and relatively low cost to applicants. Ships registered in Hong Kong enjoy reputation of high quality with a low port state detention rate. Through wider promotion of HKSR, more connections will be built overseas and attract the employment of Hong Kong's maritime services. Besides, to improve the registering services, e-certification system for all Hong Kong registered ships and ships applying for registration has been put in place in 2023.

Action (15): Strengthen ties with existing shipowners and explore markets with growth potential through extensive visits and exhibitions in targeted regions

The MD has continued to enhance the services and coverage of HKSR. MD will continue to step up promotion of the HKSR by reinforcing the connections and relationship with the existing shipowner base through more frequent business meetings, safety seminars and visits and reaching out to markets with growth potentials such as the Middle East and Southeast Asia through extensive company visits and exhibitions in targeted regions. MD will intensify the promotion of HKSR by expanding the scale of the annual awards ceremony co-hosted with the Hong Kong Shipowners Association (HKSOA) starting from 2024 onwards.

Action (16): Provide greater facilitation for shipowners through streamlining the ship registration process

MD will continue to enhance the ship registration services and suitably employ digitalisation to facilitate the process of ship registration. The goal is to provide greater facilitation for shipowners through streamlining the ship registration process. A comprehensive review of relevant legislation pertinent to the ship registration requirements (e.g. the Merchant Shipping (Registration) Ordinance (Cap. 415)) will be conducted to explore ways to streamline relevant processes thereby enhancing the competitiveness of HKSR.

Action (17): Devise competitive financial incentives to increase HKSR's attractiveness

While the HKSR registration fee is already very competitive among other major flags, to provide further growth impetus, competitive financial incentives will be devised to increase the attractiveness of HKSR. One possible incentive will be block registration incentive targeting shipowners who register multiple ships with HKSR in one go. A regulatory framework of the block registration incentives will be developed in 2024/2025. The regulatory framework will outline the incentive rules, eligibility criteria, and procedures for participating in the block registration incentive. Legislative amendment to the Merchant Shipping (Registration) (Fees and Charges) Regulations (Cap. 415A) will be required for the introduction of the proposed block registration incentive.

In response to the global shift towards green transformation in the maritime and port industry, MD will explore implementation of green incentives for Hong Kong registered ships that have attained certain international standards on decarbonisation including those set by the IMO. For example, green incentives will be awarded to a shipowner who can prove that the Hong Kong-registered ship has attained rating A or B in the CII introduced by IMO between 2024 and 2026.

Action (18): Scale up the annual prize presentation ceremony for Hong Kong-registered ships and recognise excellence in green shipping

Starting from 2024, MD will intensify its efforts to promote HKSR through scaling up the annual prize presentation ceremony co-hosted by HKSR and the HKSOA. MD will also explore the feasibility of introducing awards dedicated to recognising exceptional achievements in green shipping practices by deserving shipping companies.

Action (19): Leverage HKSR network to advocate for utilising local maritime services

Furthermore, leveraging on the HKSR network, we together with InvestHK and MD will enlist concerted efforts to advocate for utilising local maritime services in the realms of financing, maintenance, arbitration and insurance by the shipowners and ship managers of Hong Kong-registered ships. The maritime industry shall better leverage HKSR as a gateway to bring more maritime-related businesses to Hong Kong and enhance the demand for local maritime services.

Strategy (6): Leveraging the Advantages of the Legal System to Promote Maritime Arbitration

The BIMCO approved the BIMCO Law and Arbitration Clause 2020 in September 2020, making Hong Kong the fourth named arbitration venue in the dispute resolution clause of its global standard maritime contracts, alongside London, New York and Singapore, and thus boosting the use of Hong Kong maritime arbitration services worldwide. Hong Kong is also the first jurisdiction outside the Mainland where, as a seat of arbitration, parties to arbitral proceedings administered by designated arbitral institutions would be able to apply to the Mainland courts for interim measures which include property preservation, evidence preservation and conduct preservation before the arbitral award is made. To further leverage the distinctiveness of Hong Kong as a leading international dispute resolution hub and promote its maritime arbitration services, the Government will spare no efforts in enlarging the arbitration market by attracting more overseas, Mainland and local enterprises to choose Hong Kong as the dispute resolution venue (e.g. select Hong Kong as the arbitration venue under the BIMCO Law and Arbitration Clause), fostering collaboration with other leading international arbitration centres, and organising promotional events to making a mark in the industry.

Action (20): Department of Justice (DoJ) to engage actively with other leading maritime arbitration centres worldwide to encourage the utilisation of Hong Kong's legal services

Active engagement with other leading maritime arbitration centres worldwide would be equally important to foster collaboration, knowledge sharing and the rolling out of joint initiatives. This will be achieved by participating in international arbitration conferences, signing MoU with other entities, and hosting joint events to promote Hong Kong's maritime arbitration services on a global scale. Collaboration with international maritime industry associations, legal organisations, and trade bodies would be beneficial to jointly showcase Hong Kong's expertise in maritime arbitration.

To leverage the distinctiveness of Hong Kong as a leading international dispute resolution hub and its recognition as one of the four arbitration venues acknowledged by the BIMCO, it is important to attract Mainland and international shipping enterprises, including shipping companies, commodity traders, and deal-makers, to utilise Hong Kong's legal and arbitration services. Efforts will be placed on highlighting the advantages and benefits of Hong Kong's arbitration services during promotion, including its designation as one of the four arbitration venues by BIMCO, backing by a robust legal framework, neutrality of the legal system, and strong and professional expertise in maritime law that is well recognised internationally, which would all reinforce Hong Kong's position as a preferred destination for maritime arbitration. For Mainland enterprises, in particular, the Government will focus on promoting how Hong Kong's professional services, including legal and dispute resolution services, support their expansion into global markets.

To enhance awareness of Hong Kong's high value-added maritime services, targeted marketing and awareness campaigns will be put in place. These campaigns will involve organising seminars, conferences, and workshops specifically tailored to educate industry professionals about the benefits and advantages of choosing Hong Kong as their preferred maritime business destination. Hong Kong's efficient and high-quality commercial environment, institutional strengths, and diverse pool of professional service practitioners will be highlighted.

Action (21): Actively cultivate maritime legal professionals

From 2024, the Government will more actively cultivate maritime legal professionals who are well-versed in international law, common law, civil law and the Country's legal systems, enabling Hong Kong to fully leverage its role as a gateway for both Mainland and overseas shipping enterprises. Under the framework of the proposed "Hong Kong International Legal Talents Training Academy" outlined in the 2023 Policy Address, the Government will explore the possibility of organising regular practical training courses, seminars, and international exchange programmes in maritime-related legal areas.

DIRECTION 3: Enhancing Promotion of Hong Kong Maritime Brand and Grooming Maritime Talents

3.1. Background

To strengthen Hong Kong's relationships with the Mainland and international maritime communities and establish a strong promotional presence, the Government has all along spared no efforts to actively engage in various promotional initiatives. These promotional efforts leverage Hong Kong's unique advantages in terms of geographical location, institution, economy and experience in international trade. Through promoting Hong Kong's maritime brand to the world, Hong Kong can seize the immense opportunities arising from the National 14th Five-Year Plan and the GBA Outline Development Plan for better integration into the national development.

To ensure the enduring growth of the Hong Kong's maritime and port industry, our promotion and manpower development initiatives will aim to bolster port competitiveness and nurture the advancement of high-value maritime services. We will adopt a multi-faceted approach, both domestically and internationally, to strengthen the promotion and marketing of Hong Kong's maritime brand. We aim to attract businesses, cargo flows, and talent to Hong Kong through diverse channels, thereby expanding the local maritime network.

Industry Promotion

Over the years, the Hong Kong Maritime Week (HKMW), organised by the HKMPB, has evolved into a highly recognised annual flagship event in the international and local maritime circles since its first edition in 2016. This year, the HKMW 2023 has attracted partnership/ participation from more international maritime institutions such as International Group of P&I Clubs, IUMI, Asian Shipowners' Association, BIMCO, China Shipowners Mutual Assurance Association, etc. HKMW's activities range from large-scale international fora for the business sector to visits and activities for the general public and youth. The HKMW 2023 came to a successful conclusion in November 2023. A total of 49 activities were organised by 71 local and international organisations during the Week, attracting over 2.9 million physical attendance and online views. We will continue to organise HKMW and strengthen the relating promotion efforts in order to reinforce Hong Kong's image as an IMC.



In addition, Hong Kong is an associate member of the IMO. The Permanent Representative of Hong Kong to the IMO attends every IMO meeting to keep abreast of the latest development in maritime conventions and amendments and takes an active role in the IMO's policy formulation and ensure the voice of Hong Kong is heard. We will also step up promotion efforts through the Regional Desks of the MD which are able to reach out to more potential targets in the Mainland and overseas.

We have also been working closely with InvestHK on joint promotion to attract maritime companies from overseas and the Mainland to establish a presence in Hong Kong. Initiatives include organising high-profile maritime webinars, engaging various renowned business, and shipping media to interview HKMPB members, producing sponsored contents and providing aftercare services to reach out to maritime companies that have already set up in Hong Kong.

Maritime Education and Training

A few maritime education and training programmes are offered to nurture professionals for the industry. Academic institutions provide degrees and diplomas in maritime-related disciplines such as international shipping and transport logistics, maritime studies, and mechanical engineering. These programmes equip students with knowledge of maritime regulations, trade practices, logistics, and operational management. Additionally, training bodies offer certification courses for seafarers and onshore personnel, covering areas like navigation, safety, marine insurance, maritime arbitration, and ship operations.

The Maritime and Aviation Training Fund (MATF) has been providing funding support to address the manpower development needs of the maritime and aviation industries since 2014. It currently supports 13 maritime related schemes which have benefitted more than 10 000 students and in-service practitioners of the maritime industry. The promotional and publicity activities supported by the MATF have reached an estimated audience of approximately 90 000 individuals. To enhance the support for manpower development for the aviation and maritime sectors, as well as the logistics industry which is closely related to them, and to fund relevant promotion initiatives, the Government further injected \$200 million into the MATF in 2023 to support manpower training of the logistics industry, promote the development of high-end, high value-added and smart logistics, and encourage the industry to collaborate with tertiary institutions and professional organisations in attracting more young people to join the industry.

For example, scholarships have been set up under MATF to train maritime professionals. Some are jointly organised with universities in the Mainland to nurture professionals in the Hong Kong and Mainland legal systems and the specialised field of maritime law; for example, The University of Hong Kong (HKU) – Dalian Maritime University (DMU) Academic Collaboration Scheme and HKU – Shanghai Maritime University Academic Collaboration Scheme have been rolled out to sponsor

selected law school students of the above two Mainland universities to undertake the Master of Common Law course at the HKU. Separately, in-service practitioners in the maritime law field in Hong Kong as well as HKU students may apply for sponsorship to attend Mainland shipping law seminars conducted by DMU teaching personnel at HKU. Sponsorship is also given to HKU students to undertake summer programme at DMU.

To support and enhance manpower development for high value-added maritime services in Hong Kong, we have also launched a “Maritime Services Traineeship Scheme – Legal” under the MATF in mid-September 2023. The scheme aims to incentivise participating companies to provide traineeship for young people who aspire to a career in maritime law with a view to nurturing more home-grown maritime lawyers and enhancing the role of Hong Kong as an IMC.

3.2. Actions

The following section contains nine actions under three strategies to target Hong Kong's weakness in leading promotional campaign for the maritime and port sector, grooming maritime manpower and to navigate under the rapidly changing geopolitical landscape. This includes stepping up promotional efforts to attract more commercial principals and enlarge maritime cluster, enhancing GBA collaboration, international exchanges and maritime influence, and attracting and maintaining maritime talent. Further Actions involve attracting relevant overseas corporations to set up offices and headquarters in Hong Kong and elevating the significance of HKMW, etc. Specific actions are set out below in detail.

Strategy (7): Stepping up Multi-faceted External Promotion to Showcase Hong Kong's Maritime Strengths

Drawing commercial principals would be essential for Hong Kong to thrive as a high value-added service centre and strengthen itself as a vibrant maritime ecosystem. As prominent commodity traders are key stakeholders among different sectors in the maritime and port industry, their presence would be important to attract more supporting maritime services such as shipping insurance, registration, and legal and arbitration in the city, galvanising and reinforcing the maritime ecosystem.



For the purpose of accelerating the pace of development of high end maritime services in Hong Kong and strengthening the role of Hong Kong in connecting the maritime business cluster with international maritime organisations, we will make full use of the annual flagship event, the HKMW, which will be scaled up as a high-level forum to better feature Hong Kong's hub position with wide connectivity with the Mainland and overseas. Efforts will also be made on the collaboration between TLB and other government bureaux/ departments to create synergies, while other customised marketing packages of promotional events and materials might be carried out simultaneously.

Amidst the complexities of the international political landscape, it is imperative to intensify efforts in promoting Hong Kong's maritime industry. It is crucial for us to present the "Hong Kong story" to the world from various perspectives and highlight the opportunities available in Hong Kong. We must strive to provide an objective and accurate portrayal of Hong Kong's situation, thereby safeguarding its international image. Various entities such as the HKMPB, InvestHK and MD (including the HKSR) will actively engage in external promotion related to the maritime sector.

Action (22): Enhance coordination of maritime promotion

To attract relevant overseas corporations to set up offices and headquarters in Hong Kong, a more comprehensive promotion plan and targeted campaigns to promote the Hong Kong maritime brand with the support of a public relations consultant will be launched in collaboration with relevant Government bureaux/departments. The campaigns will involve promotion through high-profile channels and highlight the Government's commitment to facilitating international maritime enterprises to use Hong Kong as a springboard to enter the Mainland market, drawing upon its distinctive advantages of enjoying the strong support of the Motherland and being closely connected to the world. The successful stories of existing maritime companies in Hong Kong will be featured in the promotion campaigns, as these companies can serve as third-party endorsers for Hong Kong's attractiveness as an IMC. The campaigns will consist of customised marketing packages for different stakeholders aiming at different markets and industries, while positioning Hong Kong as the gateway to the Mainland markets and highlighting the benefits and opportunities available in Hong Kong to targeted corporations.

InvestHK will intensify its efforts to attract more overseas shipping companies to establish and expand their businesses in Hong Kong, thereby bringing in a greater number of maritime-related activities and commercial operations to Hong Kong.

In 2024, a specialised cross-departmental task force among TLB, InvestHK and HKSR led by the Commissioner will be established to enhance the coordination and effectiveness of promoting Hong Kong. This task force will focus on strengthening outreach activities, attracting investments, and creating business opportunities for Hong Kong enterprises. Regular evaluations will be conducted to assess the impact of these efforts and adjust the publicity strategies as needed.

Action (23): Elevate the HKMW as an important promotional platform

The HKMW has been an annual flagship event to promote Hong Kong as a preferred destination for maritime business. The seventh edition of the HKMW was held from 19 to 25 November 2023. In order to elevate the significance of HKMW, the Week will continue to be staged as a high-level forum to better feature our hub position with wide connectivity with the Mainland and overseas, aiming at the top echelons of the maritime industry. Additional support will be provided with a focus on high value-added maritime services, digitalisation, and decarbonisation. This will be accomplished through collaborations with relevant international organisations to co-host events in Hong Kong that promote specific sectors and services to a wider audience. More forums, events, and visits can be organised to showcase the expertise and opportunities in these areas.

Strategy (8): Enhancing Maritime Influence through GBA and International Collaboration

Hong Kong possesses unique advantages, such as its position as an international shipping centre and its role as a gateway to the Mainland with comprehensive shipping routes. These advantages will be leveraged to contribute to the high-quality development of the GBA and better integrate into the Country's overall development course. This support is echoed by the National 14th Five-Year Plan and the GBA Outline Development Plan, which explicitly emphasise the significance of establishing a world-class port cluster in the GBA. Within this framework, it is essential for Hong Kong and GBA ports to transition from a competitive relationship to a collaborative one, facilitated through government-to-government level communication. Leading by the HKSAR Government, more external promotion of the maritime strengths of GBA and the uniqueness of Hong Kong within the GBA port cluster will also be conducted.

We have all along collaborated with industry stakeholders and actively participated in major international maritime conferences and exhibitions. For instance, in December 2023, the Secretary for Transport and Logistics led a delegation comprising representatives from the HKMPB and industry professionals to attend the Marintec China held in Shanghai, which is the world's second-largest maritime event. At the exhibition, a Hong Kong Pavilion featuring five Hong Kong shipping companies with international background and HKSR was set up to jointly promote Hong Kong as a high value-added maritime service centre within the GBA.

Building upon the solid foundation in professional services, Hong Kong aims to position itself as a knowledge hub for high value-added maritime services within the region, with a particular focus on maritime law, ship finance, and green shipping, etc. This positioning allows us to provide top-quality and comprehensive maritime services to overseas companies seeking development within the GBA. Additionally, Hong Kong's highly internationalised advantages can assist Mainland shipping companies in expanding their business globally by utilising Hong Kong's efficient and comprehensive high-end maritime services, thus connecting them with the international shipping community.

In this regard, we will continue to collaborate with industry organisations HKSOA to enhance Hong Kong's influence on the global stage and promote the comprehensive strength of the GBA ports to the international community.



Action (24): Organise and participate in major maritime events to intensify promotional efforts in GBA and overseas

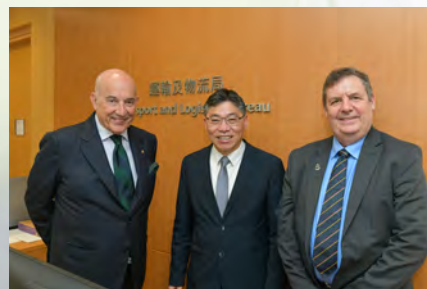
Intensifying promotional efforts targeted at the GBA maritime cluster is crucial. This will be achieved by organising annual mega-events such as the Greater Bay International Maritime Conference or similar international forums. The HKSOA hosted the inaugural Greater Bay International Maritime Conference with over 1 000 key personalities from the shipping community in Hong Kong in 2021. The second Greater Bay International Maritime Conference was held in Guangzhou with HKSOA's inputs. These events have effectively served as platforms to facilitate communication and collaboration among industry players within the GBA and foster stronger connections between the GBA and the rest of the world. The HKMPB and the HKSOA will commence early preparations to co-host the Greater Bay International Maritime Conference 2024 in Shenzhen. The objective is to strengthen, deepen, and broaden collaboration within the GBA maritime cluster and showcase its collective strength to achieve complementary development.

As an IMC, Hong Kong must establish a strong presence within the global maritime community. To do so, Hong Kong's active participation in significant and large-scale industry events is required. This will be in the form of industry-initiated visits and Government-driven official promotional visits. We will actively seek opportunities to participate in large-scale maritime events especially in targeted markets such as the Middle East and the Southeast Asia. Our goal is to enhance Hong Kong's influence and leverage suitable promotional platforms for the local maritime industry to tell good stories of the Hong Kong maritime sector.

Action (25): Build stronger ties and deepen our collaboration with international maritime organisations

To step up the maritime collaboration beyond the GBA, more efforts will be made to build stronger ties and deepen our collaboration with international maritime organisations, such as ICS and BIMCO. Fostering these relationships will attract more maritime-related businesses and activities to take place in Hong Kong, which will be beneficial to Hong Kong's development as a common place for building maritime connections among a wider range of industry players including enterprises and international organisations from all over the world (including those from the GBA). This strategy will be complementary to the overall effort of encouraging more commercial principals to establish a presence in Hong Kong so as to enlarge the Hong Kong maritime cluster.

To strengthen Hong Kong's role as a gateway for international maritime enterprises and organisations to enter the Mainland market, we will facilitate the "bringing in" of foreign investment and leverage Hong Kong's immense potential as a bridge between the Motherland and the rest of the world. We will encourage international maritime organisations to enhance their participation in the HKMW in 2024, such as through acting as supporting institutions. Additionally, we will actively facilitate international maritime organisations to organise events in Hong Kong and other cities within the GBA.



Strategy (9): Expanding Maritime Talent Pool to Ensure New Impetus for the Industry

The maritime services industry is highly specialised, and practitioners generally require a significant investment of time and resources to become top-tier professionals. The vibrant growth of the maritime services industry also relies on Hong Kong's reputation as an internationally recognised hub for knowledge exchange and talent aggregation. Since 2014, the Government has been supporting the continuous development of maritime talent in Hong Kong through the MATF, which provides training subsidies, incentives, scholarships, and sponsorship of promotional activities organised by industry organisations.

Currently, the MATF supports 13 maritime-related schemes, benefiting more than 10 000 students and maritime practitioners. Additionally, approximately 90 000 individuals have participated in promotional and publicity activities sponsored by the MATF. To further enhance training and attract maritime talent, we will take forward the following concrete actions:

Action (26): Explore further opportunities for maritime talent exchange within the GBA

Exploring further opportunities for maritime talent exchange within the GBA would be essential. This will involve organising maritime exchange events between educational and professional institutions, as well as facilitating the exchange of professional teaching staff within the region. These initiatives aim to foster collaboration, knowledge sharing, and the development of a skilled maritime workforce within the GBA. Our plan is to commence exchange with educational institutions within the GBA in the first quarter of 2024. In order to diversify course and training offerings, local training institutions will also be encouraged to develop and sustain partnerships with industry associations and non-local institutions in the GBA. These partnerships will help launch an expanded array of exchange programmes, and/or joint courses with non-local institutions. Additionally, alliances may be explored between local maritime businesses and non-local institutions to provide apprenticeship in the high value-added maritime services industry with enhanced on-the-job training prospects, supported by financial incentives. To further enhance the development of high value-added maritime services, policy support will be extended to attract highly qualified or even renowned educators who specialise in subjects pertinent to this field to come to Hong Kong and exchange with local educational institutions, as well as international students to study in Hong Kong. This will go beyond traditional areas like marine engineering but include high-end maritime services such as ship finance, marine insurance, legal services, arbitration, etc. The initial estimated number of participants is about 300 in the first year.

Action (27): Conduct a comprehensive review of the impact and effectiveness of MATF

We will conduct a comprehensive review assessment of the MATF's impact and effectiveness in talent attraction and industry manpower development in the first half of 2024. Based on the evaluation results, we will formulate recommendations and take appropriate follow-up actions to enhance the efficiency, flexibility, and preciseness of the MATF in cultivating the maritime talent for Hong Kong. We will complete the review and refinement of the funding schemes provided by the MATF next year to support the professional growth of the entire shipping industry, spanning from navigation to high value-added maritime sectors.



Action (28): Build partnerships between academic institutions and industry organisations

Starting from 2024, we will encourage local academic institutions to collaborate with industry organisations and non-local institutions to establish and maintain partnerships. These partnerships can facilitate the introduction of more scholarships initiatives and joint courses that cover the latest subjects, industry-relevant skills, and career development pathways for nurturing talent. By fostering these collaborations, we can facilitate that academic programmes align with industry needs and provide students with the necessary skills and knowledge to excel in their chosen maritime careers. The MATF currently supports approximately 150 courses offered by academic institutions, professional associations, and industry organisations to enhance the skills and obtain professional qualifications of maritime practitioners. To encourage continuous learning, newly-launched joint courses will be included in the approved course list. We will provide policy support and financial assistance to local academic institutions to invite highly qualified and renowned educators to teach the latest maritime subjects in Hong Kong. Workshops and seminars may also be organised to impart relevant knowledge and skills to local students and practitioners, while facilitating the exchange of the latest developments and information in the maritime industry.

Action (29): Step up liaison with local training institutions to incorporate comprehensive training on ESG skills when designing training programmes

When designing the various training programmes, local training institutions would be reminded to give special attention to incorporating comprehensive training on ESG skills. This would be crucial in response to the growing concerns over sustainable shipping and responsible business practices within the maritime industry. ESG training will cover a wide range of topics and skills to ensure that professionals are equipped with the knowledge and tools needed to address the complex challenges and opportunities related to ESG. We will step up liaison with local training institutions from 2024 on providing more training on environmental conservation and management (such as understanding and implementing sustainable practices in shipping operations, digitalisation and reducing carbon emissions of the maritime industry) in their training programmes, in view of the latest market trends in professions and skills required by students and practitioners. The target is to train 400 people in the next five years.

Action (30): Recognise excellence and nurturing young maritime professionals

We will explore rolling out a recognition programme for outstanding young professionals with potential in various sectors of the maritime services industry, such as ship finance, maritime insurance, seafarers, maritime law and arbitration etc. We will develop feasible schemes for submission to the HKMPB for endorsement. Implementation of these schemes will take place in 2025, with the aim of establishing industry models that attract young individuals to join the maritime industry. For instance, the winners will be subsidised to take postgraduate courses in related fields to enhance their professional level, cultivate to become future professional or leaders in the maritime sector, and use their own successful experience to promote the Hong Kong maritime industry to the public.

To revitalise and promote the professional image of maritime-related careers, it is important to highlight professionalism, career prospects, exposure, and available options for professional development when promoting opportunities in these fields. Efforts will be made to accentuate the value and opportunities associated with pursuing a career in the maritime sector. This will be achieved through targeted initiatives, awareness campaigns, and showcasing success stories of professionals in the industry.

DIRECTION 4: Enhancing the Support of Hong Kong Maritime and Port Board

4.1. Background

TLB has the overall policy responsibility for the port and maritime development in Hong Kong. To consolidate and enhance Hong Kong's position as an IMC, the Government established the HKMPB on 1 April 2016 through merging the former Hong Kong Maritime Development Council and the Hong Kong Port Development Council. It is chaired by the Secretary for Transport and Logistics. This board provides a high-level platform for the Government to work in partnership with the industry for the betterment of our maritime and port sectors. Specifically, the HKMPB was set up to:

- advise the Government on the formulation of policy and strategies to develop Hong Kong into a maritime services hub and drive the continuous growth of HKP;
- steer, oversee and coordinate the implementation of measures and the industry relating to the maritime and port industries in Hong Kong;
- promote Hong Kong as an IMC and a major port in overseas and the Mainland markets;
- formulate manpower development strategies and initiatives to address the needs of the maritime and port industries; and oversee the implementation of the MATF; and
- undertake research and studies on international trends and practices.

The HKMPB comprises three committees: (i) Maritime and Port Development Committee; (ii) Promotion and External Relations Committee; and (iii) Manpower Development Committee. The chairperson and members of each of these committees are representatives from the maritime and port industry, which enhances industry participation in policy formulation and drive Hong Kong's further development as a thriving port and IMC.

The Commissioner serves as the Secretary to the HKMPB. Over the years, the Commissioner has provided substantial support for the promotion of Hong Kong's maritime industry both locally and internationally. This includes representing the Government in overseas visits and local industry events, and serving as a communication bridge between the government and key stakeholders in the maritime and port industry to facilitate the smooth implementation of various measures. These measures include introducing different tax concessions for shipping-related businesses such as ship leasing, agency, management, and brokering. Efforts have also been made to enhance the services of the HKSR, which is the world's fourth-largest shipping register by gross tonnage. Close cooperation with international shipping organisations has led to the establishment of offices for ICS and IUML in Hong Kong. Furthermore, endeavours have been made to include Hong Kong as the fourth designated arbitration venue in the dispute resolution clauses of standard contracts by BIMCO, alongside London, New York, and Singapore.



4.2. Actions

In order to strengthen support for the HKMPB in collaboration with the industry, two actions have been identified within the below strategy. These actions involve better coordination among relevant government departments and stakeholders in the maritime and port industry and enhancing the HKMPB's capacity in promotion and policy research.

Strategy (10): Strengthening the HKMPB in Collaboration with the Industry

Building institutional leadership in the maritime and port industry is fundamental. We will communicate with various relevant stakeholders and widely absorb their views and suggestions, ultimately anchoring policy development directions for the long-term development of the industry.

To enhance visionary planning, we will strengthen its policy research capacity and follow up in real time on changes of policy requirements such as tax regimes, digitalisation, and green transformation in the international market, so as to continuously adjust the policy system of Hong Kong's maritime and port industry.

We will also allocate additional resources to support the work of the HKMPB, including policy research and promotional activities.

Action (31): Enhance policy research capacity of the HKMPB

The policy research capacity and capability of the HKMPB will be enhanced. We have all along conducted policy research with a view to rolling out policies in enhancing attractiveness of Hong Kong as IMC. To further nurture the maritime ecosystem, we will conduct targeted policy research with a focus to enhancing business sectors such as ship finance, marine insurance, maritime arbitration and ship management, thereby enabling Hong Kong to become a global leading high-end maritime service market. Examples of research areas will include market trends, further tax measures, initiatives on digitalisation and decarbonisation as well as other incentive strategies vis-à-vis our major competitors.



We will further strengthen the support of the HKMPB's research capacity in order to –

- (a) strengthen the promotion of HKSR to attract more ships and maintain high fleet quality;
- (b) attract and nurture talent pool to support the development of high value-added maritime services;
- (c) attract more international organisations and companies to set up offices in Hong Kong;
- (d) keep up with the international trends on taxation such as the BEPS 2.0 which are highly relevant to the maritime industry; and
- (e) equip HKP with the necessary infrastructure to support green port development and bunkering capabilities of new and alternative fuels.

Some of the aforesaid policy studies will be commissioned to external resources, such as expert consultants, public relations consultants and academia, in order to leverage their specialised expertise on individual subjects.



Action (32): Enhance the function of the HKMPB in external promotion

Starting from 2024, we will focus on enhancing the promotional capabilities of the HKMPB. We will collaborate with the HKMPB, leverage the expertise of industry professionals including those available in the HKMPB and work hand in hand with the industry representatives to strengthen the promotion of the maritime industry and related policies. Together, we will showcase the opportunities offered by Hong Kong's maritime industry to the world.

Through targeted promotional campaigns, industry events, and effective communication channels, we will highlight the unique advantages and business prospects that Hong Kong's maritime industry offers. By sharing successful stories, industry insights, and showcasing the capabilities and infrastructure of Hong Kong's ports, we aim to attract global attention and position Hong Kong as a premier hub for maritime activities.

This collaborative effort between the Government, the HKMPB and industry stakeholders will drive the promotion of Hong Kong's maritime industry forward, ensuring its continued growth and global recognition.

We will coordinate amongst relevant government departments and stakeholders in the maritime and port industry through the Commissioner to promote industry-oriented maritime development and the Hong Kong maritime brand. The 2023 Policy Address announced stepping up the role of the Commissioner, who will serve as the primary point of contact in the Government and key coordinator for relevant maritime stakeholders and focus on leveraging advantages in professional services such as maritime law, insurance and ship finance, and collaborate with the industry to develop maritime advantages.



4.3. Statutory Organisation

The Government has carefully considered the suggestion of establishing a statutory maritime organisation. The Government bears an important role in the development of the maritime and port sectors, through actively engaging in various tasks such as legislative amendments (including the implementation of tax incentives), facilitating foreign investments, and engaging in official collaborations with other ports and cities. These responsibilities fall under the prerogative of the Government and cannot be carried out by non-governmental entities alone. In fact, the key functions proposed for a statutory organisation align closely with the existing Government efforts. We will, through strengthening the HKMPB, step up efforts to take forward the above ten strategies in four directions and join hands with the industry to fully implement the above work. We believe that this approach is more effective in actively driving the long-term development of the maritime and port industries as compared to the suggestion of establishing a statutory organisation. It is important to note that institutional structures and systems vary around the world and should be tailored to fit for the conditions and development needs of local ports. We must consider whether such an organisation would be able to exercise specific statutory functions. For example, the current Kwai Tsing Container Terminals and the relevant operations are privately-owned and operated, and any statutory organisation to be formed is not in a position to interfere in their operations which are commercially-based in response to market conditions.

If the proposed statutory organisation lacks a stable and reliable source of income, it would have to rely on government funding to sustain its operations and activities. Any such organisation would not have the free hand in allocating financial resources which may be constrained by various requirements, such as the need to make reference to the Government's principles of prudent use of public money.

As Hong Kong's maritime industry continues to thrive, it may be worth considering from time to time the feasibility of establishing a relevant institution in view of the increased workload in the long run. All in all, the Government remains committed to supporting the HKMPB and will prioritise effective communication with the industry to gain accurate insights into industry prospects and development trends. Taking into account the needs and recommendations of stakeholders, the Government will formulate policies and implement measures to strengthen and solidify Hong Kong's status as a leading IMC.

5. Action Overview

This Action Plan sets out the direction for the future development of Hong Kong's maritime and port industry. We have formulated ten strategies and 32 actions to meet the short, medium, and long-term development needs of the maritime and port industry in the aspects of (i) developing Hong Kong as a green shipping hub towards the goal of zero-carbon emission; (ii) facilitating smart port development and promoting maritime digitalisation; (iii) enhancing port competitiveness and striving for new sources of cargo; (iv) exploring further tax concessions to attract international maritime enterprises; (v) enhancing HKSR to consolidate the high-quality brand; (vi) leveraging the advantages of the legal system to promote maritime arbitration; (vii) stepping up multi-faceted external promotion to showcase Hong Kong's maritime strengths; (viii) enhancing maritime influence through GBA and international collaboration; (ix) expanding maritime talent pool to ensure new impetus for the industry; and (x) strengthening the HKMPB in collaboration with the industry; and to lead Hong Kong's maritime and port industry to further realise the vision of becoming a leading IMC providing excellent high value-added maritime services. The ten key strategies and key actions are summarised in the table below.

The HKSAR Government, together with the HKMPB, will continue to review the implementation progress of the relevant strategies and their effectiveness, and to adjust the relevant initiatives according to the actual situation to ensure that the strategies can keep abreast of the development and respond to the needs of the industry in a timely manner.



5.1. Strategy (1): Developing Hong Kong as a Green Shipping Hub towards the Goal of Zero-carbon Emission

Actions		Implementation Time
1	Study the feasibility of providing bunkering of quality green fuels and promulgate an action plan	Within 2024
2	Accelerate the promotion of green and sustainable shipping and develop guidelines for the industry	From 2024
3	Nurture the development of talent specialising in green energy of the shipping industry	From 2024



5.2. Strategy (2): Facilitating Smart Port Development and Promoting Maritime Digitalisation

	Actions	Implementation Time
4	Promote interconnectivity of port, airport and logistics data	From 2024
5	Encourage the industry to leverage existing digital solutions and technologies to enhance cargo handling efficiency	From 2024
6	Utilise the PCS platform further for a wider scope of products and delivery processes	From 2023 to 2025

5.3. Strategy (3): Enhancing Port Competitiveness and Striving for New Sources of Cargo

	Actions	Implementation Time
7	Review port dues or permit fees imposed on OGVs and inland river vessels	From 2024
8	Strengthen collaboration with western Guangdong to expand the sources of cargoes	Continuous
9	Serve as maritime super-connector among cities in the GBA	From 2024
10	Enhance external promotion to highlight the comprehensive strength of HKP	From 2024
11	Enhance international connectivity of HKP handling cargoes to and from more places	From 2024

5.4. Strategy (4): Exploring Further Tax Concessions to Attract International Maritime Enterprises

	Actions	Implementation Time
12	InvestHK to step up the promotion of existing tax concessions to attract more overseas maritime companies to set up and expand their businesses in Hong Kong	From 2024
13	Explore offering further tax incentives for key maritime business sectors	From 2024
14	Review the current tax regime in Hong Kong in relation to shipping activities	2024

5.5. Strategy (5): Enhancing Hong Kong Shipping Registry to Consolidate the High-quality Brand

Actions		Implementation Time
15	Strengthen ties with existing shipowners and explore markets with growth potential through extensive visits and exhibitions in targeted regions	From 2024
16	Provide greater facilitation for shipowners through streamlining the ship registration process	From 2024
17	Devise competitive financial incentives to increase HKSR's attractiveness	From 2024/2025
18	Scale up the annual prize presentation ceremony for Hong Kong-registered ships and recognise excellence in green shipping	From 2024/2025
19	Leverage HKSR network to advocate for utilising local maritime services	Continuous

5.6. Strategy (6): Leveraging the Advantages of the Legal System to Promote Maritime Arbitration

Actions		Implementation Time
20	DoJ to engage actively with other leading maritime arbitration centres worldwide to encourage the utilisation of Hong Kong's legal services	From 2024
21	Actively cultivate maritime legal professionals	From 2024

5.7. Strategic Area (7): Stepping up External Promotion to Showcase Hong Kong's Maritime Strengths

Actions		Implementation Time
22	Enhance coordination of maritime promotion	From 2024
23	Elevate the HKMW as an important promotional platform	Continuous

5.8. Strategy (8): Enhancing Maritime Influence through GBA and International Collaboration

	Actions	Implementation Time
24	Organise and participate in major maritime events to intensify promotional efforts in GBA and overseas	From 2024
25	Build stronger ties and deepen our collaboration with international maritime organisations	Continuous

5.9. Strategy (9): Expanding Maritime Talent Pool to Ensure New Impetus for the Industry

	Actions	Implementation Time
26	Explore further opportunities for maritime talent exchange within the GBA	From 2024 Q1
27	Conduct a comprehensive review of the impact and effectiveness of MATF	Within first half of 2024
28	Build partnerships between academic institutions and industry organisations	2024
29	Step up liaison with local training institutions to incorporate comprehensive training on ESG skills when designing training programmes	From 2024
30	Recognise excellence and nurturing young maritime professionals	From 2025

5.10. Strategy (10): Strengthening the HKMPB in Collaboration with the Industry

	Actions	Implementation Time
31	Enhance policy research capacity of the HKMPB	From 2024
32	Enhance the function of the HKMPB in external promotion	From 2024

CLOSING REMARKS

The dynamic growth of Hong Kong's shipping and logistics industry as a globally recognised maritime centre hinges on the development of the maritime and port industry. We will continue its commitment to port development, supporting the operation of the Kwai Tsing Container Terminal by strengthening modern logistics services surrounding the terminal and developing state-of-the-art logistics facilities to consolidate and enhance Hong Kong's status as an IMC and sustainable international smart logistics hub. As stated in the "Action Plan for Modern Logistics Development" released on 31 October 2023, we plan to dispose of a total of four parcels of logistics land covering about 19 hectares regularly from 2024 to 2027 for the development of multi-storey logistics facilities with different functions in order to support both modern logistics and port backup uses, and for the sustainable development of port and logistics industry in Hong Kong.

As the Country embarks on a new journey, we will fully leverage on its distinctive advantages of enjoying strong support of the Motherland and being closely connected to the world under the "One Country, Two Systems" principle. We will continue to work closely with the maritime and port industry to capitalise on the tremendous opportunities brought by the rapid national and regional development, and to unleash the unlimited development potential of the maritime and port sector for opening up a bright new chapter for the maritime and port industry in Hong Kong. This Action Plan is a major document formulated by the HKSAR Government for the development of maritime and port industry, leading the future development of the maritime and port industry in Hong Kong. We will, in collaboration with stakeholders in the shipping and port industry, implement the actions outlined in the plan progressively to strive towards the goal of establishing Hong Kong as a leading IMC.



APPENDIX

- [1] Outline of the 14th Five-Year Plan for the National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035 (full text available in Chinese only)
http://www.gov.cn/xinwen/2021-03/13/content_5592681.htm
- [2] Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area
https://www.bayarea.gov.hk/filemanager/en/share/pdf/Outline_Development_Plan.pdf
- [3] The Chief Executive's 2023 Policy Address of the Hong Kong Special Administration Region of the People's Republic of China
<https://www.policyaddress.gov.hk/2023/en/policy.html>
- [4] The Financial Secretary's 2023-24 Budget of the Hong Kong Special Administration Region of the People's Republic of China
https://www.budget.gov.hk/2023/eng/pdf/e_budget_speech_2023-24.pdf
- [5] Enhancing Hong Kong's Position as a Maritime Centre
<https://www.legco.gov.hk/research-publications/english/2022rt03-enhancing-hong-kongs-position-as-a-maritime-centre-20220519-e.pdf>
- [6] Developing Liquefied Natural Gas (LNG) Bunkering in Hong Kong
https://bec.org.hk/sites/default/files/publications/Developing_LNG_Bunkering_in_Hong_Kong.pdf
- [7] Port of Hong Kong Statistical Tables 2022
https://www.mardep.gov.hk/en/fact/pdf/portstat_ast_2022.pdf
- [8] Port of Hong Kong in Figures (2023 Edition)
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- [9] Inland Revenue (Amendment) (Tax Concessions for Certain Shipping-related Activities) Ordinance 2022
<https://www.ird.gov.hk/eng/ppr/archives/22072201.htm>
- [10] Maritime and Aviation Training Fund
<https://www.tlb.gov.hk/eng/highlights/transport/20140401.html>
- [11] Maritime Services Traineeship Scheme – Legal
<https://www.tlb.gov.hk/eng/highlights/transport/20140401-12.html>
- [12] Promoting development of maritime industry
<https://www.info.gov.hk/gia/general/202306/28/P2023062800530.htm>
- [13] Latest Development in International Arbitration for Hong Kong
<https://www.legco.gov.hk/yr20-21/english/panels/ajls/papers/ajls20210531cb4-1014-3-e.pdf>

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- Hong Kong Maritime and Port Board
- Hong Kong Container Terminal Operators Association
- Hong Kong Liner Shipping Association
- Hong Kong Sea Transport and Logistics Association
- Hong Kong Shipowners Association
- The Hong Kong Shippers' Council
- Institute of Seatransport
- Hong Kong Trade Development Council
- Vocational Training Council





