

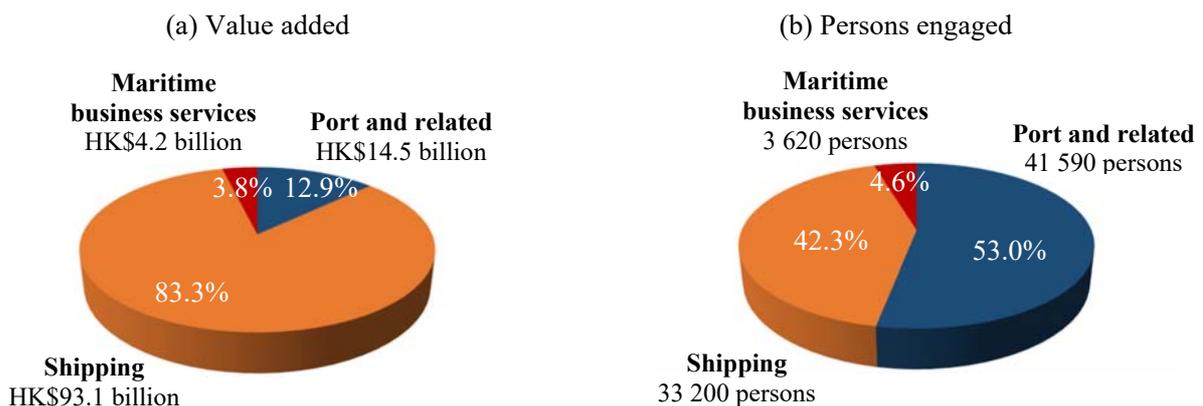
Study on the Economic Contribution of the Maritime and Port Industry in 2021

Executive summary

The maritime and port industry underpins the trading and logistics sector, which is the largest of the Four Key Pillars of the Hong Kong economy. Its contribution to the Hong Kong economy in terms of value added (VA)¹ and persons engaged in 2021 are summarised below:

- The maritime and port industry contributed HK\$111.8 billion to Hong Kong's gross domestic product (GDP) in 2021. This represented 4.1% of the overall output of the economy. Within this, the port and related sector, shipping sector, and maritime business services accounted for some 13%, 83%, and 4% of the industry respectively (Chart 1a).
- In 2021, the maritime and port industry employed 78 410 persons. This accounted for 2.1% of total employment in Hong Kong. Within this, the port and related, shipping, and maritime business services sectors accounted for about 53%, 42%, and 5% respectively of the industry's total (Chart 1b).

Chart 1. Economic contribution of the Hong Kong maritime and port industry by sector in 2021²



¹ All figures of value added are at basic prices.

² The percentage shares may not sum to 100% due to rounding.

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Economic contribution of the maritime and port industry

The maritime and port industry covers port and related, shipping, and maritime business services – herein defined to cover the following activities:

- (i) Port and related
 - (a) terminal operators, port facilities operators, midstream operation;
 - (b) transport by tractors;
 - (c) warehousing and storage;

- (ii) Shipping
 - (a) ship owning and operating;
 - (b) ship management and agencies;
 - (c) inland water transport;
 - (d) cargo forwarding services;

- (iii) Maritime business services
 - (a) shipbroking;
 - (b) ship finance;
 - (c) marine insurance;
 - (d) maritime legal and arbitration services;
 - (e) marine surveying and classification societies;
 - (f) shipbuilding and ship repair;
 - (g) equipment servicing and supply; and
 - (h) maritime education.

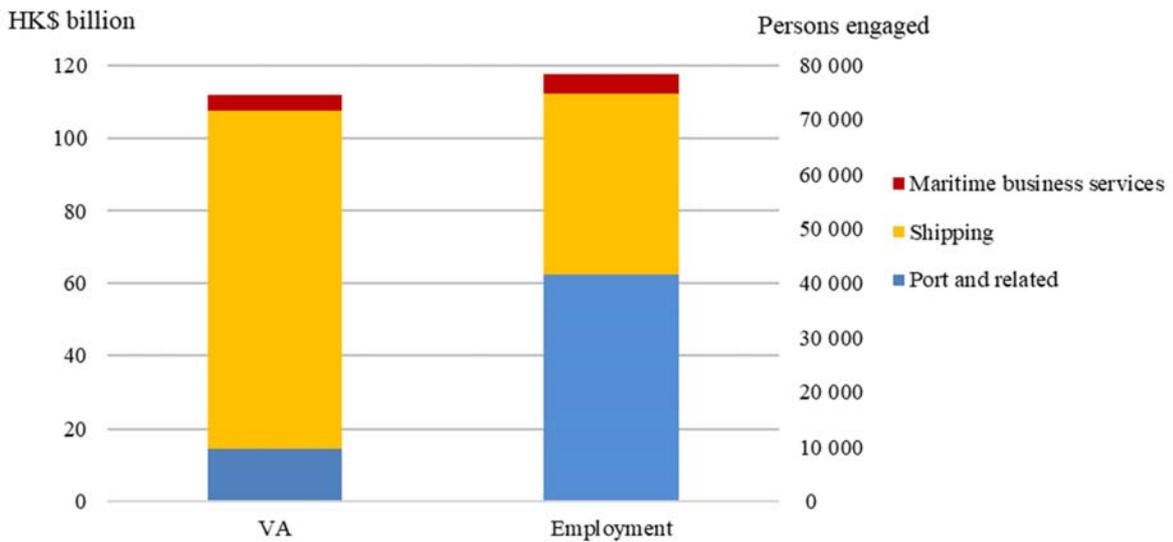
2. The economic contribution of Hong Kong's maritime and port industry in terms of VA and employment³ is summarised as follows:

- In 2021, the maritime and port industry contributed HK\$111.8 billion to Hong Kong's GDP, accounting for 4.1% of the overall output of the economy. Within this, (i) port and related, (ii) shipping, and (iii) maritime business services contributed about 13%, 83%, and 4% to the industry respectively (Chart 2).

³ Employment refers to persons engaged in individual industries.

- The maritime and port industry employed 78 410 persons in 2021, accounting for 2.1% of total employment. Within this, (i) port and related, (ii) shipping, and (iii) maritime business services accounted for about 53%, 42%, and 5% of the industry’s total employment respectively (Chart 2).

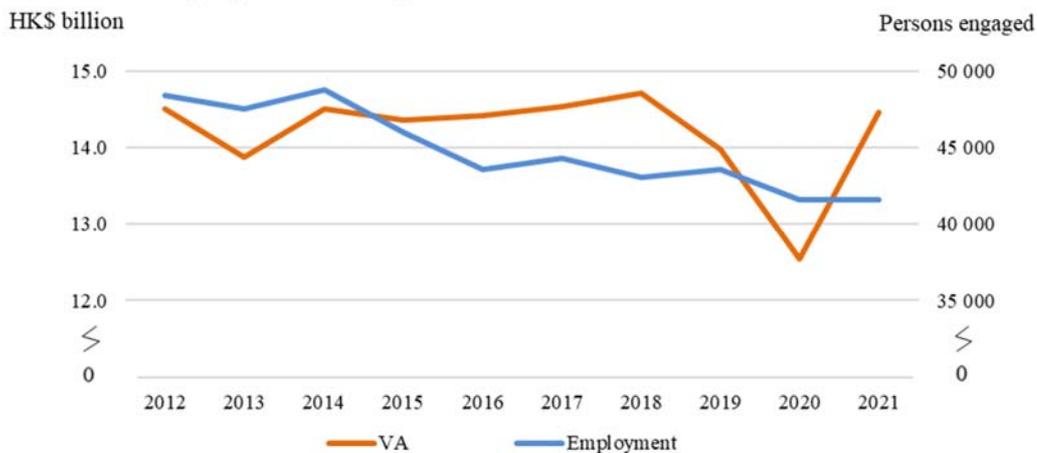
Chart 2. VA and employment of the maritime and port industry in 2021



(i) *Port and related sector*

3. In 2021, the port and related sector generated HK\$14.5 billion VA, accounting for 0.5% of Hong Kong’s GDP. As the largest employer of the maritime and port industry, it employed 41 590 persons, accounting for 1.1% of Hong Kong’s total employment (Chart 3). The visible increase in VA in 2021 was attributable to the global trade resurgence spurred by pandemic-related demand.

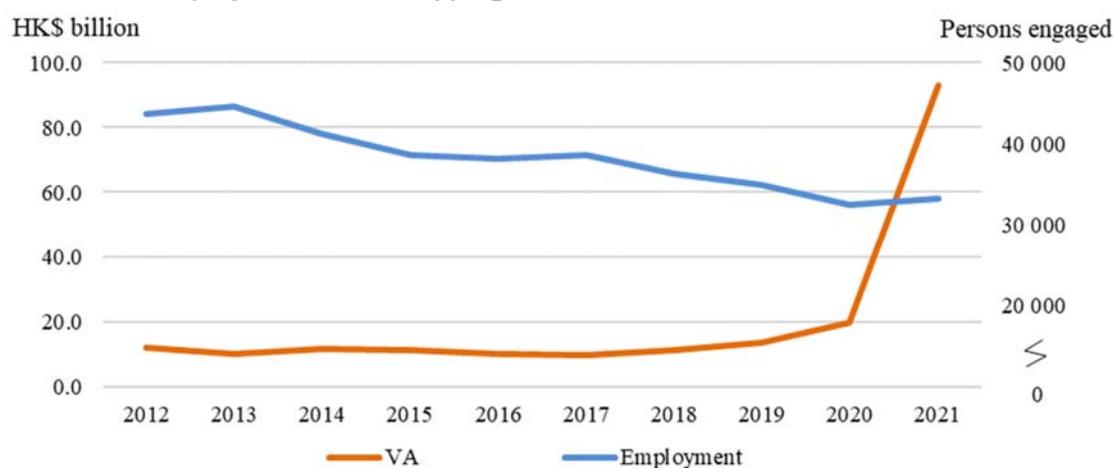
Chart 3. VA and employment of the port and related sector, 2012-2021



(ii) *Shipping sector*

4. The shipping sector contributed HK\$93.1 billion to Hong Kong's GDP in 2021, accounting for 3.4% of the economy. It employed around 33 200 persons, representing 0.9% of Hong Kong's total employment (Chart 4). The notable improvement in business performance was mainly attributed to soaring freight rates amid the global supply chain disruptions and a recovery in global maritime trade.

Chart 4. VA and employment of the shipping sector, 2012-2021



(iii) *Maritime business services sector*

5. The maritime business services sector contributed HK\$4.2 billion to Hong Kong's GDP in 2021, equivalent to 0.2% of the economy. Amid the booming shipping market, many maritime business sub-sectors, such as shipbroking, ship finance, marine insurance, marine surveying and classification societies, saw notable growth in VA. The maritime business services sector employed 3 620 persons in 2021, accounting for 0.1% of Hong Kong's total employment.

6. For the maritime and port industry as a whole, in 2021, VA increased by 215.5% to HK\$111.8 billion, while Hong Kong's GDP grew by 7.2%. Hence the industry's contribution to GDP increased from 1.4% in 2020 to 4.1% in 2021. Meanwhile, employment of the industry increased modestly by 0.8% to 78 410 persons in 2021, and its share in Hong Kong's total employment held stable at 2.1%.

7. Comparing 2021 to 2020, the shipping sector saw its VA share increase visibly, and remained the largest sector within the maritime and port industry. The employment shares of the three broad sectors were largely similar to those in 2020. As for labour productivity, VA per person engaged for the maritime and port industry

was HK\$1.4 million in 2021, higher than the average of HK\$0.7 million for the Hong Kong economy as a whole. The corresponding figures for the port and related, shipping, and maritime business services sectors were HK\$0.3 million, HK\$2.8 million, and HK\$1.2 million respectively, the latter reflecting the surge in freight rates of the shipping sector and the high value-added nature of maritime business services respectively.

Conclusion

8. The maritime and port industry contributed 4.1% to Hong Kong's GDP and 2.1% to total employment in 2021. It underpins the trading and logistics sector, the largest of the Four Key Pillars of our economy. As a regional transshipment hub port and an international maritime services centre, Hong Kong is well positioned to grasp the opportunities offered by the National 14th Five-Year Plan and various national initiatives such as the Guangdong-Hong Kong-Macao Greater Bay Area development and the Belt and Road Initiative. The Government is sparing no effort in promoting the further development of the maritime and port industry, by introducing tax concessions since 2020 for ship leasing, marine insurance, and shipping commercial principals including ship agents, shipbrokers and ship managers, spearheading Smart Port development to enhance the efficiency and competitiveness of Hong Kong Port, manpower development including rolling out the Maritime Services Traineeship Scheme – Legal in September 2023, as well as formulating an action plan on maritime development strategies to be published by end-2023, with a view to growing our maritime cluster and consolidating Hong Kong's position as an international maritime centre.