

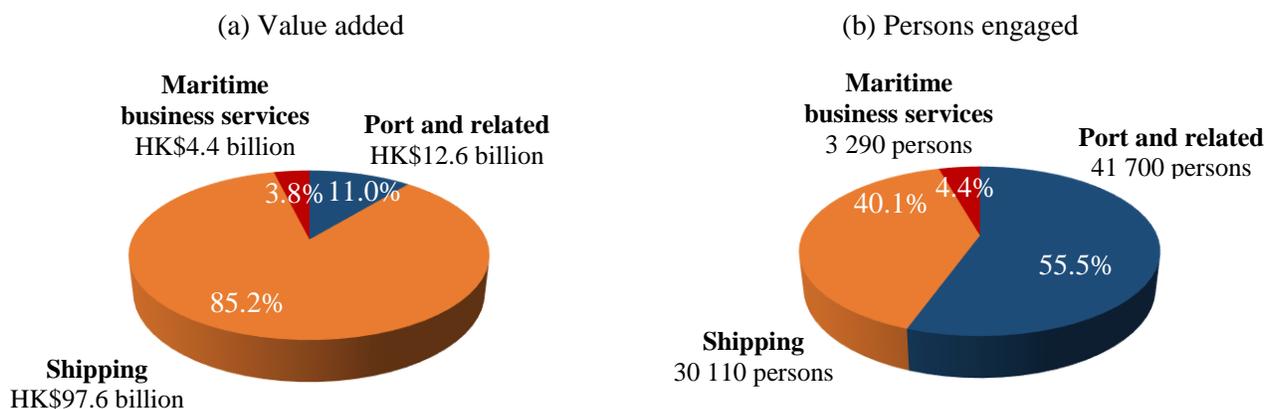
Study on the Economic Contribution of the Maritime and Port Industry in 2022

Executive summary

The maritime and port industry underpins the development of the trading and logistics sector, which is one of the four key pillars of the Hong Kong economy. The contribution of the maritime and port industry to the Hong Kong economy in terms of value added (VA)¹ and persons engaged (PE) in 2022 are summarised below:

- The maritime and port industry contributed HK\$114.5 billion to Hong Kong's gross domestic product (GDP)² in 2022. This represented 4.2% of GDP. Within this, the (i) port and related, (ii) shipping, and (iii) maritime business services sectors accounted for about 11%, 85%, and 4% respectively of the maritime and port industry (Chart 1a).
- In 2022, the maritime and port industry employed 75 090 persons, accounting for 2.1% of total employment in Hong Kong. Within this, the (i) port and related, (ii) shipping, and (iii) maritime business services sectors accounted for about 56%, 40%, and 4% respectively of the maritime and port industry's total employment (Chart 1b).

Chart 1. Economic contribution of the Hong Kong maritime and port industry by sector in 2022³



¹ All figures of value added are at basic prices.

² GDP by production approach is the aggregate of VA of all resident producing units of an economy in a specific period. VA measures net output, defined as the value of gross output minus the value of intermediate consumption (the latter is the value of goods and services used up in the course of production). GDP by production approach can also be viewed as the aggregate of VA contributed by all economic sectors.

³ The percentage shares may not sum to 100% due to rounding.

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Economic contribution of the maritime and port industry

1. The maritime and port industry covers port and related, shipping, and maritime business services⁴ – 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 employment⁵ is summarised as follows:

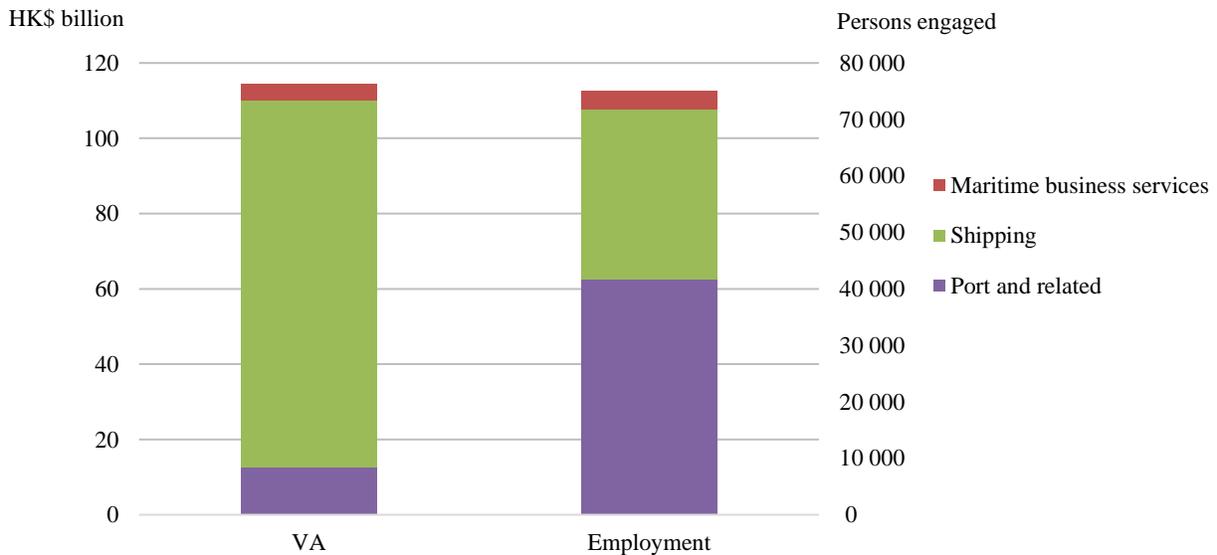
- In 2022, the maritime and port industry contributed HK\$114.5 billion to Hong Kong's GDP, accounting for 4.2% of GDP. Within this, the (i) port and related, (ii) shipping, and (iii) maritime business services contributed about 11%, 85%, and 4%, respectively, to the maritime and port industry (Chart 2).

⁴ Maritime business services may also be regarded as high value-added maritime services in general.

⁵ Employment refers to persons engaged in individual industries.

- The maritime and port industry employed 75 090 persons in 2022, accounting for 2.1% of total employment in Hong Kong. Within this, the (i) port and related, (ii) shipping, and (iii) maritime business services accounted for about 56%, 40%, and 4% respectively of the maritime and port industry's total employment (Chart 2).

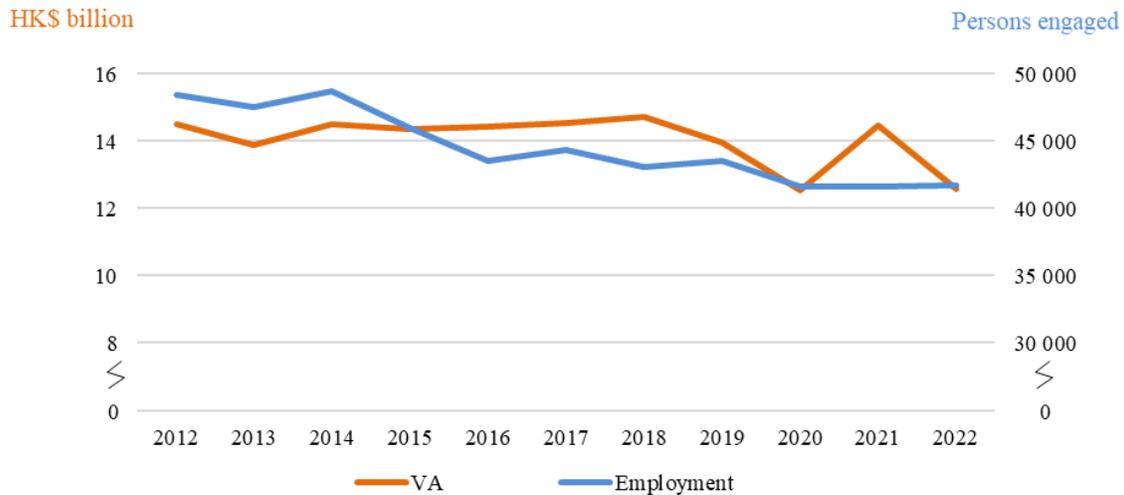
Chart 2. VA and employment of the maritime and port industry in 2022



(i) *Port and related sector*

3. In 2022, VA of the port and related sector has declined by 13.2% to HK\$12.6 billion (Chart 3), accounting for 0.5% of Hong Kong's GDP. It fell back in 2022 after increasing in 2021. Meanwhile, employment of the sector increased slightly by 0.2% to 41 700 persons, accounting for 1.2% of Hong Kong's total employment. It is the largest employer of the maritime and port industry.

Chart 3. VA and employment of the port and related sector, 2012-2022

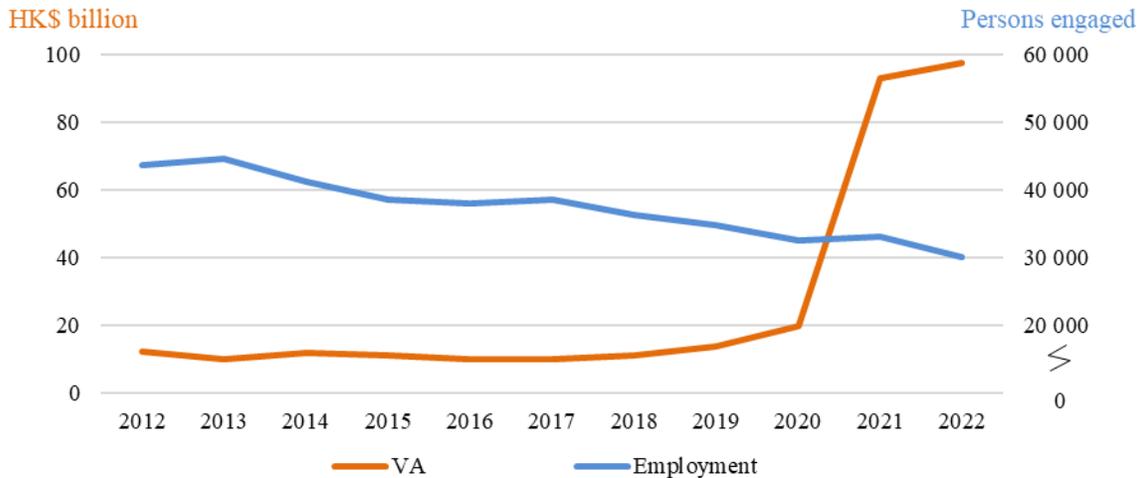


(ii) *Shipping sector*

4. During the first half of 2022, significant supply chain disruption in the global container shipping industry caused by the pandemic continued from 2021 and contributed to high shipping freight rates. Nevertheless, as the second half of 2022 progressed, alleviation of congestion in some major ports contributed to the decline in shipping freight rates from their extraordinarily high levels in 2021 and early 2022⁶. In 2022, VA of the shipping sector further increased by 4.8% to HK\$97.6 billion (Chart 4), accounting for 3.6% of GDP. Meanwhile, the employment decreased by 9.3% to 30 110 persons in 2022, accounting for 0.8% of total employment.

⁶ As shipping freight rates subsided during the course of 2022 and in 2023, it is expected that the VA of the shipping sector in 2023 may be subject to downward pressure from its 2022 level.

Chart 4. VA and employment of the shipping sector, 2012-2022



(iii) *Maritime business services sector*

5. In 2022, the VA of maritime business services sector has increased by 2.6% to HK\$4.4 billion, accounting for 0.2% of Hong Kong's GDP. In terms of VA, ship finance remained the largest sub-sector within the maritime business services sector, followed by shipbuilding and ship repair. In terms of employment, shipbuilding and ship repair is the largest employer in the sector, followed by ship finance. Many maritime business sub-sectors, such as ship finance, maritime legal and arbitration services, shipbroking, marine surveying and classification societies, saw notable increase in VA. Meanwhile, employment fell by 9.3% to 3 290 persons in 2022, accounting for 0.1% of total employment.

6. In 2022, VA of the maritime and port industry as a whole increased by 2.4% to HK\$114.5 billion. The industry's contribution to GDP edged up from 4.1% in 2021 to 4.2% in 2022. Employment of the industry fell by 4.2% to 75 090 persons in 2022, while its share in Hong Kong's total employment held steady at 2.1%.

7. Comparing 2022 to 2021, the VA share of the shipping sector increased further, and shipping remained the largest among the three broad sectors within the maritime and port industry. The employment shares of the three broad sectors were largely similar to those in 2021. As for labour productivity, VA per PE for the maritime and port industry was HK\$1.5 million in 2022, higher than the average of HK\$0.8 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\$3.2 million, and HK\$1.3 million respectively. The latter two figures reflected the subsiding but still high freight rates of the shipping sector during

the most part of 2022 and the high value-added nature of maritime business services respectively.

Conclusion

8. The maritime and port industry underpins the trading and logistics pillar 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 will continue to spare no effort in promoting the further development of the maritime and port industry to consolidate the position of Hong Kong as an international maritime centre.

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