Economic development

Research Office
Legislative Council Secretariat

Statistical Highlights

ISSH25/16-17

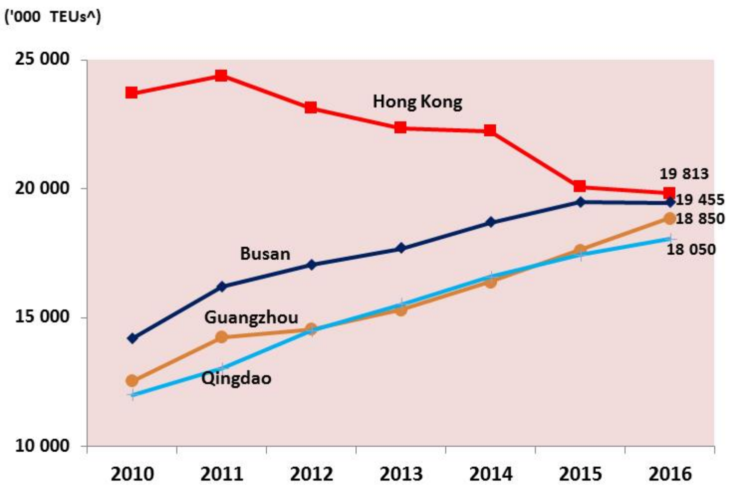
Port of Hong Kong

Figure 1 – Global ranking of container ports*

	2001	2002	2003 2004	2005 2006	2007 2008 2009	2010 2011 2012	2013	2014	2015 2016
1	HK	HK	HK	SG	SG	SHG	SHG	SHG	SHG
2	SG	SG	SG	HK	SHG	SG	SG	SG	SG
3	BS	BS	SHG	SHG	HK	HK	SHZ	SHZ	SHZ
4	KS	SHG	SHZ	SHZ	SHZ	SHZ	HK	HK	NB-Z
5	SHG	KS	BS	BS	BS	BS	BS	NB-Z	HK

* HK stands for Hong Kong; SG for Singapore; SHG for Shanghai; SHZ for Shenzhen; BS for Busan; KS for Kaohsiung; and NB-Z for Ningbo-Zhoushan.

Figure 2 – Catching up of fast-growing ports



^ TEU stands for Twenty-foot Equivalent Unit.

Figure 3 – Terminal handling charges per TEU in Hong Kong and other Asian ports (February 2017)

Port \ Route	Transpacific Eastbound	Europe	Intra Asia
Hong Kong	HK$2,140	HK$2,140	HK$2,000
Taiwan	HK$1,428	HK$1,428	HK$1,428
Shenzhen	HK$1,144	HK$1,144	HK$824
Singapore	HK$1,006	HK$1,006	HK$1,006
Other Mainland ports	HK$938	HK$938	HK$938
South Korea	HK$707	HK$700	HK$707

Highlights

- Hong Kong has lost its position as the world's busiest container port since 2005. Its global ranking in container throughput has been on the decline over the past decade, surpassed by Shanghai, Singapore, Shenzhen and recently Ningbo-Zhoushan, ranked the fifth busiest during 2015 and 2016 (**Figure 1**).

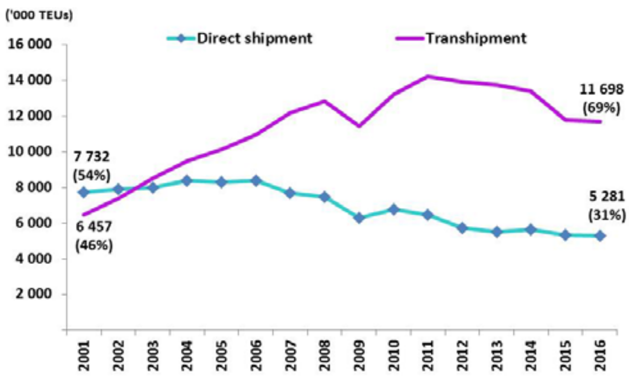
- Apart from losing out to the world's leading container ports, the port of Hong Kong has also been gradually caught up by other fast-growing Asian ports. Container throughput in Busan, Guangzhou and Qingdao has generally been on a steady rise in recent years, in contrast with the declining trend in Hong Kong (**Figure 2**).

- High terminal handling charges have undermined the competitiveness of the port of Hong Kong vis-a-vis its neighbouring ports. As indicated in **Figure 3**, the terminal handling charges per TEU in Hong Kong are much higher than those of neighbouring ports and other Asian ports.

- In addition to lower terminal handling charges, the Mainland ports, particularly those in the Port River Delta, have built on their competitiveness on much-improved port infrastructure and transport network as well as shorter distance to cargo sources.

Port of Hong Kong (cont'd)

Figure 4 – Laden container throughput by shipment type*



* Goods imported into Hong Kong or exported/re-exported from Hong Kong are classified as direct shipment, whereas goods transhipped in Hong Kong under a through bill of lading are classified as transhipment, which comprises inward transhipment and outward transhipment.

Figure 5 – Transhipment movements between Hong Kong and the Mainland

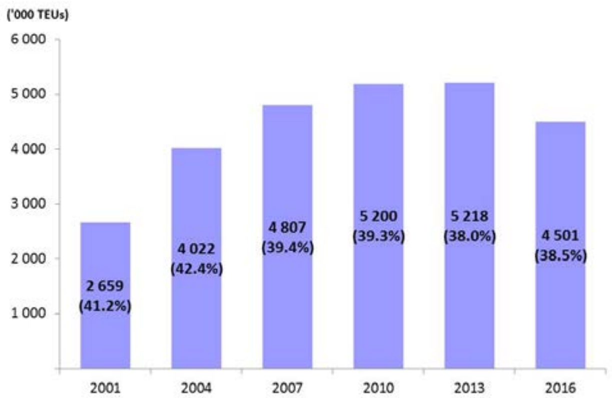


Figure 6 – Handling locations of container throughput

Year	'000 TEUs	Kwai Tsing Container Terminals	Other port facilities
2001	17 826	63%	37%
2004	21 984	61%	39%
2007	23 998	72%	28%
2010	23 699	72%	28%
2013	22 352	77%	23%
2016	19 813	77%	23%

Highlights

- Another noteworthy trend is the change of the mix of cargo handled by the port of Hong Kong in recent years. While losing direct import and export cargo, Hong Kong has become more of a transhipment hub with transhipment accounting for about 69% of laden container throughput in 2016 (**Figure 4**).

- Hong Kong's considerable part of transhipment throughput is related to the Mainland. As indicated in **Figure 5**, transhipment movements between Hong Kong and the Mainland took up about 40% of the annual laden transhipment container throughput. This is believed partly attributable to the presence of the cabotage restrictions in the Mainland, under which foreign vessels are not allowed to transport goods between Mainland ports. As a result, foreign vessels tend to use Hong Kong as an intermediate destination by transporting goods from a Mainland port via Hong Kong to a hub port in the Mainland for export.

- The recent relaxation of the Mainland's port transportation rules overshadows the future competitive landscape. In 2013, the Mainland launched the pilot Shanghai Free Trade Zone and in the following year relaxed the cabotage restrictions within the zone, meaning that foreign-flagged vessels owned by Chinese enterprises can now transport goods between Shanghai ports and other Mainland ports. This has prompted concerns from the industry over the competitiveness of Hong Kong as a transhipment hub resulting from possible further relaxation of cabotage restrictions in the years ahead.

- Container throughput is mainly handled at the Kwai Tsing Container Terminals ("KTCTs"). In 2016, KTCTs handled 77% of the total container throughput, increasing from 63% in 2001 (**Figure 6**). Currently, KTCTs have an estimated capacity of about 21 million TEUs a year. Given the increased share of container throughput at KTCTs with most being transhipment cargo, the Government is implementing improvement measures at KTCTs, including providing more back-up land for container stacking, as the average container dwell time for transhipment is longer than that of direct shipment.

Data sources: Latest figures from the Census and Statistics Department, Marine Department, and the Hong Kong Shippers' Council.

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