



Air cargo industry in Hong Kong

Figure 1 — Global ranking of Hong Kong's container port and airport, 2001-2018

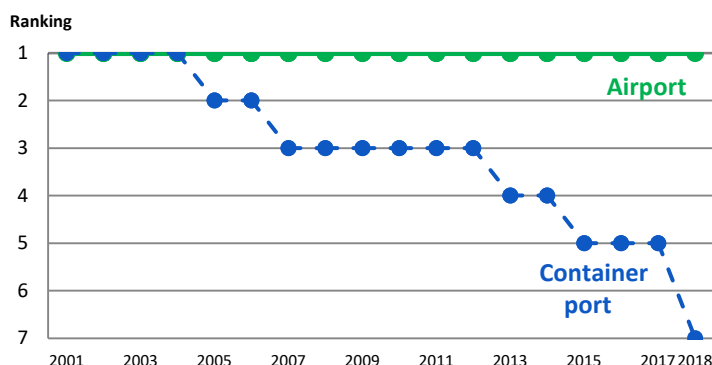
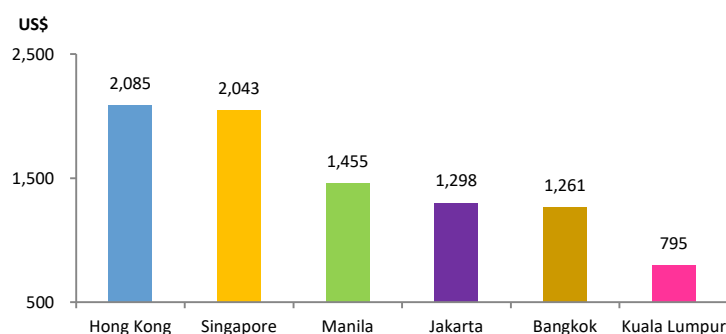
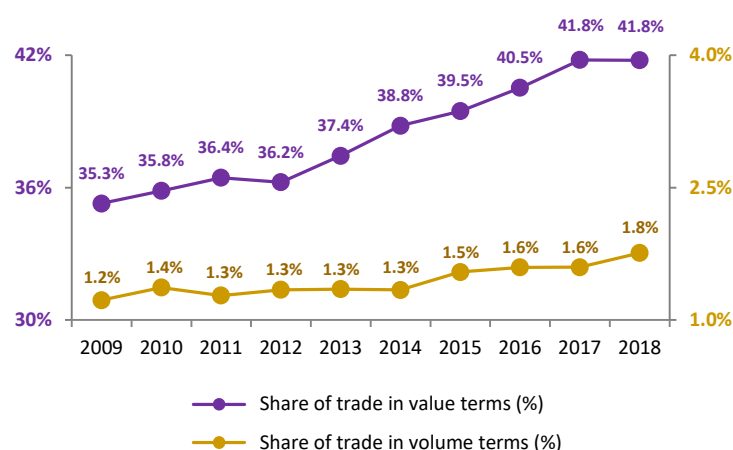


Figure 2 — Landing charges by airports in selected places in 2018^(a)



Note: (a) For comparison purpose, the landing charges here refer to the cost of landing an Airbus A330 in respective international airports.

Figure 3 — Percentage share of air cargo to total trade, 2009-2018

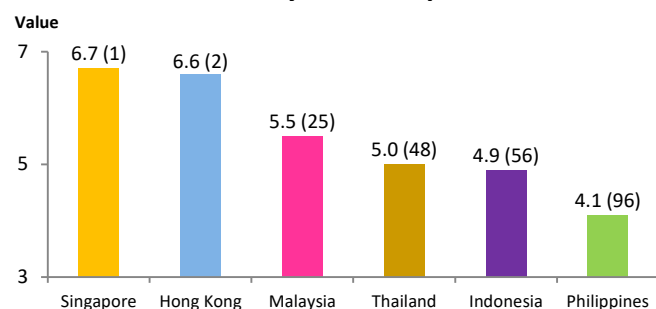


Highlights

- Hong Kong was the world's seventh largest trading economy in 2018, underpinned by its efficient transportation and logistics facilities among others. Hong Kong's container ports was the world's seventh busiest in 2018, albeit losing the top position since 2005 (Figure 1) amid strong competitions from Mainland ports in terms of lower handling charges and improved port infrastructure. Meanwhile, Hong Kong International Airport (HKIA) has been ranked as the world's busiest for international cargo every year, notwithstanding its handling charges being considered as among the highest in the world.
- According to a study on landing charges of selected airports in Asia, HKIA and Singapore Changi Airport ("SIN") charged 1.4 times to 2.6 times higher than other airports in the study (Figure 2). Nevertheless, these two airports have remained the two busiest aviation hubs in the region, connecting much of Asia with the rest of the world.
- Unlike the case of sea cargo, air cargo transportation competes more on efficient and prompt delivery than on freight charges. Goods transported by air tend to be of higher value and/or time-sensitive, requiring additional security arrangements and better time management. Reflecting the high value nature of air cargo, HKIA handled 5.02 million tonnes of cargo or 1.8% of the total trade in volume terms in 2018, which amounted to HK\$3,708.6 billion or 41.8% of the total trade in value terms (Figure 3).

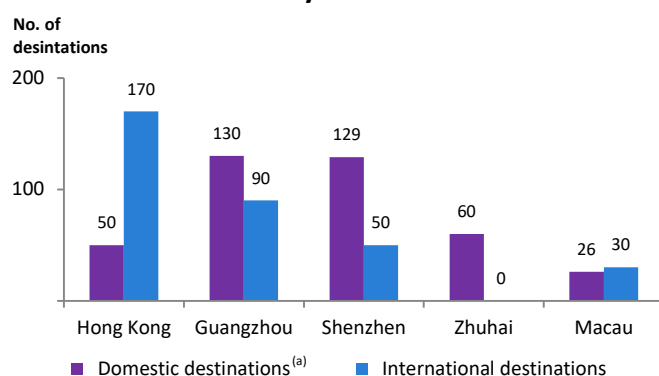
Air cargo industry in Hong Kong (cont'd)

Figure 4 — Efficiency index of air transport services by selected places, 2019^(a)



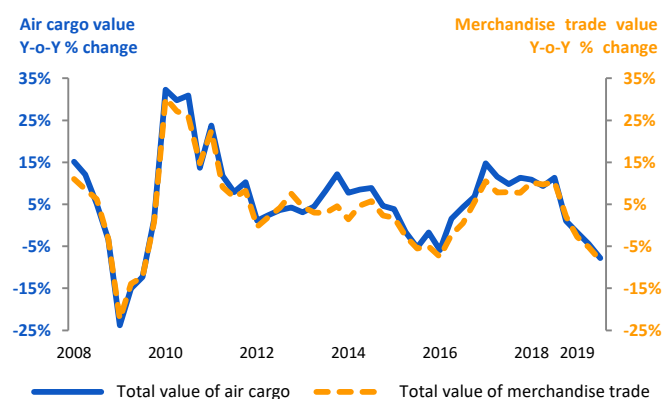
Note: (a) Figures in parentheses denote respective global rankings.

Figure 5 — Connectivity of major airports in the Greater Bay Area in 2019



Note: (a) Domestic destinations for Hong Kong and Macau refer to cities in the Mainland.

Figure 6 — Hong Kong air cargo and merchandise trade, 2008-2019



Highlights

- Efficient and prompt delivery is essential to air cargo transportation. According to a recent survey conducted by World Economic Forum, SIN and HKIA are the two most efficient airports in the world based on factors such as flight frequencies, punctualities, and handling charges. As shown in **Figure 4**, HKIA was close second to Singapore in the survey, which scored 6.6 out of 7 in the 2019 efficiency index of air transport services.
- Connectivity of an airport is a critical factor for prompt delivery of air cargo, as direct flight can effectively shorten delivery time. Compared with other major airports in the Guangdong-Hong Kong-Macao Greater Bay Area ("the Greater Bay Area"), HKIA is the only airport with more than 100 international flight routes (**Figure 5**), making it an effective cargo transshipment hub for the Mainland. Most recently, the opening of Hong Kong-Zhuhai-Macao Bridge should boost the transshipment hub status of HKIA, as the bridge shortens the transportation time between HKIA and Zhuhai from four hours to about 45 minutes.
- The construction of the Three-Runway System and associated air cargo facilities should further strengthen the competitiveness of air cargo industry of Hong Kong. Yet, weak external demand amid softening global economic growth and US-Mainland trade tension has overshadowed the recent air cargo performance of HKIA. During the first nine months of 2019, the value of Hong Kong's air cargo throughput declined by 4.8% over a year earlier (**Figure 6**).

Data sources: Latest figures from Airport Authority Hong Kong, Census and Statistics Department, Hong Kong Maritime and Port Board, Civil Aviation Department, Malaysia Airports Holdings Berhad, Guangzhou Baiyun International Airport, Shenzhen Bao'an International Airport, Zhuhai Jinwan Airport, Macau International Airport, World Trade Organization and World Economic Forum.

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