



Maritime industry in Hong Kong

Figure 1 – Economic contribution of the maritime industry by sector, 2019

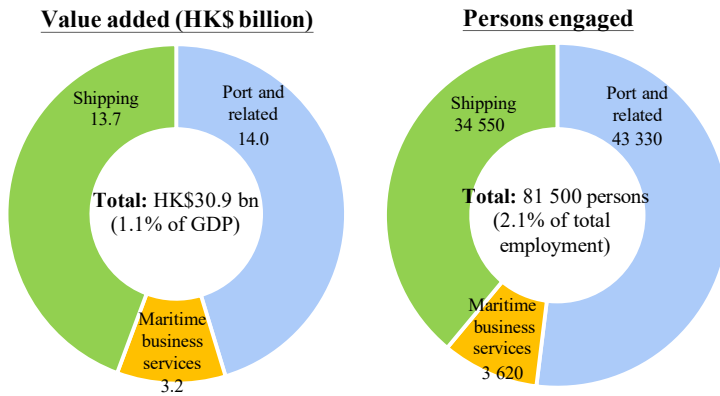
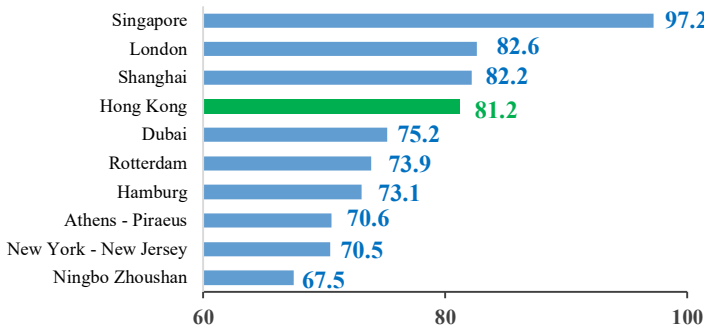


Figure 2 – Scores of the top 10 shipping centres of the ISCD Index, 2021^(a)



Note: (a) The index evaluates the performance of a shipping centre on three areas (i) port factors such as cargo flows and port capacity; (ii) shipping services such as the availability of various maritime services; and (iii) general business environment such as overall logistics performance and custom tariff. Hong Kong has been among the top four maritime service clusters since the launch of the index in 2014.

Figure 3 – Hong Kong’s rankings in selected maritime services, 2021

Service areas	Hong Kong’s ranking	Comparison with the top performer
No. of shipping brokerage companies	8th after London, Singapore, Athens-Piraeus, Shanghai, Dubai, Houston and New York-New Jersey	Hong Kong: ≈20 London: ≈80
No. of partners in maritime related law firms	6th after London, New York-New Jersey, Singapore, Shanghai and Oslo	Hong Kong: ≈400 London: ≈3 000
No. of maritime arbitrators	4th after London, Singapore and New York-New Jersey	Hong Kong: ≈30 London: ≈400
No. of shipping management companies	4th after Athens-Piraeus, Singapore and Tokyo	Hong Kong: ≈100 Athens-Piraeus: ≈470

Highlights

- The maritime industry is particularly diverse, and a maritime cluster comprises not just **traditional maritime industries** such as cargo handling and vessel operations, but also **maritime service industries** including ship finance, brokerage, legal services and marine insurances. In Hong Kong, the maritime industry accounted for 1.1% of GDP (HK\$30.9 billion) and employed 81 500 persons in 2019 (Figure 1). In addition to direct economic contribution, the maritime industry also underpins the development of the trading and logistics sector, one of the four pillar industries in Hong Kong.

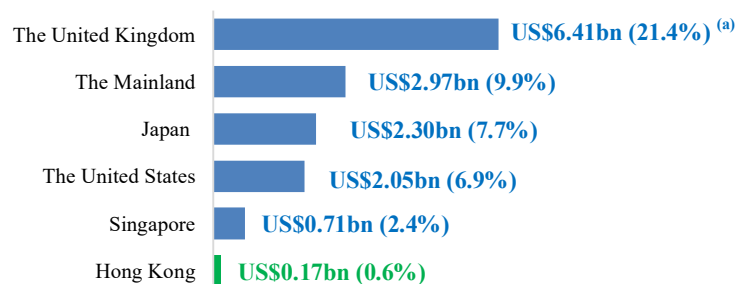
- In recent years, the ports of Hong Kong appear to have lost out to other Asian ports as evidenced by its declining international ranking in container throughput handled. It lost the position as the world’s busiest container port in 2005 and continued its slide in international ranking to come in at ninth in 2020.

- Similar to many historical port cities with declining cargo throughput, Hong Kong has proactively promoted different segments of its maritime business services to support further growth of the local maritime industry. Measures so implemented include tax concessions to ship leasing and marine insurance businesses, supports to entice more ships to register with Hong Kong, and subsidies to encourage logistics services providers to enhance productivity through the application of technology.

- Indeed, Hong Kong has a good foundation to develop and entrench its position as a high value-added maritime services centre, in view of its decent ranking in the Xinhua-Baltic International Shipping Centre Development (“ISCD”) Index (Figure 2). The index, launched in 2014, evaluates the performance of the world’s major shipping centres that offer port and shipping business services. Nevertheless, the 2021 ISCD Index report also unveils the service areas which Hong Kong needs to close its gaps with other leading maritime service centres (Figure 3).

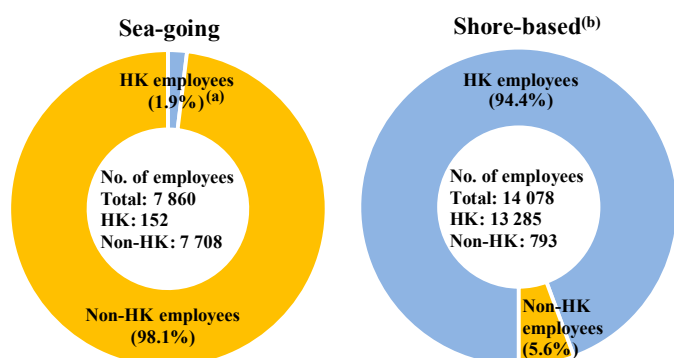
Maritime industry in Hong Kong (cont'd)

Figure 4 – Marine insurance premium in selected places, 2020



Note: (a) Figure in bracket represents the percentage share to the global marine insurance premium.

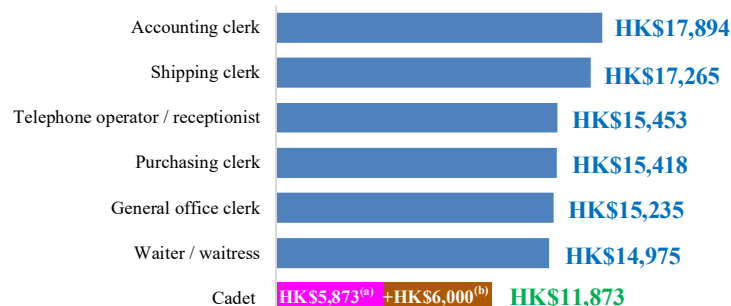
Figure 5 – Distribution of Hong Kong and non-Hong Kong employees by sector, 2020



Notes: (a) Figure in bracket represents the percentage share to the total number of employees in a particular segment.

(b) Shore-based jobs include positions in ship management, maritime legal and financial services as well as other ship-related support services.

Figure 6 – Average monthly earnings of selected positions, 2020



Notes: (a) Average monthly salary offered by shipping companies.
(b) SGTIS subsidy.

Highlights

- There is also room for Hong Kong to develop its marine insurance market, among other high value added services. While Hong Kong has the fourth largest shipping registry in the world in terms of gross tonnage, the total marine insurance premium purchased in Hong Kong only represented 0.6% of the global total in 2020 (Figure 4).
- While the maritime industry in Hong Kong is able to provide diversified job opportunities to different types of local talent, shortage in talent can be observed in selected segments in the maritime service cluster. Sea-going segment can serve as an example. The segment offers a clear promotion ladder and attractive salary for the right type of talent who may not necessarily need a high educational attainment, as indicated by the prevailing pay level for senior-rank officers such as masters (HK\$102,024 in 2020) and chief engineer officers (HK\$98,803) according to the Marine Department. Yet, a maritime manpower study conducted by the Vocational Training Council found that the sea-going segment has an overwhelmingly large portion of non-Hong Kong employees, standing at 98.1% in 2020 (Figure 5).
- Apart from separation time with their families and friends, local young people may be deterred from joining the seafaring profession due also to career-related concerns such as unattractive salary for entry-rank posts and lack of awareness regarding professional development opportunities.
- To address some of the concerns mentioned above, the Government has implemented Sea-going Training Incentive Scheme (“SGTIS”) from 2004 to attract young people to take up cadetship training at sea. Under the SGTIS, the HK\$6,000 monthly subsidies during the employment contract could help close the earnings gap between cadets and their counterparts with onshore jobs (Figure 6). Further in 2019, the SGTIS has extended its financial support to aspiring talents to prepare for the Marine Department Deck Officer Class 3/Marine Engineer Officer Class 3 examinations and work on board as cadets after obtaining the relevant Certificate of Competency.

Data sources: Latest figures from Census and Statistics Department, Hong Kong Maritime and Port Board, Marine Department, Vocational Training Council, China Economic Information Service, Baltic Exchange, and International Union of Marine Insurance.

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