

Asia – The Locomotive for Global Shipping

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ASIA – LEADING THE WORD in MARITIME CLUSTER.

4.4 out of 10.7
billion tons

of goods
loaded
in Asian
seaports



One half of the
world fleet owned
by entities
from Asia

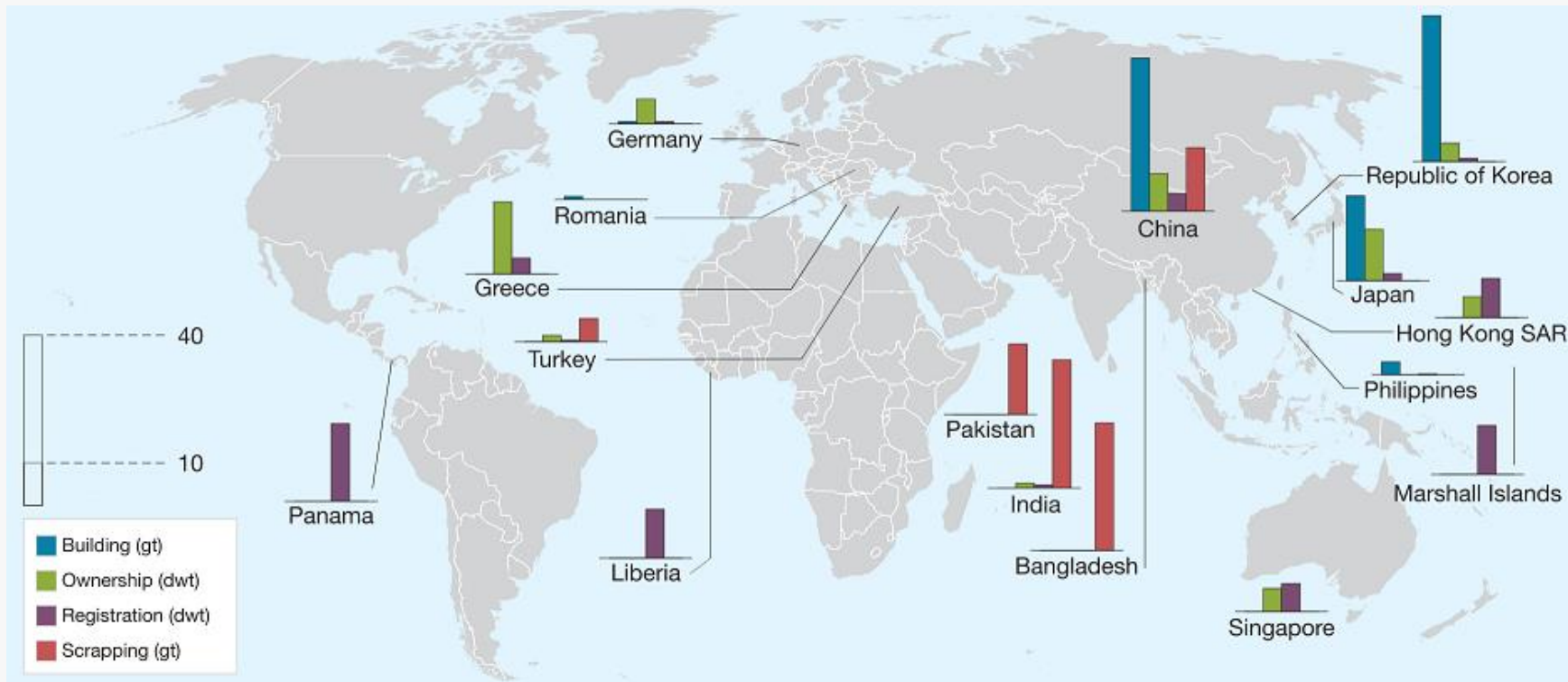


90% of global
shipbuilding occurred
in China, the
Republic of Korea
and Japan



Around 80% of ship
demolition took
place in South Asia.

BUILDING, OWNERSHIP, REGISTRATION & SCRAPPING OF SHIPS, 2017



Note: Top five countries in each segment are shown

GLOBAL TOP 20 PORTS in ASIA ■



- **17** Global Top 20 Ports are in Asia
- **14** of them are in China (incl HK)
- Main ports in China handled **12.6 billion MT**

Global top 20 ports by cargo throughput (all cargo types), 2017

Rank	Port	Economy	Throughput 2017 (Million MT)
1	Ningbo-Zhoushan	China	1,007
2	Shanghai	China	706
3	Singapore	Singapore	626
4	Suzhou	China	608
5	Guangzhou	China	566
6	Tangshan	China	565
7	Qingdao	China	508
8	Port Hedland	Australia	505
9	Tianjin	China	503
10	Rotterdam	Netherland	467
11	Dalian	China	451
12	Busan	Korea	401
13	Yingkou	China	363
14	Rizhao	China	360
15	South Louisiana	US	308
16	Gwangyang	Korea	292
17	Yantai	China	286
18	Hong Kong SAR	China	282
19	Zhanjiang	China	282
20	Huanghua	China	270
Top 20 Total			9,354

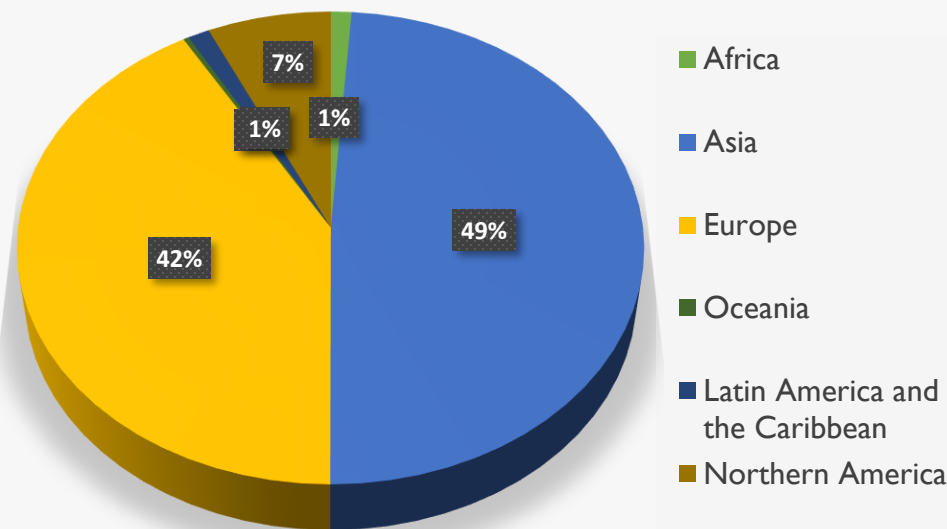
FLEET OWNERSHIP BY REGION

Economy of ownership (Ranked by tonnage owned)		Tonnage '000 dwt
1	Greece	330 176
2	Japan	223 615
3	China	183 094
4	Germany	107 119
5	Singapore	103 583
6	Hong Kong SAR	97 806
7	Korea, Republic of	77 277
8	United States of America	68 932
9	Norway	59 380
10	Bermuda	54 252
World		1 910 012

Note: Commercial ships of 1 000 gt and above.

Fleet market size by region of beneficial ownership, 2018

(Millions dwt)



Sources: UNCTADstat (UNCTAD, 2018a), Clarksons Research.

Ranking	Continent	Shipping Centre
1	Asia	Singapore
2	Asia	Hong Kong
3	Europe	London
4	Asia	Shanghai
5	Asia	Dubai
6	Europe	Rotterdam
7	Europe	Hamburg
8	America	New York-New Jersey
9	Asia	Tokyo
10	Asia	Busan

Source: Xinhua-Baltic Exchange International Shipping Centre Development Index Report 2018

Evaluation results of the 2018 index show that of the **Top 10 Shipping Centres** in the world, **6 are located in Asia**, 3 in Europe and only 1 in America.

INTERNATIONAL SHIPPING CENTRES ■



HEART of ASIA ■

Over 100 airlines operate flights to over 220 destinations worldwide, including over 50 Mainland cities

The busiest air cargo airport in the world – 5.1 million tonnes of cargo handled in 2018 (Airport Authority Hong Kong)



4hours

Most of Asia's key markets
within four hours' flight time

5hours

From half the world's
population



PRIME CONDUIT FOR FDI ■



8,754 companies of which **3,955** are regional headquarters (RHQs)
and regional offices (ROs) in 2018

Source: 2018 Annual Survey, HKSAR Government's Census & Statistics Department

Rank	FDI Inflows (2017)	US\$ bn
1	United States	275
2	China	136
■ 3	HONG KONG	104
4	Brazil	63
5	Singapore	62
6	Netherlands	58
7	France	50
8	Australia	46
9	Switzerland	41
10	India	40

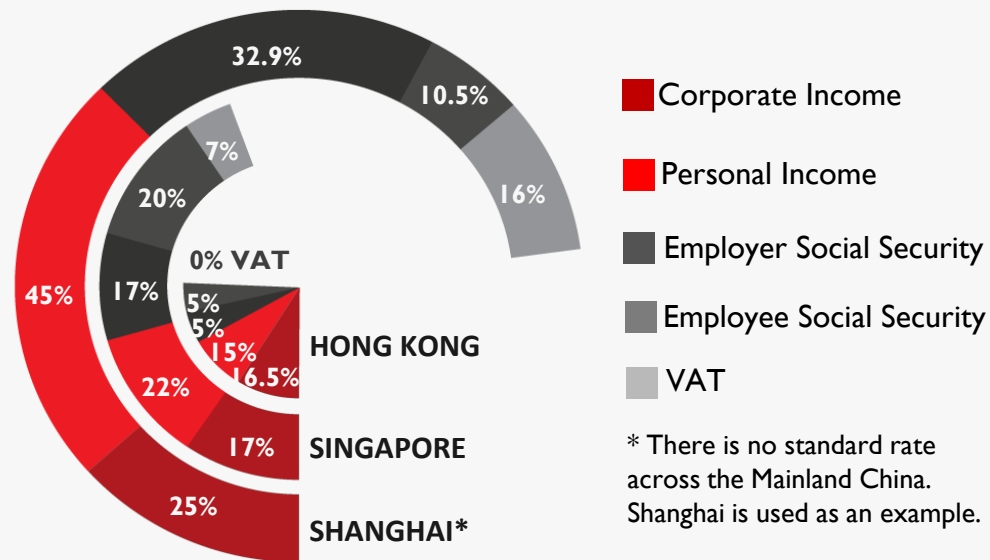
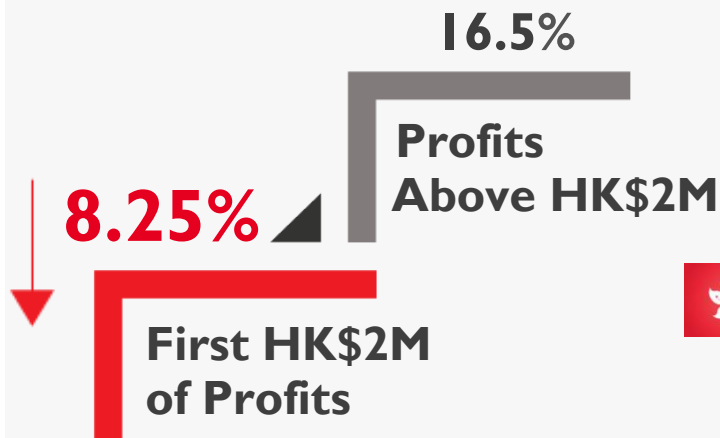
Source: World Investment Report 2018, UNCTAD



ONE
COUNTRY
TWO
SYSTEMS.

LOW & SIMPLE TAX SYSTEM ■

Two-tiered tax system



- ~~X~~ VAT/GST/Sales tax
- ~~X~~ Capital Gains Tax
- ~~X~~ Withholding tax on investments
- ~~X~~ Estate duty
- ~~X~~ Global taxation
- ~~X~~ Wine duty



Hong Kong has signed Comprehensive Double Taxation Agreements (CDTAs) with **47** jurisdictions.



Negotiations with **11** jurisdictions are in progress.

(as of May 2018)



GREATER BAY AREA ■

POPULATION

71mn

>UK, Italy, South Africa

LAND AREA

56,000km²

<Ireland, Latvia, Panama, West Virginia (US)

GDP

US\$1.6trillion

>Indonesia, Netherlands, Turkey

Source: CBRE Research

COMPARISON WITH THE WORLD'S MAJOR BAY AREAS ■

	Guangdong-Hong Kong- Macau Bay Area	San Francisco Bay Area	New York Metropolitan Area	Tokyo Bay Area
Land area (sq km)	56,000	17,900	21,500	36,900
Population (mn)	71	7.6	20.2	44.0
GDP (US\$ bn)	1,600	781.2	1,657.5	1,774.2
Real GDP growth (%)	7.0	5.3	0.9	1.9
GDP share of tertiary industry (%)	65.6	71.9	83.3	77.0
Per-capita GDP (US\$)	21,750	102,230	82,050	40,360
Stock Market Capitalisation (USD Trillion)	7.6	N.A.	30.5	5.7
No. of World Top 100 Universities	4	2	2	2
Air freight traffic (mn tonnes)	7.96	1.18	2.16	3.58
Port container throughput (mn TEUs)	66.48	2.42	6.25	7.76

FOCUSES OF THE 4 CORE CITIES

Coordinated and innovation-driven regional development with more seamless flows of
people, goods, capital and information

- National core city and integrated gateway city
- Enhance functions as international centres for commerce and industry, transport, technology, education, and culture

For the other 7 key node cities, main objectives are to develop towns with distinct characteristics and to promote integrated development of urban and rural areas

- World-class tourism and leisure centre
- Commerce and trade cooperation service platform between China and Lusophone countries



- National economic core city and national innovation city
- Develop as capital of innovation and creativity with global influence

HONG KONG

- International financial, transportation and trade centres
- Global offshore RMB business hub and international asset and risk management centre
- International legal and dispute resolution services centre
- Develop high-end services, innovation and technology industries and emerging industries



Great Bay Area International Maritime Hub ■

- **9/10** busiest container ports are in Asia
- **7** of them are in China (incl HK)
- **3** of them are located in the Bay Area

**Bay
Area**

Top 10 Container Ports

Rank	Port in the World	Throughput ('000 TEUs)
1	Shanghai	42,010
2	Singapore	36,599
3	Ningbo - Zhoushan	26,351
4	Shenzhen	25,736
5	Guangzhou	21,912
6	Busan	21,592
7	Hong Kong	19,596
8	Qingdao	19,315
9	Tianjin	16,007
10	Dubai	14,954



WORLD TOP CAPITAL RAISING DESTINY ■



- **World's No. 3** global financial centre, behind London & New York; **1st in Asia**⁽¹⁾
- **77** of the world's **100 top banks** operate in Hong Kong
- **World's 3rd largest** and **Asia's 2nd largest** stock market by market capitalisation in early Apr 2019 (US\$5.78 trillion)⁽²⁾
- **World's No.1 for IPO funds** raised in full year 2018.⁽³⁾
 - HK ranked No.1 for IPO funds raised in 2009 to 2011, 2015 and 2016.

(1): Global Financial Centers Index (GFCI) published by Z/Yen.

(2): *Hong Kong pips Japan to become world's third-biggest stock market*, Financial Times 10 Apr 2019

(3): KPMG. SCMP

STOCK CONNECT

- First launched in Nov 2014, the scheme now covers over 2,000 eligible equities in **Shanghai**, **Shenzhen** and **Hong Kong**.
- Allowing international and Mainland Chinese investors to trade securities in each other's markets through the trading and clearing facilities of their home exchange



BOND CONNECT

- Northbound Trading commenced on 3 July 2017
- Allowing overseas investors from Hong Kong and other regions to invest in the **China interbank bond market (CIBM)** through mutual access arrangements in respect of trading, custody and settlement.

HONG KONG – MAINLAND CHINA MUTUAL ACCESS SCHEMES ■

GBA OPPORTUNITIES

SHIP FINANCING & SHIP LEASING ■

HONG KONG ADVANTAGES & OPPORTUNITIES

- International financial centre and world freest economy
 - In view of the differences in the **regulatory and approval standards** for financial products between the Mainland and Hong Kong, better synergy should be promoted
- World **largest offshore RMB** hub (70% of global)
 - Foreign capital can be introduced thru HK to participate in the PE & VC Funds in GBA

HONG KONG **Policy Address 2018** (released in Oct 2018)

- using **tax measures** to foster ship leasing business in Hong Kong and commissioning the **Hong Kong Maritime and Port Board** to set up a task force to devise the details, with a view to enhancing Hong Kong's position as a **ship leasing centre** in the Asia-Pacific region



7 of the world's top 10 bookrunners on syndicated marine finance loans have set up offices in Hong Kong.





- 12 out of the 13 members of the International **PNI Clubs** have presence in Hong Kong
- Germany-based International Union of Marine Insurance (**IUMI**) chose Hong Kong as its first overseas hub.
- HK Government proposed allowing Hong Kong insurers to set up **post-sales service centres** in the GBA, also is in discussions with the **China Banking and Insurance Regulatory Commission** to enable the distribution of Hong Kong insurance products throughout GBA

HONG KONG **The 2019-20 Budget** (released in Feb 2019)

- the Government will offer a **50% profits tax concession** to eligible marine insurance industry.

GBA OPPORTUNITIES

MARINE INSURANCE ■



- Hong Kong and the Association of Southeast Asian Nations (ASEAN) signed a Free Trade Agreement (FTA) and a related Investment Agreement (IA) on 12th November 2017
- The agreements are expected to enter into force within 2019
- Hong Kong also plans to seek accession to the Regional Comprehensive Economic Partnership after completion of negotiations between ASEAN and relevant economies.

SIGNING OF AHKFTA & AHKIA.

FREE TRADE AGREEMENT with ASEAN ■



Tariff reduction

Customs duties on goods of
HK origin reduced or even
eliminated

Trade in Goods



Fewer restrictions

on HK service providers, e.g.
lifting the cap on foreign
ownership to

≥50%

in many sectors of
individual ASEAN markets

Trade in Services



Facilitating entry & stay

for business purposes, e.g.
permission for HK business
visitors to stay up to

90 days

in individual ASEAN markets

Entry and Stay of Business Persons



Fair treatment

on HK investments and
enhanced protection against
non-commercial risks

Investment Protection

HONG KONG MARITIME WEEK 2019 ■

www.hkmw.hk



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HONG KONG
MARITIME WEEK

2019

17-23 Nov

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Planning

Information to aid planning
and evaluation

Set-Up

Facilitation of visa
applications, schooling

Launch

Networking events,
introduction to service
providers

Expansion

PR and marketing support
for launch/expansion



Note:

1 Beijing Office

2 Hong Kong Economic, Trade and Cultural
Office (Taiwan)

Office locations are subject to change. For the
latest version, please refer to InvestHK's
website.

• Investment Promotion Units in
Hong Kong Economic and Trade Offices

• Consultants

INVEST HONG KONG WORLDWIDE NETWORK



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