

# Research on the Impact of International Cooperation of Ports in Hainan Free Trade Port on Regional Economic Development

Xinyi Ma, Xuming Xu \*, Wei Chen, Junyi Bao

Hainan Vocational University of Science and Technology, Haikou, 571126, China

\*Corresponding author: xuxuming04@163.com

**Abstract:** In the context of global economic integration, international cooperation of ports has become an important driver of regional economic development. This paper studies the current status of international cooperation of ports in the Hainan Free Trade Port, analyzes its mechanisms and benefits for regional economic development, and reveals the critical role of such cooperation in enhancing competitiveness, promoting trade and investment, and driving industrial agglomeration. Based on this, strategies to promote international cooperation of ports in the Hainan Free Trade Port are proposed, aiming to provide theoretical basis and practical guidance for the high-quality development of the regional economy.

**Keywords:** Hainan Free Trade Port, International Cooperation of Ports, Regional Economic Development, Mechanism Analysis, Benefit Evaluation

## Introduction

As an important window of China's opening-up, the ports of Hainan Free Trade Port play a crucial role in international cooperation. With the acceleration of global economic integration, ports are not only key hubs for cargo transportation but also important platforms for international trade and investment. The construction of Hainan Free Trade Port provides new opportunities for international port cooperation and sets new requirements for regional economic development.

## 1 Current Status of International Cooperation of Ports in Hainan Free Trade Port

### 1.1 Basic Concept of International Port Cooperation

International port cooperation refers to the process in which ports, under the backdrop of globalization, engage in various forms of cooperation with ports, shipping companies, and logistics companies from other countries or regions to achieve resource sharing, technological exchange, market complementarity, and service enhancement. This cooperation can include infrastructure construction, operation management, information technology, logistics services, and personnel training. The goal of international port cooperation is to enhance the overall competitiveness of ports, improve service levels and market coverage, and promote international trade and regional economic development. In the context of global economic integration, international port cooperation has become a vital means to enhance port

competitiveness and promote economic development. Through cooperation, ports can introduce advanced technology and management experience, optimize operation processes, and improve service efficiency. Moreover, international cooperation can expand the port's market network, attract more international shipping routes and logistics resources, and elevate the port's international status and influence.<sup>[1]</sup>

### ***1.2 Overview of Ports in Hainan Free Trade Port***

Located at the southern tip of China, Hainan Free Trade Port has a unique geographical position and marine resources, serving as an important hub connecting China with Southeast Asia, South Asia, and other global regions. Major ports include Haikou Port, Yangpu Port, and Sanya Port, which play significant roles in regional economic development. Among them, Haikou Port is the largest comprehensive port in Hainan Province, equipped with well-developed container and bulk cargo handling facilities, providing efficient loading and unloading services for various types of cargo (Liu, 2023)<sup>[2]</sup>. Yangpu Port, as a national first-class open port, is the core port of Hainan Free Trade Port, featuring deep-water shorelines and large berths capable of accommodating the world's largest container ships and oil tankers. Sanya Port focuses on tourism and cruise services, offering high-quality passenger and tourism services.

These ports not only possess strong cargo handling and logistics service capabilities but also continuously enhance their information and intelligence levels, promoting the construction of smart ports. By introducing automated equipment and information systems, these ports have significantly improved in terms of operational efficiency, service quality, and safety management, laying a solid foundation for international cooperation.

### ***1.3 Existing International Cooperation Projects***

International cooperation projects of ports in Hainan Free Trade Port mainly focus on infrastructure construction, operation management, technological innovation, and service enhancement, involving various cooperation models and international partnerships. For example, Haikou Port collaborates with Singapore's PSA International to jointly develop smart port projects, introducing advanced port management technology and experience from Singapore to improve port operational efficiency and service levels.

Yangpu Port has established close cooperation with globally renowned shipping companies such as COSCO Shipping and Maersk, jointly launching multiple international routes to expand the logistics network coverage. These collaborations have not only increased the cargo throughput and container handling capacity of Yangpu Port but also promoted the improvement and optimization of the regional logistics system.

Additionally, Hainan Free Trade Port has engaged in personnel training and technical exchange cooperation with multiple countries' ports. By dispatching management and technical personnel abroad for study and inspection, they absorb advanced port operation management experience to enhance the professional competence and comprehensive ability of local port management teams. For instance, the Hainan Provincial Government signed a cooperation agreement with the Port of Hamburg in Germany to conduct port management personnel training projects, improving the management level of Hainan's ports.

## **2 Mechanism Analysis of the Impact of International Port Cooperation on Regional Economic Development**

### ***2.1 International Cooperation Enhances Port Competitiveness***

International cooperation is a crucial way to enhance port competitiveness (Kammoun & Abdennadher, 2022) <sup>[3]</sup>. By cooperating with leading global ports, shipping companies, and logistics enterprises, ports can introduce advanced port management technology and experience (Tagawa et al., 2022) <sup>[4]</sup>. For example, through cooperation with Singapore's PSA International, Haikou Port has significantly improved its operational efficiency and service quality by introducing advanced automated loading and unloading equipment and information management systems. Such cooperation not only enhances the port's handling capacity but also optimizes the overall operational processes, enabling it to better meet the growing demand for cargo transportation. <sup>[5]</sup>

Specifically, the introduction of automated loading and unloading equipment reduces handling time, improves operational efficiency, and lowers labor costs. Meanwhile, the application of information management systems makes port operations more intelligent, enabling real-time monitoring and management of cargo flow, equipment operation, and personnel scheduling. This not only improves operational efficiency but also significantly enhances service quality, allowing the port to provide faster and more accurate logistics services to customers.

Moreover, international cooperation can strengthen port infrastructure construction. By collaborating with international engineering companies, Hainan Free Trade Port can leverage global leading port construction experience to enhance the design and construction quality of infrastructure. For example, Yangpu Port cooperated with COSCO Shipping to build multifunctional terminals and deep-water berths, enabling it to accommodate the world's largest container ships and oil tankers, further enhancing the port's international competitiveness. The construction of multifunctional terminals not only increases the port's cargo handling capacity but also allows it to meet the loading and unloading needs of various types of cargo, improving the port's comprehensive service capabilities.

International cooperation also brings advanced management concepts and operational models to the ports. By collaborating with internationally renowned ports, Hainan Free Trade Port can learn from their successful experiences in management and operations. For instance, learning from the refined management model of Singapore's ports, Hainan Free Trade Port can optimize internal processes and improve management levels to achieve efficient port operations. Furthermore, through cooperation with international shipping companies and logistics enterprises, Hainan Free Trade Port can expand its international logistics network, strengthen connections with global markets, and provide customers with broader and more convenient logistics services.

Through in-depth cooperation with international partners, Hainan Free Trade Port has achieved significant improvements in both hardware facilities and management and operations. This comprehensive enhancement has enabled Hainan Free Trade Port to possess stronger competitiveness in the international market, attracting more international routes and cargo businesses, and driving regional economic development.

### ***2.2 International Cooperation Promotes Trade and Investment***

International port cooperation plays a critical role in promoting trade and investment.<sup>[6]</sup> Firstly, by

opening more international routes through cooperation, ports in Hainan Free Trade Port can attract more international cargo consolidation, expanding the coverage of logistics networks. For instance, Yangpu Port collaborates with globally renowned shipping companies such as Maersk to open routes connecting Southeast Asia, Europe, and the Americas, making Hainan Free Trade Port an important hub for international cargo. This not only enhances the port's cargo throughput but also promotes trade exchanges within and beyond the region. <sup>[7]</sup>

Specifically, more international routes mean more trade opportunities and higher logistics efficiency. By increasing direct shipping routes to major global ports, Hainan Free Trade Port can significantly shorten cargo transportation time, reduce logistics costs, and enhance market competitiveness. For example, goods departing from Hainan Free Trade Port can reach major markets in Europe, the Middle East, and Africa more quickly. This efficient logistics network not only attracts more international trade companies and logistics enterprises to choose Hainan Free Trade Port as a crucial transshipment hub but also improves the overall circulation efficiency of regional trade.

Secondly, international cooperation can attract more foreign enterprises to Hainan Free Trade Port, driving regional economic development. By providing high-quality port services and convenient logistics conditions, Hainan Free Trade Port attracts numerous multinational companies to establish regional headquarters, logistics centers, and production bases. For example, some international manufacturing enterprises have set up production lines in Hainan Free Trade Port, utilizing the port's logistics advantages to quickly distribute products globally. This not only brings a large amount of foreign direct investment (FDI) but also promotes local economic development and employment growth.

The entry of international manufacturing enterprises not only brings capital but also advanced technology and management experience. Through cooperation with these enterprises, local companies can learn from their successful experiences in production, management, and technological innovation, enhancing their competitiveness and innovation capabilities. Furthermore, the investment and operation of multinational companies in Hainan Free Trade Port also drive the development of related industrial chains, such as logistics, packaging, warehousing, and financial services, forming an industrial cluster effect and further promoting regional economic development.

Moreover, international cooperation promotes economic and trade exchanges and cooperation within and beyond the region. Through cooperation with international organizations and multilateral trade institutions, Hainan Free Trade Port participates in multiple international economic and trade cooperation projects and the construction of free trade zones, further expanding the region's openness and internationalization. For example, through participating in the Belt and Road Initiative and the Regional Comprehensive Economic Partnership (RCEP), Hainan Free Trade Port can establish closer economic and trade cooperation relationships with countries and regions along these routes, expanding market and investment opportunities, and promoting coordinated regional economic development.

### ***2.3 International Cooperation Drives Industrial Agglomeration***

International cooperation plays a crucial role in driving industrial agglomeration. By collaborating with internationally renowned enterprises and institutions, Hainan Free Trade Port can introduce high-end manufacturing, modern services, and high-tech industries, forming an industrial agglomeration effect. Firstly, the efficient logistics services and convenient transportation conditions of the port attract a large number of logistics and manufacturing enterprises, forming a logistics and manufacturing cluster

centered around the port. For example, around Yangpu Port, industrial parks focusing on petrochemicals, machinery manufacturing, and electronic information have gradually formed. These industrial parks are closely connected to global markets through the port, creating a significant industrial agglomeration effect. [8]

Specifically, the port's efficient logistics services can significantly reduce transportation costs and time for enterprises, improving production and supply chain efficiency. For instance, Yangpu Port cooperates with multiple international shipping companies, opening direct routes to major global ports, enabling enterprises to quickly and efficiently transport products to global markets. This convenient transportation condition not only attracts logistics companies from home and abroad but also attracts numerous manufacturing enterprises to establish production bases around the port, forming an industrial cluster centered on the port.

Secondly, international cooperation drives the extension and upgrading of industrial chains. Through cooperation with leading international enterprises, Hainan Free Trade Port can introduce advanced production technology and management experience, enhancing the technical level and production efficiency of local enterprises. For example, cooperation with the Port of Hamburg in Germany has not only improved port management levels but also promoted technological upgrading for local logistics and manufacturing enterprises, driving the optimization and upgrading of regional industrial structures. In this cooperation model, local enterprises can learn from the successful experiences of international leading companies in production processes, quality control, and supply chain management, achieving comprehensive improvements. For example, by introducing Germany's advanced automated production lines and lean production management models, local manufacturing enterprises can significantly improve production efficiency and product quality, enhancing market competitiveness.

Furthermore, international cooperation promotes the aggregation of innovative resources. By collaborating with internationally renowned research institutions and universities, Hainan Free Trade Port can attract a large number of high-end talents and innovative resources, driving scientific research and innovation. For example, Hainan Free Trade Port has established research institutions and laboratories in cooperation with several internationally renowned universities, attracting numerous scientific and technological talents and innovative projects, injecting new momentum into regional economic development. These research institutions not only provide strong technical support for local enterprises but also promote the transformation and application of new technologies. For example, through cooperation with internationally renowned universities, Hainan Free Trade Port has conducted multiple frontier research projects in fields such as marine technology, new energy, and intelligent manufacturing, driving the development and growth of emerging industries in the region.

Moreover, international cooperation promotes the coordinated development of industrial clusters. By deeply integrating with the global supply chain and value chain, the industrial clusters in Hainan Free Trade Port can better participate in international division of labor and competition. For instance, the petrochemical industrial park can collaborate with international oil companies to introduce advanced refining and chemical technology, enhancing production capacity and product added value while forming close industrial chain relationships with upstream and downstream enterprises, achieving coordinated development. This cluster effect not only improves the overall competitiveness of enterprises but also enhances the resilience and sustainable development capacity of the regional economy.

### **3 Benefits Analysis of International Port Cooperation on Regional Economic Development**

#### ***3.1 Economic Benefits***

International port cooperation has brought significant economic benefits to the Hainan Free Trade Port. Firstly, by improving the port's operational efficiency and service levels through cooperation, the cargo throughput and logistics service capacity of the ports have been greatly enhanced, directly driving regional economic growth. For example, Yangpu Port's collaboration with international shipping companies like Maersk to open multiple international routes has made it an important international cargo transit hub, significantly boosting its cargo throughput. Data shows that the increase in port cargo throughput has directly contributed to regional GDP growth, enhancing the vitality of the regional economy.

Secondly, international port cooperation has attracted substantial foreign direct investment (FDI). Internationally renowned enterprises and multinational companies have established regional headquarters, logistics centers, and production bases in the Hainan Free Trade Port, bringing in significant capital inflows and promoting local economic development. For instance, some multinational manufacturing companies utilize the port's logistical advantages to set up production lines in the Free Trade Port, quickly distributing products to global markets. This has stimulated the development of local manufacturing and related service industries, increasing the diversity and competitiveness of the regional economy.<sup>[9]</sup>

Additionally, international port cooperation has facilitated the optimization and upgrading of the regional industrial structure. Through partnerships with leading international companies, the Hainan Free Trade Port has introduced advanced technology and management experience, enhancing the technical level and production efficiency of local enterprises and promoting the extension and upgrading of the industrial chain. For example, industrial clusters centered around high-end manufacturing, modern services, and high-tech industries have gradually formed around the port, strengthening the region's resilience and sustainable development capabilities.

#### ***3.2 Social Benefits***

International port cooperation has not only brought economic benefits but also produced significant social benefits. Firstly, by attracting foreign investment and promoting regional economic development, it has created numerous job opportunities, improving the living standards of residents. For example, the rapid development of logistics, manufacturing, and service industries in and around the port has provided many employment opportunities for local residents, reducing unemployment rates, increasing residents' incomes, and improving livelihoods.

Secondly, international port cooperation has advanced the urbanization process and infrastructure construction of the region. As the port expands and enhances its operational capabilities, the surrounding transportation, communication, and public service facilities have also been significantly improved. For instance, the government and enterprises have jointly invested in the construction of new port areas, complete with modern transportation networks, communication facilities, and living services, elevating the overall development level and quality of life in the region.

Furthermore, international port cooperation has promoted cultural exchange and integration. Through frequent interactions with international partners, the Hainan Free Trade Port has attracted a large number

of international tourists and business people, fostering local residents' understanding and acceptance of openness and diverse cultures. For example, hosting international port cooperation forums and cultural exchange activities has enhanced mutual understanding and friendship among people from different countries and regions, boosting the region's international influence and cultural soft power.

### ***3.3 Environmental Benefits***

While promoting economic and social development, international port cooperation has also brought significant environmental benefits. Firstly, by introducing advanced environmental protection technology and management experience, the environmental protection level of the ports has been improved. For example, Yangpu Port's cooperation with European ports has led to the introduction of advanced sewage treatment equipment and exhaust emission control technology, significantly reducing the environmental pollution and impact of port operations and achieving green port construction.<sup>[10]</sup>

Secondly, international port cooperation has promoted the concept and practice of sustainable development. Through joint efforts with international partners, the Hainan Free Trade Port has fully considered environmental protection and resource conservation requirements in port planning, construction, and operation. For instance, the use of energy-saving and environmentally friendly materials in port construction, the establishment of solar and wind power generation facilities, and the promotion of green and low-carbon development of ports.

Moreover, international port cooperation has facilitated regional ecological protection and restoration. Through collaborations with international environmental organizations and research institutions, the Hainan Free Trade Port has implemented a series of ecological protection and restoration projects, safeguarding the region's biodiversity and ecosystems. For example, initiatives such as marine environment monitoring and pollution control, coastline and wetland restoration have improved the quality of the regional ecological environment, enhancing residents' environmental awareness and the concept of sustainable development.

## **Conclusion**

This paper analyzes the current status of international port cooperation in the Hainan Free Trade Port, revealing the crucial roles of cooperation in enhancing port competitiveness, promoting trade and investment, and driving industrial agglomeration. Future research should further refine the specific mechanisms and benefit evaluation methods of international port cooperation, exploring the applicability and operability of different cooperation models. Additionally, attention should be paid to changes in the policy environment and their impact on international port cooperation, proposing more precise and forward-looking strategic recommendations to support the sustainable and healthy development of the Hainan Free Trade Port.

## **Funded Project**

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