

# Hong Kong Maritime



- Building a maritime hub •
- Hong Kong's place in global maritime •
- A maritime partnership •

# EVENT CALENDAR

📅 Seminar
🗓️ Conference
👥 Briefing
🌐 Networking
🗣️ Public Engagement
📌 AM
📌 PM
📌 Whole day

20/11 SUNDAY	23/11 WEDNESDAY	25/11 FRIDAY
<b>HKMIW Opening Ceremony</b> Hong Kong Maritime and Port Board	<b>Visit to Navigation Simulation Training Facility</b> Marine Department	<b>Visit to Hong Kong Shipyard</b> Transport & Logistics Services Council
<b>HKMIW Orienteering Race 2016</b> Hong Kong Maritime and Port Board, Hong Kong Seamen's Union	<b>Institutional or ad hoc, which will pull the water for maritime arbitration in Hong Kong in 2017?</b> China Maritime Arbitration Commission, Hong Kong Arbitration Center, Hong Kong Maritime Law Association	<b>Marine Insurance Law Seminar</b> Hong Kong Federation of Insurers
<b>21/11 MONDAY</b>	<b>24/11 THURSDAY</b>	<b>An Interactive Workshop on Marine Insurance and Average</b> Marine Insurance Club, Institute of Seatransport, Hong Kong Maritime Law Association
<b>Breakfast Briefing</b> Asia Maritime	<b>Breakfast Briefing</b> Asia Maritime	<b>Annual Ball</b> Hong Kong Joint Branch of the Royal Institution of Naval Architects and the Institute of Marine Engineering, Science & Technology and Hong Kong Institute of Marine Technology
<b>Terminal Visit and Presentation</b> The American Chamber of Commerce, Modern Terminals	<b>Forum on the 13th Five-Year Plan and Challenges on Hong Kong Port Sector</b> Master Insight	<b>26/11 SATURDAY</b>
<b>Business Briefing</b> Lloyd's List	<b>Expert Panel Discussion</b> British Chamber of Commerce	<b>Technical Seminar in Maritime Engineering</b> The Hong Kong Institution of Engineers Mechanical, Marine, Naval Architecture and Chemical Division, The Hong Kong Institute and Marine Technology, The Hong Kong Joint Branch of the Royal Institution of Naval Architects and the Institute of Marine Engineering, Science and Technology
<b>Maritime Law Seminar</b> Institute of Chartered Shipbrokers Hong Kong Branch, Hong Kong Logistics Management Staff Association, Institute of Seatransport and Marine Insurance Club	<b>Navigating Maritime Arbitration - Challenges and Practical Tips</b> Hong Kong International Arbitration Centre	<b>Seminar : Maritime Fraud – Past and Present</b> The Chartered Institute of Logistics and Transport in Hong Kong
<b>22/11 TUESDAY</b>	<b>AGM and Annual Cocktail</b> Hong Kong Ship Owners Association	<b>Pi's Adventure in Victoria Harbour</b> Maritime Professional Promotion Federation
<b>ALMC Day 1</b> The Government of the Hong Kong Special Administrative Region, Hong Kong Trade Development Council	<b>Maritime Law Workshop</b> Hong Kong Centre for Maritime and Transportation Law, City University of Hong Kong	<b>Industry Forum on One Belt One Road</b> Department of Logistics and Maritime Studies / Shipping Research Centre, The Hong Kong Polytechnic University, Transport Logistics Training Board of Vocational Training Council, Hong Kong Sea Transport and Logistics Association
<b>Industry Networking Mixer for Maritime, Supply Chain &amp; Logistics Professionals</b> Supply Chain & Logistics Professionals	<b>Visit to HK International Terminals</b> Hong Kong General Chamber of Commerce	<b>27/11 SUNDAY</b>
<b>23/11 WEDNESDAY</b>	<b>Visit to Navigation Simulation Training Facilities</b> Marine Department	<b>Annual Yacht Race</b> Hong Kong Ship Owners Association
<b>ALMC Day 2</b> The Government of the Hong Kong Special Administrative Region, Hong Kong Trade Development Council	<b>Seminar on Maritime Business Review</b> C.Y. Tung International Centre for Maritime Studies	
<b>A Masterclass in Shipping – From Acorn to Oak: Building a Successful Shipping Start-Up</b> Young Professionals In Shipping Network		

The event information is subject to change.

For details of how to register for Hong Kong Maritime Industry Week events please go to [www.hkmiw.hk](http://www.hkmiw.hk)

Front Cover Vessel: Courtesy Pacific Basin

# Gaining strength in numbers



As Chairman of the Hong Kong Maritime and Port Board, it is my great pleasure to welcome you all to the first Hong Kong Maritime Industry Week.

As a body representing the views and aspirations of everybody involved in marine-related business in Hong Kong, the HKMPB organises this extraordinary week of exchange, networking, talent enrichment, and sheer fun for two reasons –

First, through the wide range of maritime services Hong Kong provides to the world every day, there runs a rich seam of world-class expertise and experience, supported by a peerless infrastructure. This has given Hong Kong an advantage that has served it well for many years. We recognise that in an increasingly competitive world, we have always to stay ahead of the curve and in search of excellence. Not only do we seek to impress our overseas business partners of our high performance, we must also foster greater collaboration and solidarity among our maritime community, so that we may continue to work towards our goals with pride and energy.

Secondly, and perhaps most importantly, it is a fact that shipping, and the businesses that serve it are facing stiff challenges arising from an increasingly difficult and complex global economic environment. In hard times it is often tempting to stick to the old tried and tested ways of doing business. But while we may learn from history, in an environment that changes with the speed of light, we should not rely upon it. Instead we must assiduously seek out new solutions through the adoption of new thinking and cutting-edge technology that address the here and now.

The Hong Kong Maritime Industry Week seeks to demonstrate that, by gathering together and pooling our expertise from home and abroad, ways may be found to profitably adapt to the new matrix of regulatory, economic and operational environments. The Asian Logistics and Maritime Conference during November 22-23, is expected to attract more than 2 000 delegates from home and abroad, and will form the centrepiece of the Hong Kong Maritime Industry Week. In addition, throughout the week, there will be more than 20 specialist and general interest briefings, seminars and talks held across the city.

Through these interactive activities, Hong Kong hopes to play its part in advancing knowledge, creating lasting friendships and providing insight that will serve the maritime industry this year and beyond.

Finally, I would ask you to view the following pages as something of a curtain raiser to what promises to be a spectacular showcasing of the best of Hong Kong maritime, and the many attractions of Asia's World City.

*Professor Anthony Cheung Bing-leung*  
 Chairman of the Hong Kong Maritime and Port Board  
 Secretary for Transport and Housing



# Hong Kong Maritime Industry Week 2016

## Hong Kong is rolling out the red carpet for the maritime world at its most spectacular industry event ever

There is now a palpable sense of anticipation coursing through Hong Kong's maritime community in the run-up to its first Maritime Industry Week. In a remarkably short time the Hong Kong Maritime and Port Board and the maritime community have joined together in an unprecedented effort to show off the region's premier maritime hub in its brightest colours and extraordinary diversity.

HKMPB's chairman of the Promotion and External Relations Committee, David Cheng, offers some insight into the high-pressure atmosphere surrounding the organisation of such a large-scale event:

"The Hong Kong Maritime and Port Board was set up not long ago in April 2016. The decision to organise the Hong Kong Maritime Week was made later by the Promotion and External Relations Committee of the Board at its first meeting on 28 June 2016. That left us with less than five months to organise this major maritime event of Hong Kong for the very first time. Time, therefore, poses a real challenge for us," he says.

"Equally challenging is the fact that because it is the first, we had to work everything from scratch, such as designing a logo, producing a website and generating publicity. Despite the challenges, we have striven to make it a success in forging a close bond among all players of our maritime and port sectors, and showcasing our industry as one strong cluster in all readiness to offer the global shipping community the quality maritime services they are seeking. Such an achievement would be our greatest reward," he adds.

### Maritime community in show of solidarity

Mr Cheng is keen to acknowledge the maritime community as a whole for its willingness to step up to the challenge: "The industry's response has been very encouraging. To date, we have recruited a total of 28 international, diversified and fun-filled activities, involving 32 maritime-related trade associations, professional bodies and academic institutes. In the current depressed market conditions, we are truly grateful for the strong support of the industry for the Hong Kong Maritime

Week. It is a show of solidarity, indeed," he enthuses.

From the outset, the HKMPB had three main objectives it felt should be achieved in the organising of the first Hong Kong Maritime Industry Week: it must serve to show that Hong Kong's maritime sectors are contained within a cohesive and highly functional cluster. Secondly, it should provide a means to reach out to the wider community and lift their awareness of the importance of the port and related maritime industries. Last but not least, it should be the go-to event for overseas delegates who may discover why Hong Kong is the preferred operating base for maritime business. And so the race was on to participate, promulgate and promote maritime Hong Kong.

### A packed week of knowledge gathering and networking begins

In all three main objectives Hong Kong Maritime Industry Week looks bound to succeed with eight days devoted to an unprecedented range of seminars, briefings, lectures and industry visits,



HKMPB's chairman of the Promotion and External Relations Committee, David Cheng

2,000 delegates. Deputy executive director at HKTDC, Raymond Yip elaborates:

"ALMC has made concerted efforts to promote Hong Kong's maritime cluster in the global arena. Being an anchor event of the Hong Kong Maritime Industry Week 2016 will help to raise the profile of ALMC and its work in fostering business opportunities.

"We have collaborated with the Maritime and Port Board to create business synergy and gather senior logistics and maritime industry players from around the globe for this significant event," he adds.

Asked what particular segment of this year's ALMC he is most anticipating Mr Yip says, "The sixth edition of ALMC will continue to spotlight China's Belt and Road Initiative, Made in China 2025 strategy and the development of cross-border e-commerce. The Maritime Forums will cover a host of topical issues for liners, tankers and dry bulk shippers. We look forward to bringing new insights to the participants and helping them expand their networks in the region," he says.

Hong Kong Maritime Industry Week will finish as energetically as it began; with the annual Hong Kong Shipowners Association Annual Yacht Race. The "Round the Island Race" is organised by the Royal Hong Kong Yacht Club.

### Let the show begin

And now, as the organisers await the arrival of thousands of visitors to Hong Kong's most spectacular maritime programme ever, Mr Cheng takes a moment to reflect on what all the hard work has been for.

"A primary objective of the HKMIW is to solidify all sectors of our maritime industry as one strong cluster, which can respond to the calls from around the world for ever better maritime services. It is the desire for such spirit that we are longing for as the HKMIW legacy." -

covering myriad aspects of maritime business.

Always with an eye on manpower development for the sustainability of a premier maritime hub, many of the programmes will address this important component. To name just a few, the Institute of Seatransport and the Hong Kong Maritime Law Association will offer an interactive workshop on marine insurance and average.

Three of Hong Kong's leading technical and engineering institutes have joined together to provide a technical seminar in maritime engineering. And the Marine Department has organised two sessions visiting the Navigation Simulation Training Facility.

Hong Kong is a highly respected centre for legal services with one of the busiest arbitration centres in the region. And this is reflected in a number of programmes during the week.

Starting on Monday morning the Asia Maritime Breakfast Briefing will tackle the tricky topic of choosing the right form of dispute resolution; legislation, mediation or arbitration. Also on Monday,

the Institute of Chartered Shipbrokers and the Hong Kong Logistics Management Staff Association will present a maritime law seminar. On Thursday, the Hong Kong International Arbitration Centre will guide delegates in navigating maritime arbitration, presenting its challenges and offering practical tips.

For those keen to see maritime Hong Kong at work two visits have been arranged to the port on 21 and 24 November, while a visit to Hong Kong's shipyard on 25 November will also be of interest to many.

This listing of events merely scratches the surface of what is on offer. To find out more please visit [www.hkmiw.hk](http://www.hkmiw.hk).

### The centrepiece of Hong Kong Maritime Industry Week

The flagship event of Hong Kong Maritime Industry Week will be the Asian Logistics and Maritime Conference at the Hong Kong Convention and Exhibition Centre on November 22-23.

Jointly organised by the Hong Kong Government and the Hong Kong Trade Development Council, ALMC celebrates its sixth year in 2016. And this year it is looking forward to welcoming a record

# MATF: a lifeline for youth inspired by the sea

## The Maritime and Aviation Training Fund is providing opportunities to hundreds of Hong Kong youngsters

In 2012, there was a large measure of expectation emanating from the maritime sector as the Chief Executive of the Hong Kong Government had made plain on a number of occasions that maritime specifically had a place in his plans. In the event he did not disappoint. On April 1, 2014 the Government announced the launch of the Maritime and Aviation Training Fund (MATF).

The positive MATF effect on Hong Kong youth is tangible. The chairman of the Hong Kong Maritime and Port Board's Manpower Development Committee, Mr Irving Koo says of the response:

"Various new initiatives have been introduced under MATF, including providing internship opportunities in the maritime industry, sponsorship for exchange for students to study maritime courses overseas, providing refund of fees for in-service practitioners to upgrade their professionalism and competency, and promoting careers in the maritime industry to the young generation," says Mr Koo.

"They have all been well received and welcomed by the industry. Nearly 440 university undergraduates have been attracted either to work as interns in maritime-related companies, or study a maritime related course in an overseas university. About 830 in-service practitioners in the maritime sector have also applied for refund of fees," he adds.

It is clear that the \$100m Fund has become a major support for manpower development in the maritime and aviation sectors, which will do much to expand the pool of talent for the long-term sustainable development of the two sectors. And there are those close to the scheme who are already looking hopefully toward its extension. And Mr Koo is cautiously optimistic when he says:

"The Fund is to be used for a period of five years until 2018-19. It is being used steadily to support the various schemes. So far, the feedback has been most encouraging; it is welcomed by both the industry and participants. There is therefore a strong case to seek

continuation of the Fund. But before doing so, we would need to review the usage and effectiveness of the Fund, and the manpower development needs of the industry."

The industry should also be assured when Mr Koo makes it clear that the Fund will not be restricted by the fact that shipping is going through one of its periodical downturns:

"Some 80% of international trade is transported by sea. So, regardless of the cyclical up and downs of the industry, it would remain an integral part of the economy. We need to strengthen manpower development not only for short term needs, but for the long-term sustainable development of the industry. The building up of a sustainable talent pool in Hong Kong is of utmost important," he says.

### What is the MATF?

MATF aims at attracting new blood to the maritime and aviation sectors, diversifying expertise to meet manpower demands of the sectors, especially in providing high value-added services, and enhancing the overall competency and professionalism of the sectors. This will in due course build up a vibrant, diversified and competitive pool of professionals and technical personnel to support Hong Kong's future development in the maritime and aviation sectors. It sustains and enhances the five existing training schemes and scholarships. Since its establishment in 2014, it has launched a series of new initiatives for the two sectors.

The new initiatives include the introduction of the Professional Training and Examination Refund Scheme, with a view to upgrading the professionalism of qualified in-service practitioners of the maritime and aviation sectors. Under the Scheme, qualified in-service practitioners can apply for a refund of 80% of fees after completing or passing approved courses/examinations. Each individual may apply for fee reimbursement for more than one course/examination, up to a ceiling of \$18,000 per person.

### Internship scheme

Furthermore, an internship scheme has been in operation since the summer of 2014 to enhance the younger generation's early exposure to the operations and career prospects in the maritime and aviation sectors.

Other new initiatives include a partial tuition refund scheme for the specialised aircraft maintenance programme, and implementing the Local Vessel Trade Training Incentive Scheme to attract new recruits to the local vessel trade as coxswains or engine operators. The MATF has also supported events to promote public awareness of the seafaring and maritime sectors and the career opportunities being offered.

### Subsidy increase

In addition, part of the Fund will be used to sustain and enhance the existing schemes. As one of the enhancement initiatives, the monthly subsidy provided for cadets under the existing Sea-going Training Incentive Scheme was increased from \$5,000 to \$6,000 with effect from April 2014.

MATF graduate Butt Tsz Fung, a young deck cadet, is typical of those who have benefitted from the Sea-going Training Incentive Scheme:

"I knew from an early age that a sea-going career would provide me with a good opportunity to travel the world and experience foreign cultures," he says.



Cadets in training at the Maritime Services Training Institute

"The pay for a deck officer is attractive and there are good promotion prospects. Eventually I could become a shore-based professional. But for the time being I find it interesting working on different classes of ships and handling different types of cargo."

The Sea-going Training Incentive Scheme provides a monthly subsidy of \$6,000 to deck or engineering cadets on ocean-going vessels for a maximum period of 18 months.

"I am paid only when I am working on ships. This means the Scheme provides solid financial support to me during my leave in Hong Kong, in particular when preparing myself for the Class 3 Certificate of Competency examination and attending the mandatory training courses.

"The fund under the Scheme has been an important factor in encouraging me to take up sea-going training and develop my career as a marine or shore-based professional in the maritime industry. For this I am immensely grateful," Mr Butt concludes.

Other existing training schemes and scholarships for the maritime sector include two scholarship schemes for master degree programmes, namely the Hong Kong Maritime and Logistics Scholarship Scheme and the Hong Kong Maritime Law Scholarship Scheme. The scholarships support deserving postgraduate students in the pursuit of maritime-related studies, and give them good exposure to the industry, and in turn enrich Hong Kong's maritime workforce.

Pan Xiuhua from Dalian in Northeast China is typical of the many young students benefitting from the Hong Kong Maritime Law Scholarship Scheme. An enthusiastic budding maritime lawyer, she says:

"I chose maritime law for its international characteristics and its need for expertise. Maritime law is a challenging subject that relies on a firm grasp of theory as well as practical experience, and I believe it is a good choice for those with high expectations for their prospective careers."

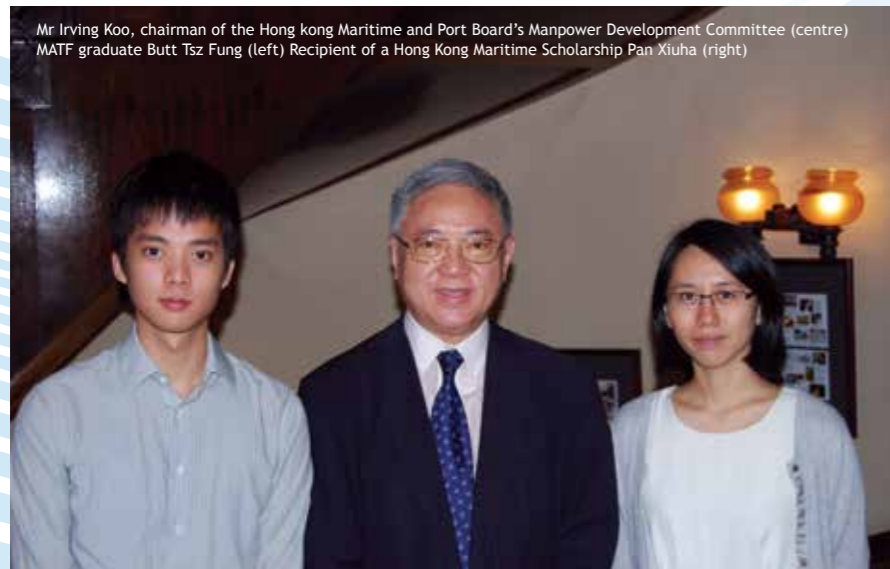
MATF has been indispensable in helping Ms Pan pursue her studies.

"I would like to thank the MATF for its generous financial support, which enabled me to pay full attention to my studies and successfully finish the one-year study at City University of Hong Kong," she says.

"The opportunities as well as the useful information offered by the MATF will equip me with more career opportunities," she adds.

Going forward, the Manpower Development Committee under the Hong Kong Maritime and Port Board will monitor and review the implementation of the initiatives concerning the maritime sector.

The Government will review the usage of the Fund and fine-tune the implementation details in the light of practical experience and feedback.



Mr Irving Koo, chairman of the Hong Kong Maritime and Port Board's Manpower Development Committee (centre), MATF graduate Butt Tsz Fung (left), Recipient of a Hong Kong Maritime Scholarship Pan Xiuhua (right)

# Building a Maritime Hub

A successful maritime hub is a living organism comprising many vital elements working in harmony. And Hong Kong is exemplary. In 2014, Hong Kong recorded a trade surplus of HK\$70.8bn in sea transport, reflecting strong international demand for Hong Kong's shipping services

## Ship Finance

As Asia's leading financial centre, Hong Kong offers a myriad of financing resources. Hong Kong has about 60 banks providing ship financing. Many maritime related businesses in Hong Kong and around the region have listed their companies on the Hong Kong Stock Exchange. Hong Kong is also home to numerous private equity funds that have taken a significant interest in the maritime sector.

## Industry Organisations

A diversified industry, the maritime industry is often regarded as fragmentary. However, every sector in the industry is interlinked. It is therefore vital to have strong representative organisations. In Hong Kong there is an organisation to cater for persons involved in any sector of maritime no matter how niche. Some will assist in career advancement others lobby the industry for change. All offer the chance to network and make a career in maritime the best career option there is. And with the support of these maritime organisations, no company in Hong Kong stands alone. Rather they move forward as part of a genuine business community.

## Shipping Register

The centrepiece of a thriving maritime hub is its fleet of ships. The Hong Kong Shipping Register is the fourth largest in the world with a reputation for quality excellence. The detention rate of Hong Kong registered vessels was only 1.13%, as compared with a world average of 3.51% in 2015.

In June 2016, the HKSR passed the 105m gross tonnage mark with 2,509 vessels registered. Also, Hong Kong holds Qualship 21 status with the United States Coast Guard.

## Marine Support and Ancillary Services

Hong Kong has everything in the way of marine support and ancillary services to ensure that ships sail safely and efficiently. Hong Kong is home to all the major international Classification Societies. There are excellent ship repair yards on hand in Hong Kong and in the Pearl River Delta. Both international and local shipbrokers are in abundance. And there are literally hundreds of marine equipment suppliers offering 24/7 services.

## Marine Insurance

Hong Kong's importance as a trading nation has attracted insurers for over 150 years. Currently there are 84 authorised marine insurers in Hong Kong, of which 32 of them are international insurers with a depth of expertise built up over decades. Of the 13 member Clubs of the International Group of P&I Clubs, 12 members have an established presence in Hong Kong.

## Maritime Legal Services

Hong Kong has a deeply entrenched common law system based on English Law where the rule of law is upheld by an independent judiciary.

The High Court maintains specialist lists to deal with admiralty and commercial disputes.

Hong Kong is the most popular maritime arbitration centre in the region by a nautical mile. In 2015, the Hong Kong International Arbitration Centre and its members dealt with 130 arbitration cases involving maritime disputes.

Many of the leading global maritime law firms have a strong presence in Hong Kong.

## A Port

The Port of Hong Kong is one of the busiest container ports in the world. It handled 20.1m TEU in 2015. As a transshipment hub in the region, the Port of Hong Kong has a reputation for being one of the most efficient and eco-friendly, with high frequency and wide coverage of sailings.

## Supportive Administration

When an industry meets the sort of headwinds that shipping has endured in recent years a premier maritime hub needs a proactive government that is prepared to promote the hub and assist it with timely policy initiatives.

In April 2016, the Hong Kong Government established the Hong Kong Maritime and Port Board, a joint government/industry body offering policy guidance, with a view to promoting the development of the maritime industry in Hong Kong. The Government's efforts are also seen in concluding double taxation relief arrangements and the establishment of the HK\$100m Maritime and Aviation Training fund for the building up of a sustainable talent pool to support the long term development of the industry.

## Ship Management

The concept of third-party ship management originated in Hong Kong in the early 1970s. Ever since then Hong Kong has been a ship management powerhouse, where some of the best ship management companies such as Anglo Eastern-Univan, Wallem Group, Fleet Management and Bernhard Schulte Shipmanagement now dominate global ship management.

# Hong Kong's new maritime generation

Hong Kong's new maritime generation come from all walks of life, and often from different countries. The one thing they have in common is a passion for the maritime and port industries

## Chan Kin-tung

Chan (19) is a Year 1 student of the Higher Diploma in Maritime Studies at the Maritime Services Training Institute (MSTI). Chan says he is the kind of person who is keen for a challenge and he loves adventure. "I have always dreamed of sailing the world's oceans and visiting new countries. When I qualify as a seafarer I intend to broaden my horizons through learning of the other cultures around the world in the countries I will visit.



"The Training I am receiving at MSTI has made me more confident that I can have a successful career in the maritime industry and eventually become a ship's Master."

## Edward Liu

Edward (30) is a senior registered foreign lawyer at Reed Smith Richards Butler, specialising in shipping litigation and arbitration. Before moving to Hong Kong, he studied law at Shanghai Maritime University and the University of Southampton, where he respectively obtained his LLB and LLM.



With more than six-year experience in Hong Kong, Edward appreciates every aspect of the city, and believes that it is the premier centre in Asia for resolving maritime disputes by arbitration or mediation. In March 2015, Edward was honoured as one of "Ten Outstanding New Hong Kong Young Persons", and in August 2016, Edward was shortlisted for the Next Generation Shipping Award, one of the Lloyd's List Asia Awards in 2016.

## Violet Kwek

Violet (39) is Deputy Head at Minsheng Banking Corporation Corp Ltd in Hong Kong. "Shipping for me started when I joined the M&A team of a shipping bank, after which I moved to the shipleasing side of the business," says Violet. "Having entered ship financing in 2007 when the shipping industry soared to unprecedented heights only to crash dramatically within 12 months was a heady experience for me.



"But while the market can be at times trying, it definitely is not mundane. Moving to Hong Kong in 2010 allowed me to broaden my horizons in this region. I have grown as the industry has grown in China, including the banks, leasing companies and of course shipowners and shipyards.

"I wish to motivate and attract younger people into the shipping industry. It is important especially during this difficult period when the industry may not immediately seem so exciting. Shipping may be volatile but it is definitely here to stay!"

## Joe Fung

Joe (29) is an associate broker at FP Marine Risks. He attributes the mentorship of one of his university professors to his good fortune in choosing a career in the marine insurance industry. Joe finds the insurance industry interesting and appealing because it is a people business, and he is outgoing and enjoys meeting and working with new people.



Joe started and wants to continue to follow his chosen career in Hong Kong. "Hong Kong is a fascinating and international city," says Joe. As a local resident, he is proud of what we have in terms of a metropolitan financial hub. "Being a financial centre and bridge between China and rest of the world, there will be enormous opportunities in Hong Kong and thus, Hong Kong will continue to be the place for me in the foreseeable future," he adds.

Looking to the future, Joe hopes that Hong Kong continues to develop as an insurance hub and that will one day be as famous as the Lloyd's markets.

## Yvonne Gu

Yvonne (25) is an Associate at Hong Kong shipping company Uni-Asia Shipping Ltd. It was in 2009, when Yvonne decided that she would use her interest in law and shipping to study maritime law at Shanghai Maritime University. While still at university Yvonne learned more about shipping through internships at a local law firm and a regional court before moving on to Maersk Line in Shanghai.



"After graduating I joined the training programme of the Shanghai branch of a tramp shipping operator, Dampskilbsselskabet Norden. I worked on panamax chartering before being transferred to Copenhagen for a further year's training," says Yvonne.

Through a contact in Copenhagen, Yvonne finally got the opportunity to work in Hong Kong at her current post. "Hong Kong is one of the most exciting shipping centres in the world," she says. "And Hong Kong is such an interesting city, full of rich cultural diversity!"

"Looking to the future. I hope, here in Hong Kong, I can continue to learn more about shipping and particularly about commodity trading."

## Anthony Tai

Anthony (30) is a divisional director at shipbroker Clarksons Platou Asia in Hong Kong.



As a shipbroker in a truly global business, Anthony gets the chance to travel and meet people from all over the world. Anthony says that negotiating a vessel that could be worth from US\$1m to US\$30m is another element in shipbroking that he finds incredibly exciting.

Anthony is grateful that he is able to work in a wonderful organisation - Clarksons Platou, where a young person like him is surrounded by many experienced hands, showing him the ropes and helping him to develop lasting relationships with hundreds of shipowners.

"Hong Kong to me is more than just a place to do business; it's where I grew up and I will always call it home. I believe Hong Kong will continue to maintain its status as one of the main global maritime centres," he says.

## Patrick Ho

Patrick (30) is a Year 1 student of the Higher Diploma in Maritime Studies at MSTI. Before he joined the programme



he had worked in shipping as a fleet management officer. "This provided me with a wonderful opportunity to learn of the importance of international trading in daily life, as almost 90% of everything we buy arrives via ship," he says.

"The shipping industry offers young people a truly international career," he adds. "I like the multinational working environment where many of my shipmates originate from different countries. This offers a great opportunity to experience different cultures. Working on a ship is a challenging job where one must be prepared for an emergency at any moment. But I believe every challenge is an opportunity for growth. I can't wait to start my first voyage."

## David Griffiths

David (34) is a protection and indemnity underwriter for the West of England, an International Group P&I Club.



The opportunity to work at the West of England was rather serendipitous given that the Club was looking for someone with a data driven background just as he landed in Hong Kong more than three years ago.

"Hong Kong has a reputation as a dynamic and vibrant place to work and live. And the shipping community here is welcoming and supportive. Hong Kong caters to those with lofty ambitions, given the talent in the market and laissez-faire approach where the fittest have always thrived," says David.

David is currently involved in the Young Professionals Shipping Network, a successful platform where social and networking events bring the industry together.

# The benefits of maritime partnership

Cross-border cooperation has brought many advantages

Perhaps the most high-profile example of the ongoing maritime cooperation between Hong Kong and the Mainland occurred when the idea of boosting Hong Kong's maritime industry became part of China's national development programme. In its 12<sup>th</sup> Five-Year Plan, in 2011, Beijing expressly showed its support for Hong Kong in consolidating and enhancing its position as an international maritime centre, and has continued to be a source of support and encouragement ever since. The same pledge of support was made in the 13<sup>th</sup> Five-Year Plan announced earlier this year.

The most enduring form of cooperation between the two-parties, the Closer Economic Partnership Agreement (CEPA), is not exclusively of a maritime nature but it has been immensely beneficial to the sector in Hong Kong.

CEPA provisions offer Hong Kong maritime services suppliers greater flexibility to access the massive potential of the Mainland market. Hong Kong companies are able to form wholly owned subsidiaries offering a wide range of services including but not limited to:

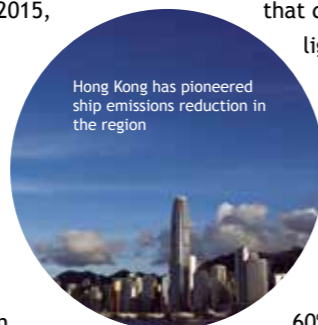
- International ship management services
- Port cargo loading and unloading services
- Container station and depot services
- International container leasing, buying and selling and trading of container parts
- Ship maintenance and repair services
- Non-vessel operating and common carrying services

Since its inception CEPA provisions have

frequently been amended towards greater liberalisation; in 2014 the Guangdong Agreement was struck, which achieved basic liberalisation of trade in services in Guangdong since March 2015. And in December 2015, the Agreement on Trade in Services extended the Guangdong concept to the rest of the Mainland. The agreements came into effect in June 2016, heralding a new era in cross-border cooperation.

**Benefits of cooperation are shared**  
Hong Kong has not been the only beneficiary of the maritime cooperation that exists between it and the Mainland. For many years Mainland shipping companies have been greatly attracted to the quality of the Hong Kong Shipping Register to the point that Mainland shipowners' tonnage accounts for about one third of the 105m gross tonnes entered. It is well known that ships on the Register have a lower detention rate than most other flag states – 1.13% versus the worldwide average at 3.51% in 2015. This is borne out by the Register's inclusion on the white lists of both the Paris MoU and the Tokyo MoU and its continuing qualification in Qualship 21, an initiative of the United States Coastguard.

Since 2011, Hong Kong has been the unrivalled regional pioneer in tackling ship borne emissions. It was then that 17 local and international shipping companies joined forces in a two-year voluntary fuel switch scheme committed to 0.5% sulphur diesel when berthing



Hong Kong has pioneered ship emissions reduction in the region

in Hong Kong. This became famous as the Fair Winds Charter. The Hong Kong Government acted quickly to shore up industry support for the initiative when in 2012 it introduced an incentive scheme that discounted port facilities and light dues, while it prepared legislation that would mandate the fuel switch at berth. In July 2015 the Air Pollution (Ocean Going Vessels) (Fuel at Berth) Regulation Cap 311AA came into effect. The levels of SOx have dropped 60% since the introduction of the mandatory scheme.

The speed with which this landmark piece of legislation was achieved is something that the industry and government is rightly proud of. But enforcing such regulation in isolation from the rest of the Pearl River Delta would have dealt a body blow to the Port of Hong Kong. Instead, it can be said with confidence that, through constant communication and encouragement with the Mainland authorities, Hong Kong has played an important role in the PRC's ambitious emission control area regulations that will be fully implemented across 11 key ports by 1 January 2019.

The examples above are the sort or developments that frequently hit the headlines. Much more low profile but equally important are the inter-governmental and NGO meetings that happen without fanfare many times over the course of a year. These are where understandings are reached and everyday mutually beneficial objectives are met to enhance safety at sea. -

# Hong Kong's place at the global maritime regulation table

As the largest national flag in the world, Hong Kong has an important role in ensuring safety at sea

In May 2009, Hong Kong welcomed 500 delegates from around the world to the first International Maritime Organization diplomatic conference ever held in Asia. The landmark meeting concluded with the adoption of the "Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships".

The meeting followed an extensive period of lobbying for the diplomatic conference to be held in Hong Kong. And both government and industry were rightly proud that such a significant piece of regulation was agreed here and in Hong Kong's name.

Hong Kong deserved its day in the spotlight. With a total gross tonnage of 105m entered the Special Administrative Region is the world's fourth largest flag state. And it is the largest national flag globally. By virtue of this size and success, Hong Kong has a responsibility to participate in global shipping regulation at the highest level.

Hong Kong has been an associate member of the IMO since 1967. This status restricts Hong Kong's voting rights. But, in reality, decisions are rarely reached on a vote. Instead consensus is arrived at through the negotiation of the working groups.

During the larger meetings at IMO there may be as many as five or six working groups taking place at the same time. It requires deep technical expertise and considerable energy to keep on top of the progress of such gatherings and

ensure Hong Kong has as much input as possible.

This is the task of Hong Kong's permanent representative at IMO, currently the Marine Department's Mr Chung Siu Man. In his role as marine adviser Mr Chung is called upon to put Hong Kong's position and convey its opinions on maritime issues at IMO meetings. He is facilitated in this task by being able to access a fund of technical expertise here in Hong Kong. Acting as bridge between Hong Kong and IMO means Mr Chung is responsible for updating the Marine Department with the latest developments in maritime regulation and advising on the necessary follow up measures on IMO decisions and the correct implementation of IMO Conventions.



Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships was adopted in May 2009

Hong Kong has other ways to get the ear of IMO. The Hong Kong Shipowners Association is involved in IMO work through association with the International Chamber of Shipping, which represents shipowners with the various

intergovernmental regulatory bodies that impact on shipping, including IMO. Hong Kong also has a presence at the International Labour Organization as part of China. Indeed HKSOA managing director, Arthur Bowring, is spokesperson for the global maritime employers group, working closely with Beijing. He is also vice-chairman of the special tripartite committee and chairman of the shipowners group within the ILO.

Thus, through the work of the Hong Kong Government and that of our NGOs, most notably the HKSOA, Hong Kong plays an important role within the ILO where it has made a major contribution to the ratification, application and assessment of the Maritime Labour Convention 2006, and regulations in regard to the environment at IMO.

Regionally, Hong Kong continues to champion the Hong Kong Convention on Ship Recycling mentioned above. Through its membership of the Asian Shipowners Association, specifically the latter's Ship Recycling Committee, Hong Kong has been involved in the approval of ship recycling yards in India and working with the European Community Shipowners Association and the ICS to persuade the European Commission and European Union not to impose additional financial requirements with regard to ship recycling.

Going forward, Hong Kong is encouraging the ASA to take a leading role in Asian maritime affairs by proposing closer links with Asia-Pacific Economic Cooperation through the APEC Business Advisory Council.

# Knowledge and foresight key to Hong Kong's maritime success

Hong Kong's research and development capabilities maintain a delicate balancing act by focusing on the here and now while having a clear vision of the future

How to retain Hong Kong's position as a premier maritime hub is foremost in the minds of government, industry and academia. This preoccupation and the drive to maintain and enhance Hong Kong's status as an international maritime centre manifests itself best when all three sectors work together. Examples of this cooperation are found at the Hong Kong Polytechnic University (Hong Kong PolyU), which houses the IMC-Frank Tsao Maritime Library and Research & Development Centre, The CY Tung International Centre for Maritime Studies, The Shipping Research Centre and the Logistics Research Centre.

pioneering research on port productivity, port policy, shipping operations and management, and in the increasingly important fields of low carbon logistics. The Logistics Research Centre and Shipping Research Centre are both multi-disciplinary research units with diverse and profound expertise in shipping and logistics management. Both centres employ highly qualified researchers to develop state-of-the-art business models, and to promote the adoption of innovative management practices in shipping, logistics and related industries.

Hong Kong's TCC Group and the University of Southern California's Viterbi School of Engineering have entered a partnership to conduct some of the most advanced research and development, which aims to reduce, reverse and recover harmful emissions in the maritime industry.

Begun in 2010, the initiative is two-pronged. Both utilise a patented technology known as Nano-Second Pulse Power, which employs Transient Plasma in "nanosecond pulse burst". First, this technology focuses on emissions remediation applying Transient Plasma Emission Remediation to treat harmful emissions such as CO2 and NoX prior to emission from the ship's funnel stack. Initial tests have already achieved an unprecedented 90% reduction in NoX emissions from Intermediate Fuel Oil, which, ideally, will negate the need to spend significant capital costs on retrofitting scrubbers and chillers.

Secondly, this cutting-edge development focuses on combustion efficiency by applying Transient Plasma Injection through a nanopulse generator to improve fuel oil combustion efficiency, which will ultimately achieve total combustion. This will result in the consumption of less fuel oil while still achieving optimal engine shaft power output. Solutions to this second objective can only be achieved through slow steaming or even super slow steaming, a now widely accepted industry practice.

### Sustainable expertise

All of the above institutes have another vital function in grooming the next generation of industry leaders, professionals and academics to sustain Hong Kong's continuing importance as a maritime hub. Hong Kong PolyU's Maritime Ph.D Programme is today widely acknowledged.



The IMC-Frank Tsao Maritime Library and Research & Development Centre was established in 2009 through donations from Dr Frank Tsao, a respected figure among Asia's shipping community, the Government and the University.

In return the centre provides research services to government, the maritime community as a whole as well as to Hong Kong PolyU faculties and students.

Similarly, the CY Tung International Centre for Maritime Studies was established by generous donation from the Tung Foundation. The centre daily repays this generosity by producing

### R&D in technology

In the last ten years or so, shipping has begun to match land-based businesses in its deployment of technology to increase efficiency. In the case of the maritime industry, innovation has also been driven by stringent regulation aimed at reducing ship-borne emissions.



## Your Trusted Partner

The Hong Kong Maritime and Port Board was established by the Government of the Hong Kong Special Administrative Region in April 2016.

In partnership with the industry, the Board has five main objectives

- Assist the Government in devising maritime and port-related strategies and initiatives –
  - Facilitate collaboration between stakeholders –
  - Create a maritime business friendly environment –
- Foster the long-term development of Hong Kong's industry and port –
  - Support and promote Hong Kong's maritime community –







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