

Shipping is in Hong Kong's DNA

Entrepot, Gateway, Super-Connector, Hong Kong's tag may change but the vital role of shipping has been permanent throughout. With the inaugural Hong Kong Maritime Industry Week running from 20 to 27 November 2016, the timing could not be better to celebrate Hong Kong's role as an international maritime centre.



Home to the fourth largest Shipping Registry, with more than 2,500 ships equating to a total gross tonnage of 106.7million, Hong Kong punches way above its weight in the carriage of trade volumes and influence.

As Chairman of Wah Kwong Maritime Transport and Chairman of the Hong Kong Shipowners Association Sabrina Chao is well placed to speak about the strength and global impact of Hong Kong's maritime cluster.

"All shipowners in Hong Kong, run ships that navigate the world. It is through the quality of the services that they provide to their customers that give Hong Kong shipping its good name."

"The Hong Kong fleet is 9% of the global fleet in terms of deadweight tonnage. That is a very significant percentage of world tonnage operating from the tiny place, which is Hong Kong. So we have a duty and an entitlement to be outspoken when it comes to doing the best for Hong Kong's shipping community," Ms Chao concludes.

Hong Kong may also be called an Originator. Third party ship management has its origins more than 40 years ago in Hong Kong. The pioneer was Captain Charles Vanderperre, a Belgian émigré who arrived in Hong Kong in 1969. He founded Univan Ship Management in 1973. Such was the esteem in which he was held, for years after his death in 2009, a replica of



Sabrina Chao,
Chairman of the Hong
Kong Shipowners
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his personal office was reconstructed and preserved in Univan's new premises.

Such has been its success that so-called third party ship managers today manage 12,000 to 15,000 of the world fleet of 70,000 ships. Hong Kong remains the

leader in the field with more ships under management here than any other city in the world.

Ship management involves much more than supplying crew for ships. The expertise extends across a wide range of maritime services ranging from ship management, technical management, crewing, ship agency, commercial services and logistics to value-added services such as newbuilding supervision, dry dock support, procurement and lifeboat maintenance and repair.

One of the advantages of having a ship under management is the economy of scale it offers. Anglo-Eastern Univan Group, headquartered in Hong Kong, has 620 ships under full management and provides crew management on a further 130 vessels.

Anglo-Eastern Univan's Chief Executive, Captain Bjørn Højgaard says: "Scale is increasingly important. Crewing today is sourced out of countries such as India, the Philippines and China, and many owners do not have the infrastructure to effectively manage the number and competencies of the people onboard their ships.

"By employing a ship manager they can leverage the larger numbers that bring better access. Essentially ship management allows like-minded owners to join forces for the improvement of everyone."



Simon Doughty,
Chief Executive of
Wallem Group

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Bjørn Højgaard,
Anglo-Eastern
Univan's Chief
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Ship management companies operate ships for owners based on every continent. In effect a significant global fleet is operated out of Hong Kong.

But Captain Højgaard is a believer in the importance of location in running the business: "Hong Kong has a history in shipping as a trading port and as a maritime hub. The city's infrastructure is first class and there is a well-established pool of maritime professionals. It's important for us to be headquartered here."

Fleet Management, part of the Caravel Group, manages close to 400 ships.

Managing Director, Kishore Rajvanshy says the safety and efficiency of its crew are a high priority.

"A first rate crew is the backbone of a manager's success. Hence our nine offices in India, one in the Philippines and one in China are dedicated to providing in-house crewing support to our 14,000 plus seafarers through state-of-the-art training institutes, on-line training support and behaviour based coaching for safety leadership."

While many ship managers would concede that Hong Kong could be an expensive city to operate out of the advantages outweigh that.

Chief Executive of Wallem Group, Simon Doughty explains: "Wallem Group has been headquartered in Hong Kong for many decades now and our shareholders are



(From left to right)

Angad Banga
Chief Operating Officer

Harry Banga
Chairman and CEO

Kishore Rajvanshy
Managing Director of Fleet Management
The Caravel Group

committed to maintaining a strong presence here due to its location and proximity to China.

"There are many aspects of being based in Hong Kong which are advantageous such as the competitive corporate tax rate, the ease of doing business and sophisticated legal and financial systems. For these reasons, Wallem is among many top maritime companies choosing to remain headquartered in Hong Kong.

"What's more, Hong Kong continues to see an expansion of its maritime services cluster including ship management," he concludes.

Ship managers may source much of their resources and many of their crew from across the globe. But Hong Kong's ship managers have always been keen to recruit and nurture local talent. The growth of ship management here brings new opportunities for Hong Kong's younger generation in search of challenging and satisfying careers. By grasping these opportunities they will create a win-win situation for Hong Kong and for global shipping.

