

FSDC releases report on developing significant maritime financing and leasing industry in HK

The following is issued on behalf of the Financial Services Development Council:

The Financial Services Development Council (FSDC) today (May 21) released a research report entitled the "Maritime Leasing Working Paper". The report sets out key recommendations for developing a significant maritime financing and leasing industry in Hong Kong.

The Chairman of the FSDC, Mrs Laura M Cha, said, "The maritime industry has been traditionally one of the pillar industries of Hong Kong but has shrunk in size over the last decade. As an international financial centre, Hong Kong is in a uniquely advantageous position to drive shipping-related financial services. Hong Kong needs to further develop its maritime cluster in view of the fierce competition from global maritime centres. Hong Kong must maintain and enhance its competitive advantages of the maritime cluster for the sustainable growth of the shipping industry."

The report sets out the current issues challenging Hong Kong's shipping industry in terms of the ship register, labour, government policies, tax and finance, noting that Hong Kong is facing keen competition from major Asian competitors in building its maritime cluster. The report recommends various measures for developing the maritime cluster in Hong Kong, including: (i) tax concessions for maritime and ship leasing management and maritime and shipping-related supporting service activities; (ii) allowing qualified investors to access credit and liquidity enhancement products supported and/or endorsed by sovereign-rated financial institutions; (iii) full consultation with the industry on implementation of a tax review package; (iv) encouraging the growth of shipping and maritime-related support and management services; (v) talent development in the maritime cluster; (vi) further double tax agreements with major shipping jurisdictions; (vii) increased participation in international industry bodies by Hong Kong-based organisations; and (viii) upgrading the Hong Kong Maritime and Port Board or creating a centralised Maritime Office.

The full version of the report can be downloaded from the FSDC website: www.fsd.org.hk.

About the FSDC

The Hong Kong Special Administrative Region Government established the FSDC in 2013 as a high-level, cross-sectoral advisory body to engage the industry in formulating proposals to promote the further development of Hong Kong's financial services industry and to map out the strategic direction for

development.

The FSDC set up five committees, namely the Policy Research Committee, the Mainland Opportunities Committee, the New Business Committee, the Market Development Committee and the Human Capital Committee, as the five streams of its work.