

Speech by STH at joint luncheon of Marine Department and Hong Kong Shipowners Association (English only)

Following is the speech by the Secretary for Transport and Housing, Mr Frank Chan Fan, at a joint luncheon organised by the Marine Department and the Hong Kong Shipowners Association today (May 3):

Jack (Chairman of Hong Kong Shipowners Association, Mr Jack Hsu), Sai Fat (Acting Director of Marine, Mr S F Wong), members of the Hong Kong Shipowners Association, distinguished guests, colleagues, ladies and gentlemen,

Good afternoon. I am most delighted to address such a distinguished congregation of our maritime community.

The luncheon today is jointly organised by the Hong Kong Shipowners Association and the Marine Department. This longstanding tradition enshrines the collaborative relationship between the industry and the Government. In fact, Hong Kong could not have sailed this far to become an international maritime centre if we had failed to collaborate as a team. It takes both policy drive and entrepreneurship to make Hong Kong great. In terms of policies, and given our robust foundation in financial and legal services, we spare no effort to synergise value-added maritime services such as ship finance, marine insurance and dispute resolution in Hong Kong. The package of new initiatives announced by the Chief Executive in her Policy Address last year is a clear manifestation of our vision.

Policies aside, resources are essential to success. In the latest Budget announced by the Financial Secretary, he has devoted additional resources for setting up Regional Desks of our Hong Kong Shipping Registry. There is also firm commitment to inject another \$200 million, that Jack has just mentioned, into the Maritime and Aviation Training Fund. Let me take the opportunity to update you on these two fronts.

We are proud of the phenomenal growth of the Hong Kong Shipping Register over the decades. Established in 1990 with a mere total gross tonnage of six million, the size of our Shipping Register today has already exceeded 125 million gross tonnage, which accounts for nearly 10 per cent of the world's merchant fleet, and is ranked the fourth largest in the world. For the past year, the global detention rate of our ships was 0.82 per cent, as compared to the global average of 2.68 per cent. The Marine Department could not have made such a remarkable accomplishment without the unfailing support from you.

Over the years, ships flying our flag have called the Hong Kong Shipping Registry for assistance from time to time in different parts of the world. While we always endeavour to respond pronto, geographical distance and time differences can be vexing. To provide shipowners with timely response and support at times of need, we are going to establish Regional Desks in

selected overseas and Mainland offices of the HKSAR Government. Together with the Marine Department Headquarters, these Regional Desks will render direct and prompt support to shipowners overseas, no matter where they are. We are working full steam to have our Regional Desks in London, Shanghai and Singapore ready to serve early next year. The network will then be gradually extended to cover Australia, North Asia and North America.

The Regional Desks will provide a suite of services such as ship registration and ship inspections. Most importantly, they can respond to Port State inspection and attend to other emergency situations as required. Among these Regional Desks, the one in London will assume another important strategic role – to enhance Hong Kong's presence in the International Maritime Organization (IMO). Together with a new expert team to be formed in the Marine Department Headquarters, our Regional Desk in London can take on a more active role in IMO's policy formulation, so as to enhance our overall influence and status in the international arena because Hong Kong is one of major maritime centres around the globe.

Indeed, talent is a common challenge to the entire maritime industry. Over the past few years, we have invested heavily in manpower development to nurture the young for the future of our maritime industry. Gladly, our efforts under the Maritime and Aviation Training Fund (MATF) are coming to fruition.

Over the years, the MATF has benefited around 7 000 students and practitioners, with 60 per cent coming from the maritime sector. This is a remarkable achievement in only five years' time. In particular, the Sea-going Training Incentive Scheme offers a monthly subsidy of \$6,000 to seagoing cadets. The Scheme has attracted a total of 246 cadets so far. Earlier this year, we have extended our financial support to cover cadets preparing for professional examinations ashore upon completion of their cadetship training. Those awaiting promotion to the officer rank after passing their examinations may also benefit. Upon injection of an additional \$200 million into the Maritime and Aviation Training Fund, we shall launch further initiatives for supporting our aspiring seafarers.

On our front, we are pleased to welcome on board our new blood – the first batch of Assistant Marine Officers and Assistant Surveyors of Ships are with us today. With the new blood joining the Marine Department and the new cadets joining the maritime industry, this would give us new strength and vigour to serve the maritime industry better. I would like to thank the Hong Kong Shipowners Association, my colleagues in the Marine Department and everyone here for continuing to groom our future generation. One day, they will be empowered to take the lead and carry forward.

Before closing, there is yet another facilitating measure that I would like to mention. We have listened to your voices that there might be room to streamline the procedures for issuing exemptions by the Marine Department. There are also suggestions that in addition to the Director himself, senior officers in the Marine Department should also be empowered to approve these exemptions. We have taken your advice seriously. Knowing that "every minute counts" to our ship owners, we are prepared to take forward the

legislative amendment to make this happen.

The initiatives I mentioned just now have one thing in common – they all demonstrate the Government's commitment to support the maritime industry as much as we can. They are certainly not exhaustive. As you are aware, we are also taking forward the work on tax incentives for ship leasing and dredging works for ultra large container ships. They are all progressing well and my colleagues will keep you posted.

Ladies and gentlemen, thank you once again for being with us today, and for contributing to the outstanding performance of our maritime industry. Given your unfailing support and dedication, I am sure Hong Kong will continue to shine. Last but not least, my warmest congratulations to the awardees, and best wishes to everyone here today. Thank you.