

Speech by STL at 4th Mare Forum Hong Kong 2023 (English only)

Following is the speech by the Secretary for Transport and Logistics, Mr Lam Sai-hung, at the 4th Mare Forum Hong Kong 2023 today (November 22):

Mr Kostoulas (Executive Director of Mare Forum International, Mr Georgios Kostoulas), Mr Brown (Corporate Affairs Director of Marine & Offshore, Bureau Veritas, Mr Nicholas Brown), distinguished guests, ladies and gentlemen,

Good afternoon. A warm welcome to you all from the maritime industry, both old and new, hailing from near and afar. It is my great pleasure to join the 4th Mare Forum Hong Kong which is making its long-awaited return after three years as a fully physical event. I am thrilled to have the opportunity to meet numerous prominent industry leaders and players from around the world at this esteemed gathering, which provides us with a platform to reconnect, brainstorm and shed light on way forward for the maritime industry.

The past few years have posed unprecedented challenges to our economy with the uncertainties in the geopolitical tensions, trade disputes and disruptions in the supply chain. And yet the industry has always risen above the storms with resilience. This year's theme "Challenges, Opportunities, Priorities, and Goals in 2024, 2030 and beyond" resonates strongly with the global maritime community to understand where we are and lead the way forward. Hong Kong, as well as the global maritime community, are back on stage and standing strong with a stable and favourable environment for business.

As the starter for today's rich programme, I am honoured to present to you the developments and boundless opportunities that beckon in Hong Kong for the international maritime industry, and how we actively serve as the maritime nodal point of Asia.

As one of the top 10 busiest international container ports in the world, Hong Kong has the capacity to handle over 20 million twenty-foot equivalent units (TEUs) of containers a year. It provides frequent and comprehensive liner shipping services with over 240 international container liner services per week connecting to over 460 destinations around the world. Apart from the superb infrastructure, we also have a vibrant maritime services cluster of more than 1 100 companies that are always ready to offer an array of quality maritime services, ranging from ship owning and ship finance to maritime insurance and legal services.

Our economic status as an international trade and shipping centre also lies in our superb geographical position of being the "super connector" between the Mainland and the rest of the world. Under "one country, two systems", Hong Kong is the only city in the world where the global advantage and China advantage converge, in which we enjoy the unique advantages of the

motherland's strong support and close connection with the world. The National 14th Five-Year Plan sets a clear direction for the development of Hong Kong and supports Hong Kong in enhancing its status as an international maritime centre.

As the southern gateway to Mainland China, we are intricately a part of the Greater Bay Area. The bay area is a cluster-city development encompassing ourselves, Macao and nine other cities in the southern part of China. With a population of over 86 million, the aggregate GDP (Gross Domestic Product) of the bay area's 11 cities has surpassed US\$1.9 trillion last year, equivalent to the tenth largest economy in the world. It is worth noting that this is just a part of the whole China market, which stands as the second-largest economy in the world.

In addition to our role as a "super connector", we are also wholeheartedly committed to becoming a "super value-adder". In the Policy Address delivered by our Chief Executive last month, we have introduced a new policy that allows foreign personnel of registered companies to apply for multiple-entry visas valid for two or more years to the Mainland, enabling you to conveniently access China while also benefiting from the extensive professional services we offer.

I am glad to see the significant emphasis placed on high value-added maritime services and maritime decarbonisation in the Mare Forum. These priorities are in perfect alignment with our ongoing efforts to lead the development of the maritime industry here. In fact, I am proud to let you know that we will be unveiling an action plan later this year to enhance high-end maritime services, facilitate transformation towards zero emissions, promote smart initiatives and digitalisation, and promote exchanges and collaboration among maritime industries in the Greater Bay Area and around the world.

We are always eager to attract more maritime companies to set foot in Hong Kong, particularly those providing high value-added maritime services. A series of supporting measures have been rolled out over the years. For example, we have introduced various tax concessions since 2020, including tax exemption for ship leasing and marine insurance businesses, as well as the half-rate profits tax concessions, that is a tax rate of 8.25 per cent for ship agents, ship managers and ship brokers.

Specifically, we have also been capitalising on Hong Kong's international position in maritime arbitration, as we are one of the four designated arbitration venues in the global standard maritime contracts of the BIMCO (Baltic and International Maritime Council). Additionally, Hong Kong is the only jurisdiction in the world that has a truly bilingual common law system, English and Chinese, and is the only common law jurisdiction in our country. We highly recommend all of you to choose Hong Kong as the seat of maritime arbitration to enjoy our excellent professional legal services with a robust legal system here.

In terms of grooming talent, we have injected \$200 million into the

Maritime and Aviation Training Fund to enhance the manpower development for high value-added maritime services in Hong Kong, in particular to meet the keen demand for Hong Kong's professional services arising from the development of the Greater Bay Area. The Maritime Services Traineeship Scheme was launched two months ago. We can expect more enhancement measures to come, such as increasing the subsidy amount, extending the subsidy period and expanding the scheme coverage within this financial year.

The Commissioner for Maritime and Port Development under my bureau will play a key role in co-ordinating efforts of various government departments and stakeholders. This role is specifically designed to drive maritime development from an industry-oriented perspective, especially professional services, and develop our maritime strengths in collaboration with the trade. These endeavours will contribute to expanding our maritime network and further promoting the development of high value-added maritime services.

While we strive to expand our maritime business, we never forget our commitment to sustainable development. We have long been promoting the development of green port through different measures and encouraging the industry to adopt more sustainable shipping initiatives. A series of new initiatives of promoting the use and supply of new energy in sea, land and air transport to foster green transformation of the trades have been put forward in the Policy Address delivered last month.

Specifically, the Government will study the feasibility of providing bunkering of green fuels such as liquefied natural gas (LNG), green methanol, hydrogen and ammonia, with a view to developing Hong Kong into a high-quality green fuel bunkering centre. An action plan will be promulgated next year for the construction of bunkering facilities and development of the associated supply chains. Meanwhile, we will be taking forward the preparatory work, including technical studies and installations, on providing LNG bunkering for ocean-going vessels.

I am confident that with the joint effort of the Government and the maritime industry, we will achieve our goals in leading the right way ahead to decarbonisation, including facilitating the transformation of global maritime and port business towards zero emissions. Together, we are committed to pioneering sustainable practices and driving positive change within the industry.

Ladies and gentlemen, your attendance at the Mare Forum Hong Kong today is a testament of Hong Kong's premier role as an international maritime centre. We will enhance our co-operation with various international maritime organisations, including the BIMCO and the International Chamber of Shipping in Hong Kong, as well as strengthening our role as a gateway for international maritime enterprises and organisations to enter the Mainland China market.

Closer to us, we will enhance logistics co-operation with other cities of the Greater Bay Area, so as to facilitate cargo transshipment via Hong Kong using the Hong Kong-Zhuhai-Macao Bridge. We will also prepare for the next

Greater Bay International Maritime Conference, and we are looking forward to seeing you there. Under the umbrella of the Greater Bay Area, Hong Kong will proactively integrate into the overall national development and generate new impetus for growth with abundant opportunities for our global maritime community.

Ladies and gentlemen, the vibrant and open society of Hong Kong, together with our business-friendly environment and super-connected network, makes us a superb ground for growing shipping and maritime business.

With the brightest minds here today, I earnestly await for your sharing and thank you once again for joining our week-long maritime journey. Wish you all a very fruitful forum. Thank you.