

# Speech by STL at business dinner with Japanese Shipowners' Association (English only) (with photo)

â€‹Following is the speech by the Secretary for Transport and Logistics, Mr Lam Sai-hung, at the business dinner with Japanese Shipowners' Association today (July 3):

Distinguished guests, ladies and gentlemen,

Kon-ban-wa (Good evening), good evening. It is great to see so many professionals and friends from the maritime community here in Japan. While I am bringing a Hong Kong maritime delegation, my special thanks goes to the Japanese Shipowners' Association for gathering our Japanese counterparts. Thank you, all, for joining us this evening.

Hong Kong and Japan share a longstanding relationship, with Japan ranking as Hong Kong's sixth largest trading partner and Hong Kong as Japan's 13th largest trading partner in 2022. In particular, Hong Kong has been one of the largest overseas markets for Japan's food and agricultural products, taking in about a quarter of all such exports from Japan to the world last year. Through our efficient logistics chain, produce sourced from your markets in the morning is served at dining tables in Hong Kong that evening. And with our world-class temperature controlled facilities, your produce is kept fresh wherever it is redistributed to.

In the past decade, there has been an obvious shift of international trade from the West to the East, and to Mainland China in particular. Speaking of Mainland opportunities, as we all know, Hong Kong is strategically located at the heart of Asia, offering a high level of international connectivity and serves as the gateway to China for overseas investors.

Hong Kong's institutional advantages

Hong Kong is positioned as the "super connector" between Mainland China and the global markets with good reasons. With our business-friendly environment, common law system, competitive tax regime, and excellent professional services, Hong Kong serves as a natural springboard for overseas companies to tap into the vast market in Mainland China.

Hong Kong's maritime cluster

Hong Kong is also home to a vibrant maritime cluster with over 1 100 port and maritime-related companies. We provide a great variety of quality maritime services, ranging from port services, ship owning, ship agency and management to ship broking, marine insurance, maritime legal and arbitration

services, marine surveying and classification societies, which I hope you all would find attractive.

Over the past few years, we have introduced a series of tax concession measures for the maritime industry. Notably for ship leasing, marine insurance, ship agency, ship management, shipbroking and so forth, the tax rate is halved, at 8.25 per cent. This year, we have also commenced a study on the potential enhancements of the tax concession measures.

#### Hong Kong shipping registry

We also take pride in our ship registration service. It ranks fourth, globally, in terms of gross tonnage, enjoying excellent reputation of high quality, with a low Port State Control detention rate. Regional desk services are offered in major ports of call such as Shanghai, London, Singapore, Sydney, San Francisco, Toronto and, of course, Tokyo, providing access to clients globally round the clock with extensive support, making our flag a favoured option for shipowners.

As a green initiative, we have set aside some US\$8 million to provide incentives for Hong Kong-registered ships that attain high ratings under the international standards on decarbonisation formulated by the International Maritime Organization (IMO). The incentive scheme was launched last week (June 28), making Hong Kong a pioneer flag administration supporting the IMO's green shipping policy on the Carbon Intensity Indicator.

#### Hong Kong Maritime Week 2024

I hope I have given you a glimpse of what Hong Kong has to offer, and let me take this opportunity to invite you all to join us in the Hong Kong Maritime Week 2024, which will be held from November 17 to 23 this year. It is a highly recognised global event in the trade, with many activities targeting international industry players, including conferences, seminars, visits, competitions and so on. We warmly welcome the Japanese maritime community to join the Hong Kong Maritime Week, where we will be able to meet the top leaders of the maritime industry from all around the world.

#### Closing

Both Japan and Hong Kong are the world's leading maritime centres, playing important roles in the sea trade routes in the Asia-Pacific region. I am confident that our two economies can work closer to achieve mutual benefits and prosperity in the years ahead.

Once again, may I thank everyone who takes the time to come to this dinner to make friends and explore different partnership opportunities with us tonight. I wish you all an enjoyable evening. Do-mo a-ri-ga-to-go-za-i-ma-su (Thank you very much). Thank you.

