

## **Some Thoughts on Hong Kong Maritime Industry**

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### **New Image of Hong Kong Maritime Industry**

Sadly, on the rare occasions that the subject of our port or shipping industry is mentioned other than after an accident the questions frequently asked by the media and general public alike are “Isn’t the maritime industry a segment of the logistics industry?” or “Isn’t Hong Kong’s Maritime Industry rather small being confined to local vessels, such as ferries, tugs, barges and pleasure vessels.?” These questions simply show the poor understanding the general public has towards the Hong Kong Maritime Industry (HKMI), lacking as it does the international dimension and global scale. This is not unusual in developed economies as the shipping industry has tended to prefer a low profile and few governments promote shipping in the manner of the UK of the past and today’s Denmark, Greece and, regionally, Singapore and Japan.

Even members of the HKMI have been heard to remark that “Hong Kong can’t maintain its status as an international maritime centre as nobody in Hong Kong is willing to work on board a ship.” or “Hong Kong can’t maintain its status as an international maritime centre as its container throughput no longer ranks the first in the world.” which unfortunately are seized on by the media as a headline of Hong Kong’s general decline. We live in a society of free speech but such views are not heard from other sectors. You never hear remarks, such as “Hong Kong’s real estate sector cannot sustain itself anymore as rents in Hong Kong are declining and estate agents are leaving the property management field.”

I have been in the maritime industry for more than 30 years, but it was not until ten years ago that I finally got a full understanding of the HKMI. In the past, I thought the HKMI was only comprised of shipbuilding, ship surveying and ship management. Like most of the HKMI members, I considered the sector I worked in was the core of the industry and the others the related ancillary sectors.

Nowadays, great importance is attached to image, transparency and communication. It seems that the above misunderstandings stem from the old image and lack of transparency of the industry. In my opinion, it is necessary to create a new image for the industry for public promotion and to enhance the transparency of the HKMI’s operation. Through interactive exchanges and promotional activities,

we can help the Hong Kong general public understand more about the HKMI and hence gain their support in various aspects (e.g. developing maritime related polices/legislations, getting a separate seat in LegCo to represent the HKMI, etc.).

After several decades of development, the HKMI has transformed itself from a conventional low tech industry into a high value, high tech, intellectual one. Presently, even the traditional ship and cargo handling operations involve high-tech control equipment and well qualified professionals, not to mention other intellectual sectors of the HKMI (e.g. ship management, ship financing, etc.). What's more, the industry is no longer dominated by men, as women have already filled up many legal and commercial posts in the HKMI. In fact, the HKMI has emerged as a high-technology industry in Hong Kong too. The brand-new image of the HKMI being intellectual, high- technology, and gender friendly will not only help raising the social status of personnel working in the HKMI, but also attracting more Hong Kong youngsters to join the industry.

### **First Step to the Maritime Industry**

In general, most of the members of the HKMI share the view that becoming a seafarer is the first step to the maritime industry. Yet such a concept might be outdated or even a major obstacle for the HKMI to bring in local young blood. Our new generation is not uninterested in the HKMI, but has reservations about working on board ships for years. Nowadays, the conventional maritime industry of Hong Kong has already turned into an intellectual one, focusing more on high value-added midstream or upstream services and less on downstream services.

These high value-added services include ship financing, maritime legal services, ship brokering, ship insurance or protection and indemnity insurance, average adjustment, ship management, etc. Among these services, only ship management companies requires sea-going professionals, which usually just take up a small percentage of the total number of staff employed by the companies. As for other services mentioned above, sea-going knowledge is more of a useful supplementary and can be acquired either through actual working experience or in-service training, therefore practitioners of these services need not possess long term sea-going experience. According to the recent manpower surveys carried out by the Vocational Training Council, there were about 95,000 jobs provided in the Hong Kong Transport Logistics Industry in 2006. Out of 95,000 jobs, only about 4,160 were of sea freight transport related jobs and less than 50% of the jobs require sea-going experience and

qualifications. In fact, the sea freight transport jobs included in the above survey represents the majority of HKMI jobs.

Getting academic training from navigation-related disciplines (e.g. marine engineering, nautical studies, etc.) is not a must for young people who are interested in HKMI. Instead, they can be graduates of commercial, legal or any other disciplines. In recent years, the Hong Kong Government has launched a number of incentive schemes aimed at training up local professionals to cater for the actual needs of our maritime industry. The launching of such schemes is an essential first step to meeting the long-term manpower demand of our industry. It is equally important that sectors of the HKMI are able to offer adequate in-service training/internship and promising career prospect to our new blood in the long run. As a short term measure to sustain the imminent need of the industry, the Government may extend further the Admission Scheme for Mainland Talents and Professionals to the sectors of the HKMI having recruitment difficulties in getting the local talents for their jobs.

### **Pull Together Personnel Serving in HKMI**

The primary maritime agency in Government is the Marine Department whose senior management is totally composed of ship-building and sea-going professionals. Given the background of its workforce and role and responsibilities it has traditionally focused on the safe operation of vessels with a secondary interest in associated maritime-related sectors and their operations, especially management of the Shipping Registry. Under this circumstance, ship-building and sea-going professionals have gradually become the pivot of the HKMI, thus losing focus on personnel serving in other maritime-related sectors. As such, the later resorted to establish individual Associations to maintain connection with their fellow practitioners and strive for better development prospects within the HKMI.

Furthermore, there has been no solidarity among ship-building and sea-going professionals too. It was not rare to see arguments between seafaring and non-seafaring staff or conflicts between deck officers and engineer officers. However, with the efforts of open-minded Government authorities and the concerted parties in recent years, the abovementioned conflicts and zero cooperation among different Associations have improved significantly. Through the development and promotion of the Hong Kong Shipping Register in the past few years, the Government has pulled together different sectors of the HKMI for achieving common goals and organized

joint activities which were constructive to the industry.

Basically, HKMI can be divided into two large segments – technical and commercial. The operation of any maritime-related service requires the cooperation between technical and commercial personnel. Thus, members of the HKMI should join hands to make contribution to the industry, irrespective of who is of higher importance to the industry. Moreover, in the past, emphasis and resources were mainly placed onto tackling the technical issues (i.e. new ILO/IMO requirements and their related matters). However, there have been commercial issues affecting very much the development of the HKMI. These issues include a user-friendly taxation system for shipping, Avoidance of Double Taxation Agreement with other nations and dual flag registration system, which are equally important as the ILO/IMO requirements. They should also be dealt with by the joint effort of the Government and the HKMI sectors in an appropriate and timely manner.

Regarding the work on uniting various sectors of the HKMI for challenges ahead and common goals, we should not rely heavily on the Government to take the lead. The industry itself needs to play its part by formulating measures for new challenges and setting common goals to properly introduce the HKMI to the general public and to promote to the world the advantages of using Hong Kong as a base for developing maritime business. Although the Government does not play a leading role in it, they can provide the industry with various kinds of assistance, including financial support, usage of Government facilities, etc. A good example was set by the Hong Kong Shipowners Association who took the lead to organise the “Maritime Week” a few years ago.

Finally, the establishment of the Institute of Seatransport has provided the professionals of each sector within the industry a good platform for communication and exchange views on maritime business. In the future, the Institute of Seatransport will make plans for uniting various sectors of the HKMI and upholding the team spirit.

### **Proposals by The Institute**

Recognizing the needs and to the end of re-shaping the HKMI image and attracting young local talents from various disciplines to join the industry, the Institute would like to propose the following to the Maritime Industry Council (MIC) for their support:

- a. Video production targeting the general public, especially the young generation, that the HKMI is a very challenging and promising career field not limited to a seagoing career dominated by male gender;
- b. Promotional activities to target university/college graduates of the disciplines other than maritime related ones; and to arrange short-term seagoing training for these graduates;
- c. Organizing familiarization programmes/internship for the university or college students interested in joining the HKMI; and arranging for them in-service training berths in various sectors of the HKMI; and
- d. Organizing various activities (talks, social gatherings, visits, etc.) for the new generation of the HKMI on a regular basis to foster sense of belonging and good working relationship among different sectors of the HKMI.

Subject to the MIC's approval in principle for assistance in terms of financial, policy support and provision of government facilities to the Institute to execute the proposals, the Institute will roll out a detailed plan for further consideration and action.

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