

THE HONG KONG MARITIME HUB: FOUR YEARS OF FORWARD MOMENTUM





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FOUR YEARS OF FORWARD MOMENTUM



Over the past four years, the Hong Kong Maritime and Port Board has spearheaded the development of Hong Kong's maritime and port industry. We are now one of the world's largest shipping communities, with around 10 per cent of the world's merchant fleet. We are proud of our vibrant maritime cluster which provides a comprehensive range of maritime services, from ship management, ship finance, legal and arbitration services, to insurance, ship agency, and many others. As we sail through rough waters, our longstanding maritime DNA helps Hong Kong stand out amidst global economic downturn.

With robust institutional strengths in professional services, Hong Kong's full potential as an international maritime hub lies in value-added maritime services. We are taking forward a broad range of initiatives on this front. These include tax concessions for ship leasing and maritime insurance, support measures for maritime arbitration and training sectors, as well as promoting our maritime services overseas.

These measures will not only bolster our maritime and port industry, but also present a strong incentive for business partners to establish presence in Hong Kong.

The members of the Hong Kong Maritime and Port Board have travelled far in the past 12 months. Most notably to Scandinavia, the UK and Mainland China. By sharing experiences, we have learned much from each other. Over the

years, we have laid a solid foundation for fruitful cooperation with all our partners in the years ahead.

Hong Kong Maritime Week is our annual flagship event of industry promotion organised by the Board with steadfast support from our partners, in particular the Hong Kong Shipowners Association, the Hong Kong Maritime Museum, the Hong Kong Trade Development Council and Invest Hong Kong.

Our thanks go to the many businesses and organisations that will collectively present about 50 exciting activities, including conferences, forums and seminars, corporate activities and ceremonies, visits, competitions, exhibitions as well as a family fun day.

This year, we are pleased to bring back globally renowned institutions such as Lloyd's List and Mare Forum to our shores, and welcome Capital Link for its inaugural event at Hong Kong Maritime Week.

I also take this opportunity to extend my heartfelt gratitude to Members of the Board and all those who have contributed in making the Hong Kong Maritime Week 2019 a continued success since 2016.

Chan Fan, Frank JP
Chairman of the Hong Kong Maritime and Port Board
Secretary for Transport and Housing
Hong Kong Special Administrative Region Government

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Innovation, prizes, fun

HKMPB'S POSITIVE IMPACT GATHERS MOMENTUM

The chairpersons of the HKMPB's three committees reflect on past achievements and forecast future developments

MARITIME AND PORT DEVELOPMENT COMMITTEE (MPDC)

In the realms of recent Hong Kong maritime history the Hong Kong Chief Executive's 2018 policy address will be remembered as an important milestone in the enhancement of the territory's aspirations as a premier shipping centre. The outline of the proposals made in the policy address and the subsequent work involved in implementing them are as follows:

SHIP LEASING

An important component of the policy address was the recommendation that a favourable tax regime be implemented for ship leasing companies operating in Hong Kong. This incentive will be offered as an additional attraction for such institutions to set up business in the territory.

Subsequently, a Task Force on Ship Leasing has been set up under the Hong Kong Maritime and Port Board (HKMPB) to devise the envisioned new tax regime and guide it toward implementation.

The Task Force has drawn upon experts from relevant fields as well as Government Officials from the Transport and Housing Bureau, the Tax Reform Unit under the Financial Secretary's Office and the Inland Revenue Department.



Chairman of the Maritime and Port Development Committee, Andy Tung

The set agenda of the Task Force includes formulating details of the tax proposals to promote ship leasing and estimating the economic impact of implementing the measures.

The new regime is being devised with a clear sense of what is being promoted to the maritime sector within the jurisdictions of major competitors in the region, with the aim of arriving at an initiative that will be thoroughly competitive, and thereby enhance Hong Kong's attractiveness and position as a ship leasing centre in the Asia-Pacific region.

The Task Force's recommendation has been submitted and discussed at the HKMPB meeting on 3 September 2019, with the target for introducing the relevant amendment bill into the Legislative Council within the 2019-20 legislative session.

MARINE INSURANCE

In a similar approach to that taken for ship leasing firms, it has been proposed that marine insurance, as a vital component in any maritime cluster, will be afforded special tax concessions in line with the 2018 Policy Address.

The Financial Services and Treasury Bureau, Insurance Authority and Inland Revenue Department are formulating the legislative proposals to provide tax relief at 50% of the profits tax rate to promote the development of marine insurance and the underwriting of specialty risks in Hong Kong. The relief will also cover insurance brokers placing business to the Hong Kong market. The target is to introduce the relevant amendment bill into LegCo within the 2019-20 legislative session.

HONG KONG SHIPPING REGISTRY

Mr Tung says that he and his fellow members of the HKMPB have been impressed and grateful to the Marine Department for its response to the requests for reform by shipowners with tonnage entered on the Hong Kong Shipping Registry (HKSR).

Earlier this year, the HKSR announced it will be extending its geographical presence by setting up Regional Desks in selected overseas and Mainland Economic and Trade Offices.

"This initiative will provide more direct and prompt support for the Hong Kong registered ships at ports outside Hong Kong, further strengthening the services the Registry could render to vessels with the Hong Kong flag. Staff at these regional offices will also offer technical advice and provide on-site handling of ship registration, port state inspection or other emergency matters. As a start, the first batch of Regional Desks will be set



up in London, Shanghai and Singapore by early 2020," he says.

FURTHER REFORM

At the suggestion of the Chief Executive the MPDC has also been tasked with implementing additional measures to lure maritime businesses to Hong Kong. Andy Tung, chairman of the MPDC relates some of the Committee's chief targets and suggested tactics in fulfilling the brief.

"As I think you would agree, commercial principals, such as shipowners, ship operators and ship managers as well as commodity traders, are the engine of a maritime cluster as they will generate business demand for sea-transportation and related maritime services," Mr Tung suggests.

"In the past one to two decades, we have noticed that our neighbouring cities or countries are actively attracting commercial principals to operate within their maritime centres. I believe it is the correct move for the Hong Kong Government to explore and devise suitable and attractive measures targeting these shipping principals to set up a presence in Hong Kong. The special treatment afforded to ship leasing companies in Hong Kong is one such example of helping to create a conducive environment for the principals we are seeking to attract to the territory.

"Such measures are particularly relevant under the current global economic environment arising from, among other things, the increasing trade tensions between the US and China, which are the top two trading partners of Hong Kong," he adds.

An important component of the policy address was the recommendation that a favourable tax regime be implemented for ship leasing companies operating in Hong Kong

THE PORT OF HONG KONG

In recent years the Port of Hong Kong has seen a decline in container volumes. In a bid to boost its competitiveness four of the main operators have formed a working alliance [The Seaport Alliance]. It is thought that with the ongoing assistance of the Hong Kong Government the port will make gains in the short to medium term.

Mr Tung comments:

"The Seaport Alliance is an important step because it will enhance the efficiency of the land being used. But my guess is that it's more important that you get the right shape footprint in the right location. Therefore, we shall continue to be supportive of the Port's need for additional back up land. These measures are particularly relevant and important to Hong Kong in view of our transshipment role given that transshipment cargoes, relative to direct cargos, often are more in need of the support of port back-up land during their transit."

In this regard, Mr Tung adds: "I understand that the Government, in line with a policy set some years ago, has been progressively implementing port enhancement measures, including the provision of additional terminal yard space and barge berths in phases to increase the container handling capacity of the Kwai Tsing Container Terminals and the better use of port back-up land. And going forward the Government remains committed to maintaining the competitiveness of the Hong Kong Port."

However, Mr Tung and the MPDC are fully aware of the challenges ahead both regionally and internationally.

"The US and China are Hong Kong's top two trading partners, and respectively the world's largest and second largest economy. The tension between these two economies has already and inevitably impacted our trade performance. Our total exports of goods in the first eight months of 2019 have decreased by 4.3% year-on-year. Performance of our shipping is affected likewise: the total container throughput of Hong Kong Port has fallen by some 7% over the same period.

"But against these challenges there are positives that should ensure that Hong Kong's maritime and port industries can ride out the challenges, given that Asia remains an important growth driver for the global economy. Meanwhile, the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development will bring enormous opportunities for all commercial sectors, including shipping. With our strong competitive edge, Hong Kong is well positioned geographically to leverage on the eastward shift of the global economic centre of gravity and continue to be an ideal location for conducting businesses," Mr Tung confidently maintains.

These important advantages have been driven by the Chinese Government and Hong Kong has been invited to participate in what amounts to a further opportunity for the territory to cement its reputation as a premier maritime and finance centre. At the same time, it has been vital for Hong Kong to originate its own policies to further facilitate an advantageous environment for the maritime sector.

"Since its establishment in 2016, the HKMPB has been working proactively to fulfil our vision. In fact, many of the initiatives would not have been successful if we had not received the invaluable views, staunch support and contribution of the HKMPB members," says Mr Tung.

The key initiatives in which the HKMPB has played a role in introducing and implementing include:

- the proposed tax measure for ship leasing business in the pipeline;
- the immigration arrangement to facilitate non-local contract seamen on board of a ship in Hong Kong to extend their stay due to unforeseeable circumstances;
- the enhancement measures of and new funding injection to the MATF;
- the organisation of the Hong Kong Maritime Week; and
- the multiple promotional visits that enabled us to learn about best practice of our counterpart and facilitate communication and cooperation with maritime centres worldwide.

"Nevertheless, we are cautious about the impact of the evolving global political and economic landscape and the immense competition from neighbouring ports and maritime cities on international shipping business and Hong Kong's maritime industry.

"I hope and I trust that the Government will continue to count on the HKMPB's support in devising and implementing policies and measures that help stimulate further growth of the port, shipping sector and high value-added maritime services in Hong Kong," Mr Tung concludes.

MANPOWER DEVELOPMENT COMMITTEE (MDC)

The most important news item at the MDC this year has been the doubling of the monies made available to the Maritime and Aviation Fund (MATF) in May.

Commenting on this major development, the chairman of MDC says: "On the manpower front, a funding of HK\$200 million was injected into the MATF in May this year to support its continued operation and implementation of enhancement measures and new initiatives.

"We anticipate that the industry organisations and associations would fully make use of the funding to nurture talents to meet the manpower demand of the industry and to enhance the image of the maritime industry."

Mr Lin maintains that even with the large increase in funding the MDC will continue to approach the matter of eligibility for funding in a prudent manner to ensure that funds are deployed in the most essential areas of manpower development.

From time to time, the MDC has received funding applications with different purposes and targets from the industry organisations/associations. "When the MDC process the funding of sponsorship applications, the Committee will consider if the concerned applications could achieve the objectives of the MATF, i.e. (i) attracting more new blood to expand the pool of talent; (ii) diversifying expertise of the workforce to meet manpower demands of the maritime sector, especially high value-added services; and (iii) enhancing the overall competency and professionalism of the sector.

"As regards the application for funding for organising promotional and outreaching programmes, it should demonstrate that the programmes can raise the awareness of the maritime sector among young people and members of the general public and/or enhance the image of the industry," he adds.



Chairman of the Manpower Development Committee, Willy Lin

With over 800 companies offering a full range of quality maritime services, the MDC is tasked with offering assistance to a very broad range of talents both experienced and nascent.

"To support the sustainable development of the maritime industry", says Mr Lin, "it is important to raise the competency of practitioners and groom more talents for the various sectors.



Students participating in the Maritime and Aviation Internship Scheme 2019 under MATF tapped the opportunities to share their internship experiences with representatives from the HKMPB and educational institutions during the Cocktail Reception held in July. By participating in the Internship Scheme, students gained exposure to the wide spectrum of career opportunities and better understood the career prospects of various positions. It is hoped that they will be the new blood for the maritime industry!

With over 800 companies offering a full range of quality maritime services, the MDC is tasked with offering assistance to a very broad range of talents both experienced and nascent.

"In order to build up a vibrant and competitive talent pool for the maritime industry, we have dedicated our effort to the manpower development for the seafaring sectors (including local vessel trade, river-trade and ocean-going sector) and the high-value added maritime services sectors (including but not limited to maritime law, marine insurance, ship finance and ship management, etc.).

"Notwithstanding the availability of relevant education and training, our young generation is not particularly interested in joining the seafaring sector and this perception is no less common among the parents. To help alleviate the situation, we have implemented various training incentive schemes, scholarship schemes and subsidy schemes under MATF in conjunction with promotion and outreach measures, such as exhibitions, career talks and production of career videos, etc.," says Mr Lin.

Embracing the opportunities brought by the Belt & Road Initiative and the Greater Bay Area development, and capitalising on Hong Kong's unique strengths, the MDC will continue to explore measures to support and enhance the development of high value-added maritime services. This includes enhancing the training and nurturing of talent for each of the sectors and raising the competency of practitioners.

WIDENING THE PARTICIPATION AMBIT OF MATF

Going forward, MDC has proven itself open to appeals from industry, most notably the Hong Kong Shipowners Association, to widen the ambit of MATF funding. For instance, a sponsorship has been approved for the Hong Kong Shipowners

Association to support 30 young shipping professionals and executives participating in the 2019 Annual General Meeting of the Asian Shipowners' Association held in Thailand.

"It was extremely valuable for young shipping executives to have chance of interacting with over 200 delegates from all across Asia, where they exchanged ideas and information with delegates from other participating countries, enhancing their knowledge and extending their network," explains Mr Lin.

Apart from training programmes, the MATF has also been providing financial support to maritime-related organisations or professional bodies to organise promotional and outreaching programmes to raise the awareness of the maritime sector among young people and members of the general public, promote various aspects of the maritime industry and attract more new talent to join the industry," he says.

CROSS-BORDER COOPERATION

Cooperation with Institutes of Mainland China has from the start been one of the main pillars of MDC's manpower development programme and the MATF. The cross-border cooperation in terms of manpower development in place includes the University of Hong Kong – Dalian Maritime University Academic Collaboration Scheme and the University of Hong Kong – Shanghai Maritime University Academic Collaboration Scheme.

"The schemes aim to nurture professionals in maritime law by providing common law training to professionals who are well-versed in the Mainland legal system and operating model of the maritime sector. The trained professionals can contribute

to the maritime industries of Hong Kong and Mainland China as well as enhance the link and development of the maritime sectors in both places," explains Mr Lin.

"On the seafaring training aspect, MDC has approved the sponsorships for on-board training programmes organised by maritime-related organisations in collaboration with maritime universities in the Mainland China. Local seafaring students thus then are provided with the opportunities of on-board training opportunities and exchange with students from the Mainland China," He adds.

MDC welcomes new ideas and projects, including those organised in collaboration with other maritime cities or training institutions thereat, as long as they can benefit the maritime talents in Hong Kong and are in line with the ambit of MATF.

FURTHER EXCITING DEVELOPMENTS IN THE PIPELINE

MDC has earlier endorsed the implementation of the new Local Vessel Competency Enhancement Scheme (LVCES) which is expected to be launched within 2019-20.

The local vessel trade is supporting the maritime industry in Hong Kong but has been facing difficulties in recruiting coxswains, engine operators and deck/engine ratings to serve on board. Notwithstanding the implementation of the Local Vessel Trade Training Incentive Scheme since 2014 which aimed to attract new blood to join the workforce and to incentivise deck/engine ratings to acquire the first professional qualifications at a maximum of \$30,000 per person in total, there was a general lack of incentive for in-service practitioners to acquire higher qualifications.

To introduce further incentive to encourage in-service local practitioners to take examinations for higher qualifications, the new LVCES will offer a one-off financial incentive of \$12,000 to any Grade 3 Certificate of Competency (CoC) holder who passed the examination and successfully obtained the relevant Grade

2 CoC. With the higher professional qualifications, they could perform in a larger variety of jobs in the industry and would be in a better position to move up the ladder.

The MDC will consider introducing further enhancement measures to existing MATF schemes, as well as launching new initiatives and sponsoring more promotion activities on maritime industry for reaching out to the younger generations and the community at large. Enhancement measures may include, among others, increasing the subsidy level of some of the existing schemes. Creation of new scholarship awards are also under active discussion with respective training institutions.

PROMOTION AND EXTERNAL RELATIONS COMMITTEE (PEC)

It has been a hectic 12 months for the members of the PEC as they promote the extraordinary benefits of the Hong Kong maritime environment to overseas and mainland Chinese businesses and professionals. Meanwhile at home, everything is set for the crowning achievement – the 4th Hong Kong Maritime Week (17-23 November).

The PEC, under the Hong Kong Maritime and Port Board (HKMPB) has been working proactively to publicise the territory's strong and vibrant maritime cluster while establishing ties with other maritime communities, including Maritime London, the Danish Maritime Authority and its Mainland counterparts.

PEC chairman Agnes Choi relates the efforts of the Committee and their effectiveness:

"With the continuous support of the members of the maritime cluster and our working partners, the Hong Kong Maritime Week (HKMW) has been very well received by the industry and community, and gained prominence both locally and internationally. It serves as an effective platform to promote our maritime industry, in particular the high value-added maritime services.



Chairman of the Promotion and External Relations Committee, Agnes Choi

"Moreover, through organisation of promotion visits and participation in large-scale international maritime exhibitions, Hong Kong's status as an international maritime centre and gateway to China has been highlighted and reinforced," she explains.

"Meetings and networking events with overseas and mainland stakeholders during promotion visits have affirmed

Hong Kong's status in the maritime industry of the Asia-Pacific region, particularly in light of the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), which further support our continuous work to foster the development of high-end maritime services." she adds.

HKMPB ON THE ROAD

The Secretary for Transport and Housing, who is also the Chairman of the HKMPB and the Hong Kong Logistics Development Council, led a joint delegation to visit Guangxi in January this year. The visit was organised in view of the business potentials in Guangxi arising from the New Land-Sea Trade Channel initiative ("西部陸海新通道"). The delegation was provided with a holistic grasp of the implementation progress and future opportunities induced by the continuous development of Guangxi and the New Trade Channel which serves as a driving force to boost trade flows between China and ASEAN.

Having considered the high concentration of shipowners and shipping principals and the advanced developments in shipping technologies in Denmark and



The HKMPB delegation visited an award-winning hybrid electric sightseeing vessel, "Vision of the Fjords" in Oslo, Norway

Our partners overseas and on the Mainland have shown interest in the work undertaken by the Government throughout the year to formulate and implement new maritime initiatives.

Norway, the Secretary for Transport and Housing led another HKMPB delegation to visit Copenhagen, Oslo and Bergen in March this year where they met with some 20 organisations in the three cities. Through the visits to three green vessels and meetings with their operators, the delegation gained a more comprehensive understanding of the initiatives being taken forward by the Danish and Norwegian Governments and maritime sectors in advocating green and sustainable shipping, such as the infrastructure requirement, directions of future development, etc.

In September, the Secretary for Transport and Housing renewed old acquaintances in the UK maritime community during a visit to London where he participated in the London International Shipping Week.

“Our partners overseas and on the Mainland have shown a great deal of interest in the work undertaken by the Government throughout the year to formulate and implement new maritime initiatives. These include devising tax measures to foster ship leasing and marine insurance business, offering facilitating measures for maritime dispute resolution services, enhancing the services of the Hong Kong Shipping Registry by setting up Regional Desks, as well as investing more in maritime training and education.

“The international maritime community generally welcomes and supports the new initiatives. They show appreciation towards the Government’s commitment and efforts in stimulating the growth of the maritime sector and are keen to

capture any business opportunities,” adds Ms Choi.

Looking ahead, Ms Choi says that the PEC will continue to work with the Government in promoting the maritime trade to both the Mainland and overseas. For instance, as with past practice, HKMPB will continue to take part in the Marintec China exhibition in Shanghai to publicise our strengths and potential as an international maritime centre; as well as call on major shipping institutions and enterprises there to reinforce connections and explore room for further collaborations.

HONG KONG MARITIME WEEK 2019

Most immediately the PEC is eager to see the fruition of many months work in organizing and coordinating the Hong Kong Maritime Week 2019 (17-23 November), with its diversified and comprehensive range of themes and activities.

This year, the grand opening of HKMW 2019 will take place at the Hong Kong Convention and Exhibition Centre on 18 November, followed by the inaugural Capital Link Hong Kong Maritime Forum.

The anchor event, Asian Logistics and Maritime Conference, will be held on 19-20 November.

“We are delighted that the International Chamber of Shipping (ICS) has decided to establish its Asian office in Hong Kong, which is also the association’s first liaison office outside London,” says Ms Choi.

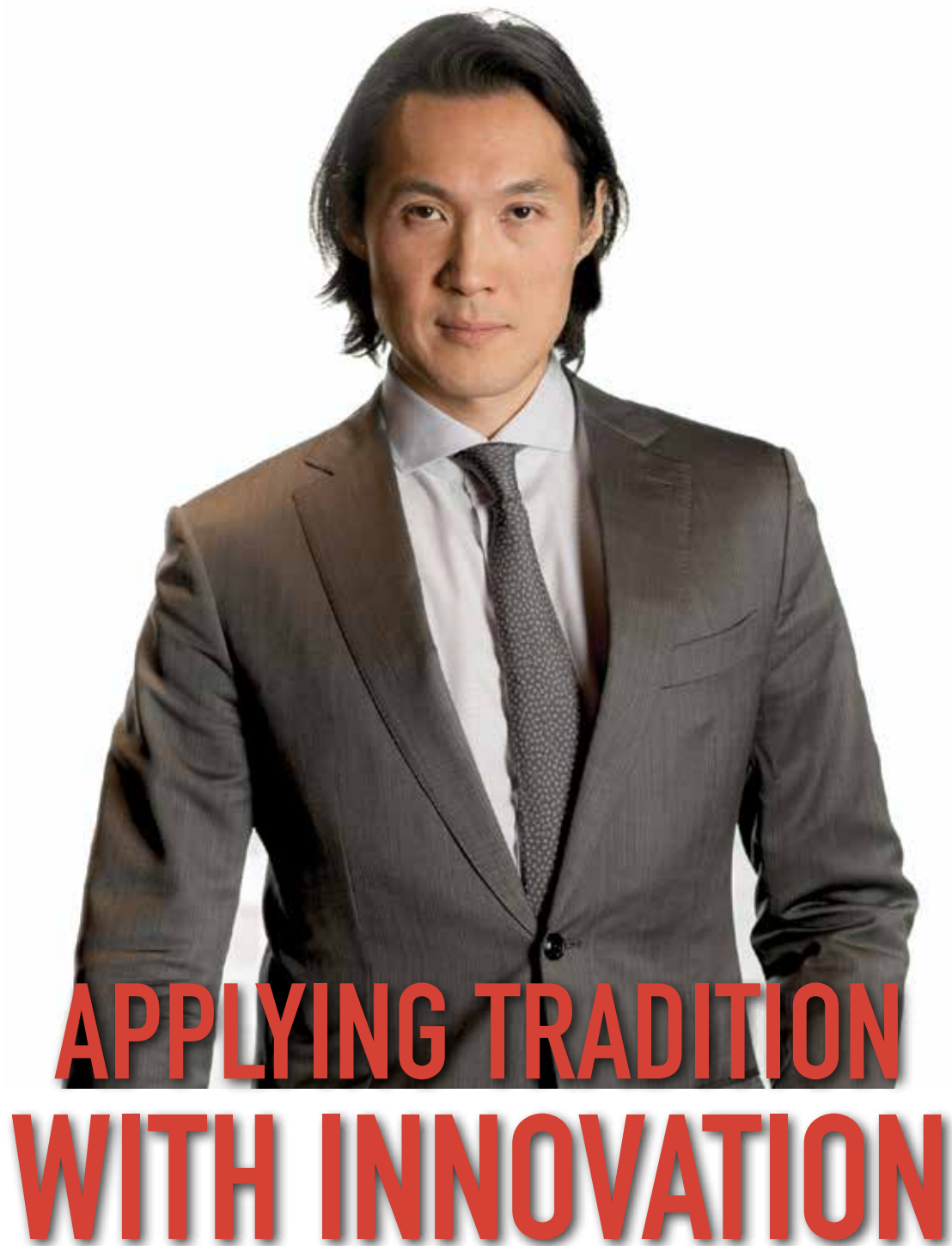
To mark the occasion, the Hong Kong Shipowners Association will organise a grand launch ceremony together with its annual general meeting during the Week on 21 November. To arouse the interest of young people and start-ups in maritime business, the Young Professionals in Shipping Network (Hong Kong) has launched a global start-up competition “The Captain’s Table” with the live final and awards presentation staged on 19 November.

“We are grateful that the industry and community are supportive of the event. We have received proposals for about 50 activities to be staged by over 50 local and overseas industry organisations and professional associations (including DNV GL, Lloyd’s List, Mare Forum, Maritime CEO, etc.) in HKMW 2019,” exclaims Ms Choi.

During the Week, both international and local industry luminaries and professionals will gather in a wide array of activities, ranging from conferences, forums, seminars to corporate activities and ceremonies. In addition, there will be exciting and educational programmes like visits, competitions, exhibitions and family fun day designated for the young talents and students to arouse their interests in pursuing careers in the maritime industry.

In terms of long-term results for the sustainability of Hong Kong’s thriving maritime community the PEC is immensely gratified that, according to InvestHK, in the past three years, over 20 overseas and Mainland shipping-related companies and enterprises have set up offices or regional headquarters, or expanded their businesses in Hong Kong.

Indeed, Hong Kong has also attracted the presence of renowned international organisations, such as the International Union of Marine Insurance, which has set up its Asian hub in Hong Kong in 2016; and the International Chamber of Shipping.



Wah Kwong's executive chairman, Hing Chao, is a leading shipowner and a champion for Chinese culture

On the surface Hing Chao is the archetypal dynastic shipowner. But the truth is far more complex and interesting than that. Born into one of the most famous of Hong Kong's dynastic shipping companies, Wah Kwong, Hing took a circuitous route to his current position as executive chairman of the company.

From a very early age he was surrounded by the world of shipping as his father, George Chao took every opportunity to introduce his young son to industry luminaries at soirees and on days out.

EARLY INFLUENCES

Growing up, Hing would have been conscious that the family was often subject to a good deal of public attention. His mother Lily had been one of the most successful Mandarin film stars in a career that spanned the 1960s. Some of her more prominent roles were in wuxia style martial arts films such as *Angel with an Iron Fist* (1966).

Meanwhile, George was no ordinary low-profile private shipowner. Instead, with a sharp eye on the wider picture he was an effective advocate for the industry and Hong Kong's role in it. Among the roles he undertook with enthusiasm was chairman of the Bureau Veritas Asia and Australia Committee, chairman of the Maritime Services Training Board, chairman of the Port Welfare Committee, and chairman of the Hong Kong Shipowners Committee (HKSOA).

As early as 2010, George foresaw the need for Hong Kong's maritime sector to be overseen by a statutory body when he made several proposals for government action including the creation of a dedicated shipping minister or the upgrading of the Marine Department into a policy bureau. To date the Hong Kong Government has only gone halfway in meeting this popular reform proposal with the establishment of the Hong Kong Maritime and Port Board in 2016.

In 2002, Wah Kwong welcomed Hing's eldest sister, Sabrina. Having studied Maths and Management at Imperial College



Hing Chao among the Orochen

London, and following stints at Jardine Fleming and PricewaterhouseCoppers, Sabrina took to the family business like a sleek vessel to water. By 2007, she had taken up the role of vice chairman of the company, then eventually assumed the chairman's post in 2012.

Following in the steps of her father, Sabrina became the first woman chairman of the HKSOA from 2015-2017, as well as taking positions in innumerable other NGOs and industry associations such as Hong Kong's Financial Services Development Council, which during her tenure called for a radical shake up of the Hong Kong Maritime Cluster, including an upgrading of the HKMPB to a policy bureau. Just months before she stepped down as head of Wah Kwong she was elected president designate of BIMCO. Sabrina will take up the presidential post in 2021.

Both Hing and Sabrina maintain that in their years to adulthood their father gave them carte blanche. It is probably true to say that Hing took this to heart more than his sister. Hing read philosophy at Durham University, which is unusual among shipowners despite Greeks and Chinese forming the backbone of today's world shipping community. And while it is true that he formed a dalliance with the family firm not long after graduation his thoughts were set on a life less material.



Hing Chao on board Wah Kwong's Great Venture

A JOURNEY

After spending a year at Peking University, his Chinese was workable enough to fulfil an ambition to head to the far north of China, and experience a revelation that would benefit many up until today.

"My encounter with the nomadic people of Inner Mongolia came out of the blue because I had no prior exposure to them except what I had read. But I had always had a fascination with them since I was very young," he says.

"I completely fell in love with everything I saw, the landscape and the people. It had a very profound effect on me. As a person I felt that I was in touch with a part of myself that I was previously unaware of. I saw much that was beautiful about the culture, the relationship with nature and the fact that they were still very much in touch with what I consider to be the important thing in life – the lesson of giving."

Hing's encounter with the Orochen, a population of around 80,000 people, would not be that of an idle gap-year student. He saw that beneath the beauty of a unique culture, was the stark reality of abject poverty and government neglect. It was also evident that the Orochen blood and traditions was being diluted as members of the tribe interbred with other more dominant groups.



A moment's relaxation at Wah Kwong headquarters

"I realised their culture was vanishing before our eyes, and given how difficult the living conditions were and how much of the culture that is now vanishing was so vibrant only a few decades ago, I felt that something had to be done to either reverse the trend, or to document as much as we could so that one day, if circumstances were to change, if the government was more favourable or the people had more interest there could be a way to revitalise the culture."

Sometime after his return to Hong Kong, and with the support of his father, Hing started his first charity supporting the Orochen – the Orochen Foundation – which is still active today.

By 2008, family concerns, and his father's desire that his family be closer (sadly George was to suffer a second stroke a year later) shifted Hing's focus to Hong Kong but not to shipping.

"At this time my career was still following a cultural trajectory," he explains.

"As with my experience in China I saw a cultural shift occurring in Hong Kong and the inheritance and dissemination of this culture – Chinese martial arts - which is another area that I have done a lot of work on since 2008," he says.

"I started an association dedicated to preserving Chinese martial arts and have subsequently published several

books, written newspaper articles and generally I think I am quite well recognised internationally for my efforts in preserving martial arts, particularly in my use of new technology, employing digital tools etc. Hong Kong was and still is at a crossroads in this respect."

THE RETURN

The famous martial arts expert and film star Bruce Lee once called on practitioners to "be water". A more ancient aphorism is the observation that "blood is thicker than water". At last the call came, as it has been with many of the progeny of Hong Kong's dynastic shipping families. Hing answered and rejoined Wah Kwong shortly before his father passed away in 2016.

"It took me a few years to ease back into the business," he says. A period he spent observing the market and noting how Wah Kwong had ridden through the cycles. Approaching the business with fresh eyes, ideas began to germinate that would transform a 70-year old traditional shipping company. By applying innovation to tradition in the same way he had done in his cultural endeavours. He would surprise the market.

"As Wah Kwong we have nearly 70 years of experience in the shipping industry. There are many things that we do well, not only as a shipowner by making the correct business decisions which has

enabled us to generate wealth and ensure the survival of the company through all the troughs and highs. But we also have significant knowhow in dealing with shipyards, in management of ships, and in day-to-day operations.

"I realised that we should learn how to create value out of this expertise. This could add to our revenue stream and make the overall business model more robust in the face of the uncertainties of the market.

"At around the same time we were being approached by shipyards and by leasing companies, to assist them with building supervision or ship management services. It was a very natural evolution for Wah Kwong. We saw our expertise being valued by our good friends and that there was an opportunity to do a lot more at a time when Chinese shipping companies, Chinese shipyards and Chinese leasing companies are playing an increasingly important role. These companies know Wah Kwong very well. We have gained their confidence and trust through years of partnership."

Struck by the innate potential of the company's practices, Hing has gradually articulated a more structured form of what the company means when it says it is pursuing asset light business.

"Under my management we have divided Wah Kwong into two business units, the

BRITANNIA P&I CLUB THINKING GLOBALLY ACTING LOCALLY

CONGRATULATIONS ON THE LAUNCH OF THE ICS (CHINA) LAISON OFFICE
AND PROUDLY SUPPORTING HONG KONG MARITIME WEEK 2019



PROFILE

traditional ship owning and commercial activities under William Fairclough, who has recently been promoted to managing director, and the other side of the business, which we call shipping asset management, under Captain J F Zhou, who is joint managing director, it is effectively ship management plus.

"This includes newbuilding services, operational management, and if necessary, the provision of commercial management.

"I see a lot of potential in both sides of the business. And I see a lot of synergy between the two. The one brings benefits to the other," he concludes.

Over the next couple of years Wah Kwong will be looking to hire an additional 700 seafarers.

"We are expanding our team in Qingdao, and we are looking to open a new office in the Greater Bay area as a location for the main branch office in China. We are also eyeing opportunities with other shipowners and the local authorities to expand our training facilities," he says.

On the asset management side, Wah Kwong is currently at 37 ships, but expects that to reach 60 vessels by the end of 2021.

"My expectation is that we will reach 80 vessels within five years, when half the fleet will probably be operated from Hong Kong and half from the China branch."

Wah Kwong asset management represents a small part of Wah Kwong's core business in terms of revenue and this will likely remain the case in the foreseeable future. Meanwhile the company will continue to invest in assets and continue to renew the fleet.

"We will develop more partnerships. My father was always big on partnerships and we still have partners in the US, Europe and of course in Asia. I think that given the uncertainties in the market and that a lot of shipowners are much



A Chao family gathering

more conservative in their approach to shipping, partnerships will give us a tool to access the market quickly," says Hing.

Hong Kong's maritime centre

Like his father and his sister, Hing believes that Hong Kong has a great future as premier maritime centre.

"As China grows and as the global, political and economic structures continue to evolve with China putting its weight behind the national policy of Belt and Road, we mustn't forget that Hong Kong is at the centre of the modern maritime history of China. Hong Kong has every right to be in the policy of Belt and Road. Indeed, the Central Government has identified Hong Kong as the maritime centre for the Greater Bay Area," he says.

"What does this translate into? If we look at Shanghai as a parallel, complimentary shipping centre, the advantages of both centres are similar but not the same. Shanghai is a place where access to shipyards is easier, Shanghai is of course one of the most commercially developed cities in China where strong financial support is available. But if you are looking at international finance, Hong Kong is the place to go to, in Asia, not only in China. In terms of lifestyle, Hong Kong still has a huge amount to offer.

"The Hong Kong Government and the maritime industry as a whole must take stock of the opportunities presented by the Belt and Road and take the initiative.

"First, we must understand where our limitations lie. There has been a lack of a

pro-active government. Hong Kong had been a very strong international maritime centre for a long time. Why have we ceded so many of our advantages to Singapore? In 2010, my father made several proposals for government action including the creation of a shipping minister or the upgrading of the Marine Department into a policy bureau. Without this Hong Kong's further development would continue to be hampered," he exclaims.

"What has the Government done to address this? Nothing. Until now. Now the administration is listening. Now I think there is a real opportunity that Housing, transportation and shipping could be separated. Once that happens there could be a lot more attention paid to cementing and improving Hong Kong's position as a maritime centre.

"Other limitations are more deeply ingrained. These include the expense of living and doing business in Hong Kong. The lack of enthusiasm in the new generation to go to sea. To maintain and build on our position, we have to look across the border. China remains the largest centre for seafarers. If we can ride the national policies of Belt and Road and the Greater Bay Area, and tap into the resource pool, tap into the greater land accessible to us, and combine our advantages the result will be greater than Hong Kong. I think Hong Kong's future as a maritime centre is very bright," he concludes.

I spent the last 20 years in culture and heritage and now I'm back in business and both are more than a full-time job. I am very much stretched with my time. During the day when I'm in the office I have no time for anything else. The cultural work is always very important and far exceeds my own personal interests. It should not lose momentum now that I'm back at Wah Kwong full time but how to juggle the two on the cultural side of things has a sustainable form of funding and a team with expertise and knowledge to enable it to continue. It's going to be a challenge.

SHIP LEASING



HONG KONG TO CAPITALISE ON RISE OF SHIP LEASING

As a major financial centre Hong Kong is a natural home for ship leasing. Concessions will add to the allure

Ship leasing is still in its infancy in Hong Kong but observers are hoping that will change following the Hong Kong Government's proposal to use tax incentives to encourage ship leasing companies to the territory.

The initiative should receive a significant boost when a task force, set up by the Hong Kong Maritime and Port Board, issues its report on potential tax measures by the end of this year. Observers believe the territory's Legislative Council could approve the implementation of the incentives within two years.

The effort is a two-pronged assault by the Hong Kong Government to increase

the city's appeal as an international maritime centre, while also helping reverse the drift of maritime activity to other jurisdictions in the region.

"The Government has shown a determination to raise Hong Kong's profile more internationally as a shipping centre," said Jim James, a former partner and now consultant at Norton Rose Fulbright in Hong Kong.

Announcing the task force investigation in last February's budget speech as part of a broader range of initiatives supporting the maritime industry, Hong Kong Financial Secretary Paul Chan Mo-po said: "Ship leasing is an emerging business model of ship finance. We will "study tax and other measures, with a view to attracting ship finance companies to establish their presence in Hong Kong, and developing Hong Kong as a ship leasing centre in the Asia-Pacific region".

In focusing on ship leasing, Mr Chan is keeping a weather eye on developments in China where leasing firms, mainly subsidiaries of top banks including ICBC, Bank of China, Bank of Communications, China Construction Bank and Minsheng Financial Leasing, have expanded their portfolio from virtually zero in 2006 to around US\$1trn in 2018. This includes shipping, aviation, infrastructure and other leasing activities. This market is forecast to grow to around US\$2trn by 2025.

A NEW POWER IN SHIP FINANCE

The expansion of Chinese leasing firms into the shipping space has come at a time when traditional European ship finance banks have pulled back from the sector as they struggle with toxic loan books, a decade-long shipping downturn and tightening credit restrictions.

Christopher Chan, partner at law firm HFW, said: "The main Chinese leasing companies, those affiliated to mainland banks, are still the major players. But there are some other more recent players including those from Taiwan."

Plans to introduce the tax incentives have already generated ripples of interest from China.

Conor Warde, partner in law firm Mayer Brown, said: "Certainly the attractive tax proposals have created interest from Chinese leasing companies in seeing whether it would make sense to establish operations in Hong Kong. The Chinese leasing companies are probably most interested to see what developments occur in Hong Kong."

Some, especially the leasing subsidiaries of the largest Chinese banks, and CSSC (Hong Kong) Shipping, the offshoot of China's largest shipbuilding group, China State Shipbuilding Corporation, have set up in Hong Kong. GTLK Asia Maritime, set up in Hong Kong in October 2018 by GTLK Europe in Dublin, Ireland, controls around 15 vessels including 13 bulk carriers and an oil tanker.

Explaining the potential, Mr Warde said: "The market in Hong Kong is growing but it is not yet significant at this time, at least in relation to what it could potentially be in the future."



Conor Warde,
partner Mayer Brown

As a result, in offering tax incentives, the government is aiming to do for the maritime sector what it has done for the aviation business in Hong Kong.

These were highlighted by Mr Chan who said profits tax concessions to aircraft leasing and related businesses “has been well received by the market since its introduction.

“A number of large-scale aircraft leasing companies have negotiated or reached deals with airlines around the world through Hong Kong,” Mr Chan said in his budget speech.

IMPLEMENTATION IMMINENT

Mr Warde said implementation of the ship leasing proposals “may be as early as 2020 or 2021, depending on the legislative calendar of the Hong Kong Legislative Council. Similar legislative changes relating to aviation leasing took about two or three years to implement after being proposed”.

In highlighting the similarities between shipping and aviation the financial secretary also illustrated a key difference between the two inasmuch as shipping companies already enjoy a special tax regime so that under current tax law most income from charter hire is exempt from profits tax in Hong Kong.

Throwing a spotlight on this issue, tax experts from accountancy firm PwC said:

“It is important that any new maritime leasing tax measures to be introduced should encourage the growth of the industry without jeopardising the current tax exemption status of Hong Kong ship charterers.

“In addition, we recommend the proposed tax measures for maritime leasing be applied to both operating and finance lease arrangements and that tax incentives be offered to a range of shipping-related support services such as ship broking, ship management and ship agency, the tax team said.

It is known that the task force is looking at possible concessions for other sectors of the maritime industry as the focus on ship leasing has already brought significant spill-over benefits that have buoyed the wider Hong Kong commercial sector.

SPREADING THE BENEFIT

Commenting on these, HFW’s Mr Chan said: “Ship leasing transactions usually involve consecutive registrations including the discharge of the existing mortgage, transfer of ownership and sometimes even registration of the new mortgage. This has in turn demanded more resources at the ship registries including the Hong Kong Shipping Registry to handle these transactions efficiently.”

Law firms in Hong Kong have also benefited from this business even if the

leasing deals are done in China.

Norton Rose Fulbright’s Mr James said ship leasing could have a wider effect in improving Hong Kong’s standing as an international finance centre.

This was illustrated last May when CSSC Shipping launched an initial public offering in Hong Kong to raise up to HK\$2.18bn (US\$280m) with about 60% of net proceeds earmarked for ship leasing operations and 30% for sale-and-leaseback deals. CSSC Shipping currently owns 71 ships with a further 29 vessels to be acquired by 2021 of which 48 are controlled under finance leases and 52 on operating leases.

The inclusion of sale-and-leaseback in the potential proceeds also highlights a possible shift of focus by Chinese leasing companies in response to a realisation that leasing companies have a potential exposure to shipping downturns.

Mr James said Chinese ship lessors, unlike banks, initially did not have the security of a mortgage on the vessels so did not have secured rights to the vessel.

“The typical leasing structure does not provide lessors with the protection of mortgage security. This would leave them exposed to action taken against leased vessels, particularly during a downturn in the shipping market. Hence the need to develop additional financing structures, such as sale and leaseback,” Mr James remarked.

So far there has been no rush to do this, more a gradual evolution in the way transactions are structured,” James explained, adding that this may have to be taken account of in the proposed tax incentive measures.

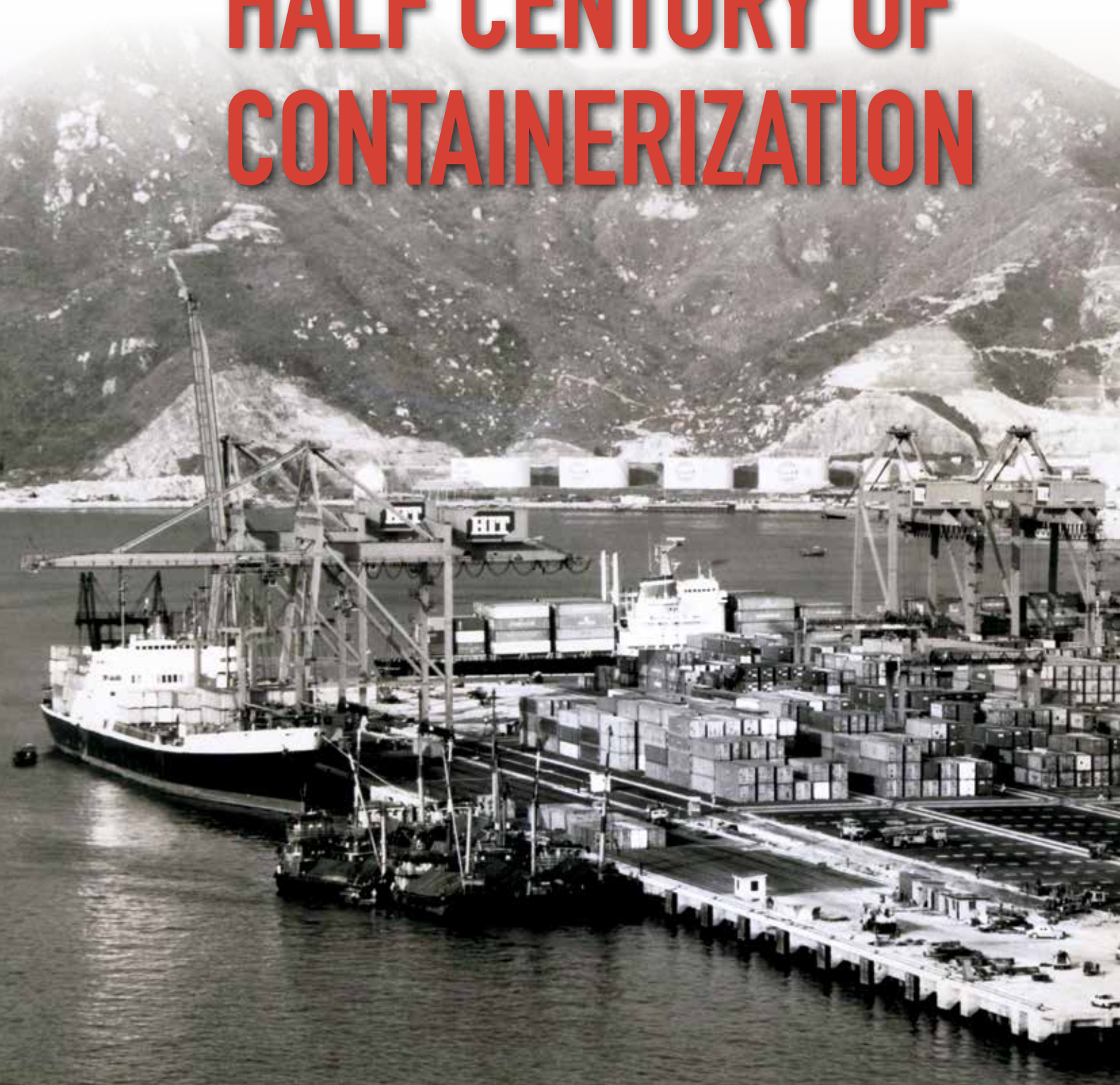
Keith Wallis



Christopher Chan,
partner, HFW

50 YEARS OF CONTAINERIZATION

HONG KONG'S HALF CENTURY OF CONTAINERIZATION





SS Juan berths at Ocean Terminal 30th June 1969

When the *SS San Juan* berthed at Ocean Terminal in Kowloon on the evening of July 30th, 1969, it was the first scheduled service for a container ship in Hong Kong. It marked the start of container shipping in Hong Kong and it catalysed an explosion in the territory's international trade.

In fact standardized marine containers had been put into service since the early 1960s, after the International Organization for Standardization set standards for all containers in 1961. But at this point containers in Hong Kong were being carried by conventional ships as breakbulk and the ports where they were discharged were not container terminals.

But the authorities in Hong Kong were quick to see the way the wind was blowing. As early as 1966 – when the first international voyage of a dedicated containership from Port Elizabeth in the USA to Rotterdam in the Netherlands was undertaken with a cargo of 236 containers - the Hong Kong Government had opted for Kwai Chung as the future site for the development of Hong Kong's first large scale, purpose-built container terminal.

Hong Kong's first container terminal (No 1) was completed in 1972, swiftly followed by another four terminals for a total of five fully operational facilities by 1976.

Whilst the initiative for container terminals was being pushed by Government, private operators were swift to see the opportunities. In 1969, Hong Kong International Terminals Limited (HIT) was formed to coordinate the activities

of Whampoa Terminals Limited in Hung Hom, Kwun Tong and North Point. In the same year the Hong Kong and Kowloon Wharf and Godown Company established Modern Terminals whilst at premises in Tsim Sha Tsui, which would receive the *SS San Juan* cargo.

Modern Terminals would eventually occupy Kwai Chung's Container Terminal 1 in 1972. HIT followed in 1976 with the purchase of Terminals 2 and 4. The number of terminals continued to grow until terminal 9 was opened in 2003. Studies have been made over the past five to ten years on the feasibility of a tenth terminal but with volume growth stunted during the second half of the 2010s it is most unlikely such a plan will get off the ground, any time soon.

Despite private operators running the port, the overall maintenance of the facilities and the surrounding areas has been conducted by government agencies; these include the building of access roads, drains and public services as well as dredging the channels in to the port at government expense. Such services continue to this day. Due to the limited space containing the port in a territory known for exorbitant land prices, the Hong Kong Government has taken it upon itself to provide extra back up land as the need has increased as a result of the port's gradual transformation into a transshipment hub. Dredging operations have also been important in the last decade as the size of containerships has grown exponentially, from around 8,000 to 10,000 teu to 14,000 to 22,000 teu today.

Container volumes at Kwai Chung were modest in the early days. In 1974, when the facility was operated by Modern Terminals, Sealand, and Kowloon Wharf and Godown Company, the three operators collectively handled 730,000 teu. By 1977 that figure had grown to 1.26m teu.

Although Chinese leader Deng Xiaoping had begun to open China to the world in 1978, starting with the coastal cities, including those along the Pearl River



50 YEARS OF CONTAINERIZATION

Delta, understandably it took a while before the Port of Hong Kong could really feel the benefits. Nevertheless, by 1990 the port was handling 5m teu annually; 10 years later, this had soared to 18m teu. In 2008, the port achieved a record throughput of 24.494m teu, a figure it has not matched since, although at 24.384m teu in 2011, it came close.

Since the heady days of 2008 and 2011, Hong Kong's port (with its emphasis on transshipment) has partly succumbed to competition from the nearby Mainland ports of Shenzhen and Guangzhou as well as regional transshipment hubs such as Singapore, Busan in South Korea, Tanjung Pelepas in Malaysia, and Kaohsiung in Taiwan. To the point that in 2018, container throughput had dropped precipitously to 19.596m teu, although the ongoing US-China trade war must bear some of the blame.

FIGHTING BACK

Throughout the 50 years of containerisation in Hong Kong the port has been renowned for its efficiency. But with the emergence of the new rivals on the Pearl River Delta, cost immediately became an issue. A privately-run port operation would be on a hiding to nothing when confronted by competitors replete with government subsidies, cheap labour, and hungry for business. It was all but inevitable that liner companies (especially hurting in the wake of the financial collapse in 2008) would opt for the cheaper option.

Meanwhile the operators at Hong Kong port, located close to the most expensive real estate in the world, could not compete on cost. The only way forward was to become even more efficient.

A milestone was achieved at Hongkong International Terminals' Container Terminal 9 North when its newly completed remote controlled operations were unveiled on 30 January 2018. Preparations for this efficiency game changer began six years earlier when



HIT pioneered a remote operation system of rail-mounted gantry cranes at its terminal back in 2012. In late 2013, HIT started to configure 29 RTGCs, which had been manually operated by crane operators from crane cabins, into remote-controlled cranes. Simultaneously, it introduced an automated container stacking system. Both major developments took place at CT9 North.

Contemporaneously with the new remote controlled operations proceeding at the port in 2018, four of the main terminal operators were meeting in closed door talks to formulate an audacious plan that would take the city, and the competition by surprise.

Almost a year to the day when the Port of Hong Kong took its first steps along the automation path, the four operators announced The Hong Kong Seaport Alliance, an agreement that amounted to a paradigm shift; four out-and-out competitors had agreed to join hands to ensure the sustainability of one of Hong Kong's greatest assets.

Describing the Alliance as a joint venture functioning as a merger of the four terminal operators – Modern Terminals, HIT, Cosco-HIT, and ACT – Peter Levesque, Group managing director of Modern Terminals said the Alliance would share revenues, share operation costs and share profit. "This is not just a friendly handshake," he insisted. "This

arrangement is necessary because the only way that we can provide the best service to customers is in a terminal neutral environment.

"The only way we can be terminal neutral is if our interests are aligned. When you share profit you no longer compete anymore. The four terminal operators here no longer compete with each other in Hong Kong. Instead they have come together so that Hong Kong can compete with other ports in the region. Specifically, the transshipment ports of Taiwan, Singapore, Busan and Tanjung Pelepas."

Key to the increased efficiencies being promised under the Alliance is the creation of three distinct zones within the port that will receive ships on the basis of the three liner shipping alliances (The Alliance, 2M Alliance, and Ocean Alliance). Under the new arrangement the entire operation will be controlled by a single control centre rather than four as was the case before the Alliance.

Beyond the immediate advantages to be gained by this extraordinary act of cooperation, long term benefits include a smooth path to a fully integrated, automated operation.

A few months after the initial announcement of the Hong Kong Seaport Alliance, the newly formed group revealed its first short term objective – the reclaiming of 2m teu from rivals by the end of 2020. It is going to be a tough call. Container throughput at the port in 2019 to end-September was 6.5% down on the same period in 2018. However, the monthly rate of decline has begun to slow in recent months, despite the adverse geo-political environment and a slowing global economy. There is a lot riding on the Alliance initiative. Apart from the port's reputation, there are 6,000 direct and 180,000 indirect employees who depend on the port to provide for their families.

50 YEARS OF CONTAINERIZATION: OOCL

When the SS San Juan arrived in Hong Kong on July 30th, 1969, it was part of the first scheduled service of a container ship to the territory. At that moment, one of Hong Kong's most visionary shipowners was preparing to compete head on. CY Tung's Orient Overseas Container Line was formally established four months later in November 1969, as the first Asian carrier to provide fixed-day containerised services on the Trans-Pacific on its Far East to US West Coast regular liner service.

Prior to containerisation, the company operated under the name Orient Overseas Line, offering regular cargo and passenger services and the first all-Chinese ship reached the Atlantic Coast and Europe in 1947.

The first shipment was in November, 1969. The Oriental Arrow was the first vessel to officially make the Trans-Pacific trip, followed by Oriental Banner, Oriental Comet, Oriental Despatcher, Oriental Express and Oriental Falcon. OOCL's first box ships also included the Geh Yung and Tsui Yung to complete the fleet. These ships were all converted from the company's conventional liners with a capacity of 300teu and were known as the Victory class. Mobile and floating cranes were used to move and offload the containers.



This is now (2019)

In 1971, the Leader class was introduced to the OOCL fleet with the delivery of the Oriental Leader and Oriental Commander. The Leader class had four vessels in total, each with a capacity of 1,000 teu. These were the first bulbous bow container ships that allow a ship to reduce the water drag, as well as the first fleet of purpose-built, fully cellular vessels built by OOCL.

In 1973, OOCL entered the Trans-Atlantic trade with the purchase of a third interest in Dart Lines followed by the acquisition of Furness Withy in 1980. Furness Withy owned Manchester Lines.

In 1975, the ACE Group was formed and OOCL was one of the first carriers to recognize the benefits of economies of scale and asset utilization through the establishment of consortiums.

As of September 2019, OOCL owns and operates 101 containerships with a capacity of 716,492 teu, including the OOCL Hong Kong, the first of six 21,413 teu mega-containerships in the fleet.



That was then (1969)

PROFILE

A portrait of a middle-aged woman with short, dark, wavy hair, wearing glasses and a blue textured blazer over a black top. She is smiling and has her arms crossed. A colorful brooch is pinned to her left lapel, and a ring is visible on her left hand. The background is a bright, out-of-focus window.

ASSURING A BETTER INSURANCE INDUSTRY

In a long and distinguished career Agnes Choi has reached the height of influence in marine insurance

Most of us are happy (or not) to work hard to support ourselves and our families. Some of us will scale the slippery pole and reach a position where we can best demonstrate our skills. We get as high as we can then suddenly, we are contemplating retirement and a life of relaxation. We are perhaps the many. And, then there are the few. The few enter an industry, find their bearings and then they grab that industry, whatever it may be, and shake it by the collar and make it better than it was.

One such member of the few is Agnes Choi. A reflection of her devotion to Hong Kong's insurance industry and its improvement can be seen in the many positions of influence she currently occupies:

- The Asia Ambassador of IUMI (International Union of Marine Insurance);
- The Chairman of the Promotion and External Relations Committee under the Hong Kong Maritime and Port Board;
- The Non-Executive Director of the Hong Kong Insurance Authority
- The Member of the Advisory Board of Hong Kong Export Credit Insurance Corporation;
- The Member of the General Insurance Expert Panel of the Hong Kong Federation of Insurers

THE EARLY DAYS

As will soon become apparent, Ms Choi embodies all that is best about Hong Kong and its renowned “can do spirit”.

Hailing from humble beginnings, and as a child of a working class family with just one breadwinner, Ms Choi recalls that life was far from easy. But although life was often a struggle, she remembers, “It was the greatest concern to my parents



IUMI annual conference Toronto 2019

that I and my sister and brother receive the best education we could.”

Ms Choi's siblings were born ten years ahead of her and so the financial burden began to be shared after her two siblings embarked on their careers. At that time, she remembers, as the youngest member of the family she was doted on by her mother and managed to avoid the household chores taken on by the rest of the family. “To this day I still have no idea how to cook,” she exclaims.

With very little insurance penetration in Hong Kong during Ms Choi's early years, unsurprisingly it did not register as an early ambition. In fact, in her teen years her first ambition was to be a nurse.

“I was very drawn to the caring sector, but my ambitions were frustrated from the start because science subjects were not my strength.”

Other subjects held no fear for her however, and after graduating from secondary school she applied to Hong Kong Polytechnic. Faced with a range of business courses Ms Choi, eliminated the most popular, accountancy? No head for figures. Banking? Everybody wanted to do it. This left, of course, insurance.

It seems that fate had stepped in. Had Ms Choi attended the polytechnic a year earlier insurance would not have been an option. It was the first year that the Hong Kong Polytechnic ran an insurance course. The insurance market in Hong Kong was in its infancy, awareness was low and most businesses would simply

PROFILE



All aboard with the IUMI team

take out the compulsory insurances against fire risk and so on.

"I can't say I had a crystal ball and knew how important it would become to the Hong Kong economy. To be frank I chose the course because it was the easiest one to be accepted on, she laughs.

"It was called insurance management studies, but it included a broad range of related topics such as law, accounting, finance and computer science. So new was the insurance concept to the polytechnic however, there was not a full-time insurance lecturer. Instead Ms Choi and her fellow students had to turn up for lectures in the evening, the only time when a professional in the industry was available.

"Nevertheless, after the first year's study I had become intrigued by the subject and was keen to learn more about all aspects of the business. During the second year the polytechnic arranged for summer internships where we were attached to a local insurance company which gave me a greater insight into how the business works on a day-to-day basis."

CLIMBING THE LADDER

After graduation and having gained

the ACII professional qualification in 1983, there were many places available within the industry and Ms Choi gained a position almost immediately.

Ms Choi had her first exposure to marine insurance in a general insurance firm. "My background has always been general insurance including marine. The insurance market in Hong Kong was still so small that there were very few marine insurance specialists," she says.

At her first employer, Carlingford Insurance (the company would eventually become HSBC Insurance) Ms Choi started work as a claims handler. Like many youngsters, she did not want to stick to one employer and was eager to progress in new ventures. Three years later, she joined the international insurer Cigna as an assistant claims manager; the claims manager post followed on swiftly and then on to head of claims. In all, she gained 20 years experience in claims, from the bottom to the top."

"My horizons were widened to an extraordinary extent while I was at Cigna, which was the top property and casualty insurer at the time. I was very grateful to the management who gave me many opportunities for training and exposure to the international market, including a month in Philadelphia at their headquarters."

"During her 10-years tenure at Cigna, in the market, business had moved on. Carlingford was no more, and HSBC Insurance had gained a reputation as the top general insurer in Hong Kong. Ms Choi's old boss at the company asked her to return and she answered the call. Under the company restructure in 2000, Ms Choi was given the opportunity to shift her role to underwriting and business development. HSBC in turn sold its general insurance arm to French multinational, AXA in 2012. As a result of the acquisition AXA automatically became the territory's largest general insurer and indeed in the world.

Before HSBC's portfolio was handed over to AXA, Ms Choi had been the Director and Head of Commercial Insurance for a number of years. Following the acquisition, Ms Choi continued to lead the underwriting and business team in the capacity of the Chief Distribution Officer of AXAGI.

"I was pleased to find AXA handled the integration of the Hong Kong team very smoothly, and we were all able to deploy the skills we had gained at HSBC," she says.

A WORLD BEYOND THE OFFICE

It was during her time at HSBC that her passion for the insurance industry was finding expression outside of office hours as she looked to play a role in the development of Hong Kong's insurance market. Between 2008 and 2018 she was appointed to a number of high profile, influential roles, as a member to the Marine Industry Council (the forerunner of the Hong Kong Maritime and Port Board), president of the East Asian Insurance Congress (2008-2010), and Executive Committee Member of the International Union of Marine Insurance (IUMI) (2015-2018), and the Chairman of the Promotion and External Relations Committee under the Hong Kong Maritime and Port Board. She is recently appointed as the Non-Executive Director of the Hong Kong Insurance Authority.

IUMI ASIA

Ms Choi's membership of the Executive Committee of IUMI was to prove to be a milestone for her and for Hong Kong. Wind back a year to 2014 when IUMI (in recognition of the growing importance of the Asian marine insurance market) had chosen Hong Kong as the location for its Annual Conference.

As Chairman of the Hong Kong Federation of Insurers, it was the responsibility of Ms Choi and her team to organise every aspect of the event. Despite her concerns the IUMI Annual Conference 2014 was a resounding success and all the Executive Committee and delegates were so impressed that they now still talk about the fond memories in having the Annual Conference in Hong Kong. Ms Choi claimed that it might be one of the reasons that she was invited to become a Committee Member in 2015.

As a result of her prolific work on the Committee, and the growing realisation within IUMI that recognition would eventually have to be made of the growing importance of Asia to the global marine insurance markets, thoughts of an Asian presence for the industry body began to be formulated.

Support for Hong Kong as a location for the Asian IUMI hub was strongly lobbied for by the HKFI. Meanwhile, the Hong Kong Government's laying out of a welcome mat to the IUMI Executive Committee, amounted to an unbeatable bid. And so it was that in October 2016 that the then IUMI President Dieter Berg announced the opening of a new overseas hub in Asia – the first time in the organization's history that it has established a presence outside Europe. Subsequently, Ms Choi was appointed the IUMI Asia Ambassador in May 2019.

Industry and community recognition

The establishment of IUMI was certainly a career high for Ms Choi. And industry recognition would follow. In 2017, she



Ms Choi receives the Hong Kong Medal of Honor

was recognised as one of the Top Ten Influential Persons in Marine Insurance by Lloyd's List. This year she was announced as one of the Top Ten Outstanding Women in the Maritime Industry in China. It is uncertain what Ms Choi made of this last gender-centric award but speaking of her position in what was once seen as a man's world she jokes:

"As women in Hong Kong we have been very lucky. I have never experienced any hindrance to my career progression. Now I hear men complaining that women progress more quickly."

But her greatest accolade, which recognised her career as a whole, and her overall contribution to the betterment of Hong Kong, must be the awarding of one of Hong Kong's highest award, the Medal of Honour, in 2015.

Ms Choi has no plans to take the path of the many and retire from the battlefield but with an eye for the future she has a few words for the arising generation.

"Despite the growth of the industry, many young graduates have little awareness of the many career paths that are available within the specialist fields of insurance such as marine. Beyond underwriting and claims there are the relatively new actuarial and loss prevention disciplines, and there is a great need for recruits interested in the increasing adoption of technology within the industry. The industry is keen to take on graduates from a wide field of experience, engineers, health professional, and shipping professionals. It is a rewarding career for the everyman (or woman). I could not recommend it more warmly."

NEWCOMERS TO THE HUB

TAPPING INTO THE REGION

New blood is ensuring the ongoing vitality of Hong Kong's maritime and insurance sectors



Whether they be from overseas, from mainland China or local start-ups, Hong Kong is increasingly benefitting from them and they are thriving through the Hong Kong effect. In a recent survey conducted by InvestHK and the Census and Statistics Department, it was discovered that in 2018, the number of start-ups had increased by 42.8% compared to 2017. At the same time the number of overseas and mainland Chinese companies arriving in the territory to set up business increased 9.7% in 2018.

Sadly, we only have space for a few maritime related newcomers here.

RARE EARTH INSURANCE PARTNERS

Philip Bilney, could not be described as a newcomer. Having spent more than 20 years in Hong Kong, he was previously well known in the market as the group chief executive of FP Marine Risks. But his latest, venture, a reinsurance brokerage named Rare Earth Insurance Partners, was only licensed to do business in Hong Kong a little over a year ago. Again, Mr Bilney has taken the top post but in all other respects this is new, not just to Hong Kong, but also in the way reinsurance business is done.

"The market is different now," he explains. "From a broking perspective it no longer makes sense to be just a specialist marine retail broker anymore. The model has to change."

"Our specialisation is China. The business is about dealing with Chinese clients, the Chinese insurance market and acting as a conduit between China and the rest of the world. As a group of people, the company brings to the table, a lot of technical expertise. We also have a lot of relationships in China, and overseas, whether it be the London market, Europe or the US. And we have the technology."

"The way to use the expertise we have is to make it more efficient to do business by using online tools. At the same time,



Chief executive,
Rare Earth Insurance
Partners, Philip
Bilney

we focus on the reinsurance end where there is sufficient volume to make it worthwhile doing," he adds.

Rare Earth focuses on Greater China for good reason. Within the catchment area a lot of the marine business is entirely dependent on reinsurance arrangements. The ideal client for Rare Earth is an insurer seeking reinsurance and technical support.

"What makes our business so interesting is the way that China is internationalising," says Mr Bilney.

"It is not just Belt and Road, but the initiative has obliged Chinese insurers to find a position in the international market. They are now writing a lot of overseas business. This is a big change at a time they have limited experience of overseas market. This is where we can step in and assist."

When explaining the company's technology offering Mr Bilney likens it to online banking, something the insurance sector has not done well to date.

"We enable insurer and reinsurer clients to enter our online platform where they can conduct transactions, monitor claims and underwriting positions, all in real time. The key to its success is its transparency, immediacy and ease of use," he says. "Our office is genuinely paperless."

Finally, what is the origin of that enigmatic company name? "Being cloud-based our system could not operate without rare earth products. Of course, most rare earth products come from China."

VIKING SHIPPING SERVICES

The Viking Shipping Company started business in Scandinavia over 80 years ago. But in Hong Kong, the company is a relative newcomer, following the decision to relocate their chartering operations from Singapore at the end of 2014.

Leading the operation in Hong Kong are managing director, Stewart Perrin and chartering manager, Fiona Feng.

Viking Shipping Company are most active in the major bulk and cargo



Viking Shipping
Company managing
director, Stewart Perrin
and chartering manager,
Fiona Feng

parcelling trades, what we don't do, is the staple diet of the larger broking companies," say Mr Perrin. "We are most active in Asian short sea, steel and mineral parcel trades ex China and the far east going worldwide as well as worldwide dry bulk markets," he adds.

"Most charterers still prefer to have a broker between them and the owners," he says. "In an ideal world a fixture would always go smoothly. But as we all know ships being ships and trade being what it is, it doesn't go to plan all the time. This is when you need a broker who understands the trade and can step in to ensure the operation is completed without a hitch."

As a broker Viking Shipping is also a valuable source of intelligence for the charterer. Whether it be the inside track on the trades the charterer is involved in or the routes they are trading on.

"We are not a jack of all trades by any means," Mr Perrin says.

"We are fairly niche and bespoke and we have a very clear vision in Viking as to who our cargo clientele are. Viking Shipping is not simply a shipbroking company. We pro-actively work with our clients (primarily cargo owners and traders) to cover any or all their shipping requirements aside from simply fixing the charter, for some clients we go so far

as to organising and co-ordinating the stem or the onward delivery post vessel discharge."

Mr Perrin says that with so much of the trade coming out of China and with traders based in Hong Kong, China and the region, having an Asian presence in Hong Kong was the obvious choice for them despite the short-term downturn in certain trading sectors as a result of the US tariffs on Chinese products. In fact the venture has been so successful that the firm is seeking additional broking talent to expand the operation.

MORE HONG KONG DEBUTS

Neptune Robotics has been making a splash in Hong Kong this year. Founded by a team of local and mainland entrepreneurs, the company has designed and manufactured a range of underwater drones that are taking the risk and the cost out of hull inspection and hull cleaning.

Given the size of Hong Kong's shipping community and its proximity to seven of the world's busiest ports, headquartering in the territory was the obvious choice. In little more than a year Neptune Robotics has gained clients amongst major shipowners and managers in Hong Kong while attracting keen interest from potential clients in mainland China and Japan.

Cleanship set up office in Hong Kong in September 2019. Spun off from Scotland's Malin Group in 2012, its raison d'être is to assist shipowners and operators around the world reduce the environmental impact of their fleet, retrofit new technologies such as ballast water treatment and exhaust gas scrubbers and comply with impending environmental legislation. The organization's uniquely impartial approach and industry leading retrofit engineering timelines has established it as the trusted brand in the marine environmental sphere.

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THE HONG KONG ADVANTAGE IN MARITIME ARBITRATION

Access to the Mainland Chinese court system gives Hong Kong the edge



In the international world of shipping, when claims arise, they often involve cross-border disputes, and that adds an extra layer of complexity. There is no point bringing proceedings if you cannot make them pay, so one of the main reasons shipping people choose arbitration is the fact that arbitration awards are easier to enforce overseas than judgments of national courts. You can take a Hong Kong final arbitration award to China, or any other country, and enforce it against the debtor's assets. Court judgments obtained via litigation proceedings tend to be more problematic.

But the ease of enforcement

of final arbitration awards is only half the story. Before you get to the final award, how do you stop the debtor in the meantime from disposing of its assets to make itself "award-proof"? How do you inspect or preserve property or evidence so as to ensure that your claim in the arbitration proceedings is not frustrated? How can you get an interim order for delivery up of possession of an asset such as a ship?

For arbitration to be truly effective it needs the support of the court system at an early stage, before the proceedings progress to the full hearing/trial. As regards Hong Kong and the Mainland, this is now a reality thanks to new regulations which recently came into force. The Arrangement concerning Mutual Assistance in Court Ordered Interim Measures in aid of Arbitral Proceedings has been in force since 1 October 2019. The law is significant for arbitrations involving Mainland Chinese parties and assets, as Hong Kong is now the only seat of arbitration outside Mainland China through which the parties can access the Mainland court

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HKMAG's objective is to deliver to the shipping industry the maritime dispute resolution which it needs, and in this hemisphere.



system and its interim measures in aid of arbitration. The arrangements are a clear example of the mutual assistance and cooperation that exist between the Hong Kong and Mainland legal systems.

Under Chinese law, interim measures include court orders relating to the preservation of assets, evidence and also conduct, and are thus similar in effect to injunctions granted by the courts or tribunals in Hong Kong.

Applications for the interim measure may be made in advance or during the Hong Kong arbitration proceedings. Where a party makes an application for an interim measure after the relevant arbitral institution has accepted the arbitration case, the applicant must produce to the PRC court not only the facts and material on which the claim is based, but also a letter from the relevant arbitral institution certifying its acceptance of the relevant arbitration case. (It should be noted that there is still no legal framework to enforce a Hong Kong interim measure (in the form of an award or otherwise) in the Mainland.)

In order to take advantage of the Arrangement, the arbitration must not only be seated in Hong Kong but it must

also be administered by recognised institutions such as the Hong Kong Maritime Arbitrators Group ("HKMAG"), Hong Kong International Arbitration Centre, ICC, and CIETAC Hong Kong.

Shipping companies contracting with Mainland Chinese parties thus now have a further reason to choose Hong Kong as an arbitral seat as they can now obtain orders/injunctions from the Mainland courts.

As apparent from a number of the other features within this magazine, over the past couple of years there has been an intensified push by government to enhance Hong Kong as a centre for shipping, and also as a centre for international dispute resolution. The combination of these two initiatives meant the time was right for a standalone HKMAG, a focused specialist body to serve Hong Kong's position as a maritime arbitration centre. And, at a practical level, whilst multi-million-dollar disputes arise in relation to ships and their cargoes, the majority of shipping claims involve relatively modest amounts. So, maritime arbitration concentrates on efficiency and cost-effectiveness, in a way that is not always encountered in heavily-documented general arbitrations. HKMAG's objective is to deliver to the shipping industry the maritime dispute

resolution which it needs, and in this hemisphere.

HKMAG is at the forefront of publicising the advantage which Hong Kong can bring to shipping companies when they need to resolve their disputes fairly and efficiently, and in a time zone and location which is convenient for all of Asia. On that aspect, HKMAG is to date the only maritime arbitration institution based outside the Mainland through which parties can access the Chinese court system for the purposes of injunctions and other interim measures, through the Arrangement described above. The growth of Chinese shipowning and ship leasing companies means more Hong Kong arbitration clauses in charterparties and other shipping contracts. The above Arrangement should increase the attractiveness of Hong Kong maritime arbitration to companies based outside China who value an integrated approach to dispute resolution between Hong Kong and the Mainland, whilst all the while retaining the benefits of the rule of law and the English-based legal system for which Hong Kong is well known.

**Bill Amos —
Partner with Mayer Brown, and
Founding Full Member of the
HKMAG**



Photography by Shyamkumar Iragattla, Chief Officer

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ASPECTS OF P&I

Leading P&I executives offer their take on the business and the importance of Asia

In the past few years there has been a dramatic increase in the number of P&I Clubs authorised by the Hong Kong Insurance Authority to underwrite business in the territory. Twelve of the 13 members Clubs of the International

Group of P&I Clubs have long had a presence in Hong Kong, and in the last year or more the six Clubs authorised to write business in the territory has risen 50% to nine.

Across the next pages, leading P&I executives offer an insight into important aspects of the unique service offerings provided by the P&I Clubs.



WHY HONG KONG IS AN IMPORTANT LOCATION FOR P&I BUSINESS

Hong Kong continues to be a global centre of maritime excellence, reflected in the owners and operators based in the jurisdiction, its pivotal role in regional shipping and the extensive support network developed over decades (e.g. ship managers, crewing agencies, insurers, lawyers and experts). To be added to the mix are language and world class communications.

Not surprisingly, Hong Kong is therefore important for P&I business, with it having been the primary Asian location for P&I Clubs since the 1980s. Being able to service Members locally is a cornerstone of Britannia's operating model, reflected in the development of our Hong Kong office as a fully functioning regional hub with claims, underwriting and loss prevention expertise. Most important, the office has a range of experience, from colleagues relatively new to P&I and those at the most senior level.

However, it is important to realise that there are challenges as well as competitors for Hong Kong's 'P&I crown'. A challenge remains the shortage of local talent to meet demand, while an obvious competitor to Hong Kong's P&I crown is Singapore. Despite this, to suggest that a club should have an office in Hong Kong or, say, Singapore is misleading. P&I's

presence in Asia is increasingly spread throughout Asia. For example, Britannia now has regional hubs in Hong Kong, Singapore and Tokyo and our presence is felt just as keenly in Taipei and Seoul through exclusive correspondents. That development mirrors the growth in Asian shipping and the corresponding increasing demands of local owners.

While there is no room for complacency, it is perhaps wrong to fear that over time Hong Kong will diminish in importance. For Britannia, its Hong Kong office has almost doubled in size over the past four years, whilst at the same time our Singapore and Tokyo offices have also grown.

That growth stems from our recognition that P&I (and FD&D) is a specialised form of insurance, serving very diverse ship owners in terms of form and character; whether this is a 'traditional' family owned bulk carrier owner or stock market listed operator of specialist tankers, each of which may have very different priorities. P&I is a durable industry, because the clubs are keenly aware that their reputation depends on consistently providing high levels of service. Being situated in a true maritime community is a good assurance that they will be able to do so and Britannia remains committed to Hong Kong as well as to the wider Asian market.

GORDON MCGILVRAY, DIVISIONAL DIRECTOR, BRITANNIA P&I

TOP QUALITY FIXED PREMIUM INSURANCE IS HERE TO STAY

Mutual P&I insurance from one of the 13 International Group (IG) clubs is the obvious choice for owners who trade large vessels internationally and who need the highest levels of liability and top service.

There is a case to be made, however, that not all owners require mutual P&I insurance. For instance, those owners who trade smaller vessels domestically may prefer to buy fixed premium P&I insurance with lower limits of liability.



In recognition of this, the American Club launched Eagle Ocean Marine (EOM) in 2010 as a premier fixed premium P&I alternative to the Club's standard mutual cover.

Some of the initial EOM insureds already enjoyed mutual entries in the Club for their larger vessels but desired a fixed premium option for smaller vessels requiring lower limits. In this way, the Club was addressing a market need of its existing members.

Many other owners, however, are not traditional buyers of mutual cover. Some of these owners operate in emerging markets with increasing levels of regulation and sophistication. Such owners may need P&I insurance, but do not need the very high limits of mutual cover, which generally come at a higher cost. For these owners, fixed premium cover is a natural alternative.

While many insureds want the lower limits of liability, the generally lower rates and the certainty of fixed premium cover, the best owners still require the best service when it comes to loss prevention and claims handling. They do not want to give up good service in exchange for fixed premium insurance as this would

not be sustainable over the long term. Rather, they require value for money. In this respect, EOM truly shines because EOM is backed by the American Club and draws on the Club's full range of institutional experience and expertise.

As such, EOM's insureds benefit from the flexibility provided by the fixed premium model combined with the Club's culture of first class service. For these owners, it is therefore the best of both worlds.

**CHRIS HALL, MANAGING DIRECTOR,
HONG KONG, SCB MANAGEMENT
CONSULTING SERVICES FOR THE
AMERICAN CLUB**

P&I'S LEADING ROLE IN RISK MANAGEMENT AND LOSS PREVENTION



P&I Clubs have always been associated with promoting safety and striving to minimise risk in the inherently hazardous world of shipping. This year the UK P&I Club celebrates its 150th Anniversary and remains as resolute about that commitment to safety as ever. We

believe in excellence in claims handling, but even more importantly, we believe in the prevention of incidents in the first place.

The loss prevention efforts of P&I Clubs are aimed at the elimination of risk or, alternatively, seek ways to mitigate the financial and human impact. For instance, the UK P&I Club programme analyses incidents to provide 'Lessons Learnt' reminders that might help Members to avoid a repeat occurrence. P&I Clubs devote significant time and money to loss prevention initiatives because they benefit the Member, the Club, people in general, and the wider world. Increasingly, risk avoidance programmes are delivered electronically to make them direct, immediate and engaging.

P&I Clubs have produced a wealth of informative articles and advice over the years but more innovative initiatives are emerging. At the UK P&I Club, these include interactive videos targeted straight at the crew – often they are the only people who can identify or mitigate a problem as it emerges. The importance of the crew in the safe running of a ship has long been recognised, including in the number of incidents that are attributable to "human error". What is now better understood is how to support crewmembers in the shared task of preventing accidents, and increasingly this means training, workshops and role-play. The Crew Health programme also provides crew with support and guidance for physical and mental health. Mental health issues and problems whilst at sea are starting to be understood on a deeper level, taking into account factors such as home life, and the general welfare of the crew. In collaboration with The Mission to Seafarers, the UK Club supports the family project that offers counselling, financial guidance and IT support among other much needed services. In addition, UK P&I Club Loss Prevention experts are based in offices throughout the world to provide Members with local training, crew seminars, ship inspections and advice on Pre-Employment Medical

Examinations (PEME), together with general risk advice.

The most recent initiative to promote safety and minimise or control risk is the UK P&I Club safety training programme based on aviation standards, and developed with CAE, the global leader in civil aviation training. The similarities between the aviation and maritime worlds, and the mutual desire to avoid incidents and learn from each other can only benefit both industries. Although it is the latest innovative way that P&I Clubs are seeking to minimise the terrible impact of claims and accidents, you can be assured that it will not be the last!

**ANDREW JONES, CHIEF EXECUTIVE
OFFICER, THOMAS MILLER (HONG
KONG) THE UK CLUB**

THE CASE FOR DIVERSIFICATION

The Swedish Club has always had a philosophy of diversification with a purpose. Since 1872 when it was first established as a hull insurer, the Club has continued to develop and widen its services to members, from marine insurance to P&I, so that it can offer its members all-in-one solutions which are custom made to meet their individual needs.

It has always been important to us to provide a balance of P&I and marine services as we strive to meet our members' needs. But in addition, from an underwriting perspective, it is also important to have both streams of income in order to reduce the impact of volatility on the Club's results.

This full-service capability is what also underpins the Club's extensive knowledge. We thoroughly analyse the different products, how they work together and what type of business we should write. We check the whole spectrum and therefore have sufficient knowledge on which risks to target. This helps us continuously improve our risk assessment. We are able to make our decisions based on facts and



experience, predicting what we can expect in terms of claims – both cost and frequency. That is crucial in terms of understanding how the two classes of insurance interact and in optimising our service to members and business partners across our portfolio.

Of course, Loss Prevention ties in with this. One of the reasons why our Emergency Response Training (ERT) has become such a popular initiative is because it shows how the Club would handle a complex matter across all classes of insurance. Based on our Loss Prevention experience and data, we have a better understanding of the complexities and can set up a cross-functional team to respond as one body.

As trade becomes increasingly complex, we need to continue to provide insurance solutions flexible and cost efficient enough to cater for that complexity, which is a daily reality for traders and owners.

**LARS A MALM, DIRECTOR STRATEGIC
BUSINESS DEVELOPMENT & CLIENT
RELATIONS FOR THE SWEDISH CLUB**

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DESTINATION OF CHOICE

Since the Hong Kong Maritime and Port Board was established in 2016, it has welcomed some of the most prestigious maritime-related industry bodies in the world.

There was a buzz on the streets when, uniquely, the International Chamber of Shipping and the Asian Shipowners Association met in Hong Kong for their annual general meetings in May 2018. Following the sessions, ICS chairman, Esben Poulsen had made a heartfelt plea to the China shipowners Association to join the global industry body.

Behind the scenes ICS was considering a more practical approach – the setting up of an Asia presence for the first time for the world's largest shipowners association. In July of the same year the outgoing ICS secretary general, Peter Hinchliffe revealed that a shortlist of Tokyo, Hong Kong and Singapore had been drawn up as potential locations

for the ICS office. September was expected to reveal the winner. As it turned out, for those not privy to the internal discussions, news that Hong Kong had been chosen did not emerge until March 2019.

A further six months elapsed before ICS announced Edward Liu, counsel and legal director, at law firm Hill Dickinson had been appointed representative of the ICS (China) Liaison Office.

Commenting on the ICS decision to appoint Mr Liu, the secretary general, Guy Platten said: "Edward was an outstanding candidate and we were very pleased to appoint him to the post. He is a qualified lawyer in both

China and the UK and is a graduate of Shanghai Maritime University. He has excellent maritime experience, a strong network, and he is ideally placed to build the links and relationships ICS seeks within China.

"The ICS China Liaison Office is a very important step in delivering the overall ICS Strategy to raise the profile of the organisation within the PRC. We will be looking to build on our existing relationships with the Chinese Authorities, Chinese Shipowners and the maritime industry throughout China. It is a key part of the overall ICS strategy.

Mr Liu responded: "It is a privilege and an honour to be appointed to the ICS (China) Liaison Office as principal representative. After about 100 years of being the premier shipping organisation in the world, the ICS continues to go from strength to strength by establishing its first overseas office in Hong Kong since its establishment in 1921. Together with the support from ICS headquarters, the HKSOA and Hill Dickinson, I look forward to helping steer the ICS to future success in China."

A HIGHLIGHT OF HONG KONG MARITIME WEEK

The official opening of the ICS China Liaison office will be one of the highlights of this year's Hong Kong Maritime Week (17-23 November), when Mr Platten will make the formal announcement at the Hong Kong Shipowners Association annual general meeting and cocktail party on 21 November.



Edward Liu, ICS representative, China Liaison Office



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HONG KONG AND THE WORLD

In the year of the Hong Kong Maritime and Port Board's inception (2016), the International Union of Maritime Insurers established its first presence outside of Europe. Singapore and Shanghai had also been options for IUMI's first overseas foray but the immense support offered by the Hong Kong Federation of Insurers and the Government had been a strong consideration.

The Asian hub was created to give IUMI more visibility in the region and to help foster closer cooperation with its Asian members and the maritime industry in general. The new hub now facilitates the regular exchange of views between members as well as with governments, authorities, regulators and NGOs. In addition, IUMI is now employing the hub to share global insurance expertise and promote education and training for marine insurance practitioners across the region. The hub is also key in broadening IUMI's Asian membership.

The hub has been created with the strong support of the Hong Kong Federation of Insurers who were instrumental in its set-up and who provide the secretariat. HKFI has a long association with IUMI, having organized a number of IUMI events and conferences in Hong Kong as well as being represented on IUMI's executive and technical committees.

HKFI enjoys strong support from the Hong Kong Government and has close working relationships with IUMI members and insurance companies throughout the Asia region. In 2019, Veteran insurance expert and chair of the Hong Kong Maritime and Port Board's Promotion and External Relations Committee, Agnes Choi was appointed as a new additional Asia Ambassador for IUMI. The appointment was made public at the second IUMI Asia Forum in Shanghai on 22-23 May.

WHY HONG KONG?

Recalling the decision to establish a presence for IUMI in Hong Kong, the secretary general, Lars Lange said, "The Asian marine insurance market

accounts for almost 30% of global premium income and with GDP and trade continuing to grow in this region it was vital that we enhanced our presence. We wanted to give IUMI more visibility in the region and to foster closer relationships and cooperation between our Asian members and the maritime industry as a whole.

"We struggled to decide where to open the new IUMI Asia hub as the region boasts many centres of excellence. We eventually settled on Hong Kong for its central location and its proximity to China – itself a rapidly growing insurance and shipping centre. In addition, we were offered strong support from the Hong Kong Federation of Insurers (HKFI) who helped us establish the hub in 2016 and who also provide the secretariat," he adds.

"We have two IUMI Asia Ambassadors who have been very active in the region. Our current and future objectives are to continue to understand the expectations and needs of our members, governments, and NGOs in Asia; to continue to attract new Asian members to join IUMI; to promote IUMI's views on specific Asian issues of relevance; and to develop and promote an IUMI Asia education programme," Mr Lange concludes.

GLOBAL MARITIME FORUM

In October 2018, the Danish-based Global Maritime Forum swept into Hong Kong for its inaugural summit... and shook up the shipping world. When 34 industry leaders signed up to a pledge to take action in eliminating carbon from the shipping sector, the group automatically aligned themselves with the temperature goals of the Paris Agreement, requiring absolute reductions in carbon emissions to accommodate the expected growth in global trade.



Since that historic occasion some of the most high-profile shipping and ship management companies in Hong Kong such as Anglo Eastern Group and Fleet Management have joined the newly formed Getting to Zero Coalition. The Getting to Zero Coalition follows the UN International Maritime Organization's strategy on reducing greenhouse gas emissions, but with an even more ambitious "moon-shot" goal – to get commercially viable deep-sea zero-emission vessels powered by zero-emission fuels into operation by 2030.

A lasting result of the historic meeting in Hong Kong was the first steps toward what has become the Poseidon Principles of sustainable ship finance, the Getting to Zero Coalition and the Together in Safety Initiative.



Lars Lange, secretary general, IUMI

The WEST logo is displayed in a large, bold, blue font. Below the logo is a wide, horizontal photograph of blue ocean waves. To the left of the waves, there is a vertical strip containing two smaller, square images of ocean waves, each with a dark square overlay in the center. The overall design is clean and professional, with a focus on maritime themes.

WEST.

Congratulations to all those involved in the organisation of Hong Kong's fourth Maritime Week!

MARITIME PROFESSIONALS HAVE FAMILIES TOO

The Hong Kong Maritime Museum is the centre of gravity for families and tourist during Hong Kong Maritime Week

As a result of hard work put in by the staff at Hong Kong Maritime Week co-organiser, the Hong Kong Maritime Museum, the youngest members of our community, and their parents, will get the chance to be immersed in the unfamiliar world of the sea, through school workshops and the Family Fun Day (17 November).

Situated at Pier 8, visitors to the Museum will also get the chance to board one of Hong Kong's newest and most technically advanced tugboats operated by Hong Kong Salvage & Towage (Pier 9, 17-22 November).

Apart from the arrival of the tug, which has been a leading attraction for a number of years, families will may also board a traditional Chinese fishing junk.

During HKMW the Museum is expecting to open its doors to 5,000 visitors of all ages.

The busiest day of the week will be the Family Fun Day, packed as it is with a whole series of activities designed by

the museum's education team. This year staff members from some of Hong Kong's most notable shipping companies including, Orient Overseas Container Line, Pacific Basin Shipping, and Ocean Network Express, will also be on hand to offer guidance to young budding seafarers.

MSTI

Through an arrangement with the Maritime Services Training Institute the Museum has made provision for secondary school students to visit the training centre during the Week.

The Maritime Services Training Institute is the beating heart of Hong Kong's maritime training initiatives. It will be opening its doors to a world of opportunity for secondary school students from 18-22 November.

Apart from MSTI's 15 degree courses, plus full-time and special programmes, from maritime studies, mechanical engineering, maritime cadet programmes and meteorology, there are courses aimed at the booming cruise industry. The

MSTI uses some of the most up to date training equipment and software, which is bound to fascinate all visiting tech-savvy teens.

MISSION TO EDUCATE

Explaining the Museum's raison d'être the director, Richard Wesley says: "We have had a long association with Hong Kong Maritime Week. Essentially, the Hong Kong Maritime Museum is about communicating the maritime industry to the public at a family and at a school level.

"We think we can positively influence young people who are thinking about their future. And provide them with insight into the rewards a maritime career may offer them," he adds.

"Even very young children can be enlightened as to the nature of Hong Kong as a port city heavily reliant upon trade. Our staff at the Museum, with the assistance of technology, can show youngsters in an entertaining way, the story of containerisation – the constant inward and outward passage of goods – and through that, Hong Kong's deep connection with the rest of the world."

VENUE OF CHOICE

Due to the Museum's attraction as an ideal venue for conferences and seminars, it won't be all fun and games at the museum during Maritime Week. Some big hitting conference organisers such as the Institute of Sea Transport, and Lloyd's List have chosen the Museum, with its newly enhanced sound system, and views of the harbour to die for, to hold their Maritime Week events on the 18th and 20th of November respectively.



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THE CAPTAIN'S TABLE

The shipping community has traditionally been highly conservative. That is changing slowly as the old generation is finally becoming “woke” to the advantages of having a diverse, young workforce, and technical innovation. But the truth is, in Hong Kong, the Young Professionals in Shipping Network have been doing it for themselves for a long time.

In its 10-year history, YPSN has held hundreds of events for its members, which now total 1,000 in Hong Kong and 400 in Shanghai. This year they have outdone themselves with a hugely ambitious project that will surely go down as one of the highlights of this year's Hong Kong Maritime Week (17-23 November).

The Captain's Table has been described by founding YPSN member, Tabitha Logan as the shipping equivalent of the popular TV programme, Dragon's Den, which aims to connect innovators and start-up entrepreneurs with the shipping and logistics industries.

Describing the genesis of the project, Ms Logan says: “Having been closely following the industry as it embarks on its own technological revolution, we thought of holding our own maritime and logistics inspired pitching competition as a way to see what innovative ideas were out there, which is where the Captain's Table originated.

“The bigger picture though is that we have been striving to do something more impactful for the industry and through our network and contacts we saw we



The YPSN team

could provide a platform in Hong Kong that could bring global start-ups and the industry together. Our aim was also to look at companies outside of the industry. We found a number of start-ups had technology solutions that could be transferable and beneficial to our own industry,” says Ms Logan.

“We also wanted to showcase Hong Kong as an international maritime hub and bring some of these innovative ideas and solutions to the attention of the industry. Hong Kong is also a start-up hub now so we see a perfect pairing in encouraging maritime and logistics start-ups to explore the market and opportunities here as well as in Asia,” she concludes.

As a non-profit organization with a small team, publicising the event worldwide was going to be a mammoth task.

“We relied on our own network to help spread the word through social media and the help of our sponsors. We also conducted interviews with start-up publications and used their newsletters and Splash 247 agreed to be our media sponsor and helped us to publicise the event globally, which was a huge help,” says Ms Logan.

In the event, YPSN attracted 42 entrants from 14 countries. In October that number was whittled down to a shortlist of six chasing prize money of US\$25,000!

THE BIG DAY

The climax of the event will be on 19 November when the winner will be revealed live when the Network holds its end of year cocktail party at the Asia Society on 19 November.



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