THE HONG KONG MARITIME HUB
TAKING IT TO THE NEXT LEVEL
A YEAR OF REMARKABLE PROGRESS

ALONG A MARITIME JOURNEY of more than 150 years, Hong Kong’s maritime and port industry has been going from strength to strength, and has made significant contributions to our social and economic development. Today, Hong Kong has established itself as a premier international maritime centre that is home to one of the world’s largest shipping communities, with roughly one tenth of the world’s merchant fleet, and a vibrant maritime cluster providing a complete range of high quality maritime services, from ship management, ship finance, maritime legal and arbitration services, to marine insurance, ship agency, and many others.

For the sustainable development of the industry, it is important for the government and the industry to work hand in hand. To this end, we established the Hong Kong Maritime and Port Board in 2016. The Board aims to foster seamless partnership with the industry and stimulate insightful exchanges and directions for policy formulation. Noticeable progress has been made, most visibly from the Chief Executive’s Policy Address in October of a broad range of policy initiatives that will collectively take Hong Kong’s maritime offering to new heights. They include tax concessions for ship leasing and maritime insurance, favourable support measures for the arbitration and maritime training sectors, as well as continued efforts to step up promotion of the industry.

Promotion is most effectively conducted in partnership with the trade. Hence the Annual Hong Kong Maritime Week was inaugurated in 2016.

Hong Kong Maritime Week is now a signature annual event in the shipping calendar. Based on our experience and knowledge gained through the previous editions, Hong Kong Maritime Week 2018, with an even greater diversity of presentations, promises to be the best ever.

Some 60 organisers from home and abroad have geared up to stage well over 50 activities this year. The wide variety of activities span across eight themes, from shipping and maritime, ship finance, marine insurance, maritime law and arbitration, ship management, port and logistics to maritime technology, and education and career, offering an extraordinary range of seminars, conferences, forums and networking platforms that will both inform and entertain. The Hong Kong Maritime Week is meant for the community, as well as the industry. This year, we have activities hosted by globally renowned institutions like the Lloyd’s List, BIMCO, Mare Forum and Marine Money, providing platforms for professional exchanges on latest issues of common concerns. We also have other fun-filled programmes targeting particularly the youth and the general public; for example, HKMW Orienteering Race, Pi’s Adventure in Victoria Harbour and Family Fun Day. I can assure you that there will be something for everyone. My heartfelt appreciation goes to all organisers for their contributions in making the Hong Kong Maritime Week 2018 a great success and help in reinforcing Hong Kong’s role as a leading international maritime centre.

At the Hong Kong Maritime and Port Board, I myself and every Board member have been working tirelessly in strengthening Hong Kong as the region’s premier maritime hub. To help you appreciate more about the latest undertakings of the Board, the chairmen of our three committees — Maritime and Port Development, Manpower Development, and Promotion and External Relations — will explain in details the achievements made to date.

This is just a prologue of the upcoming Hong Kong Maritime Week 2018. A fabulous line-up of diverse activities will soon be unfolding. Do mark your diary for this eventful week, and I hope that all of you will benefit and enjoy from participating in the Hong Kong Maritime Week 2018.

CHAN Fan, Frank JP
Chairman of the Hong Kong Maritime and Port Board
Secretary for Transport and Housing
Hong Kong Special Administrative Region Government
THE HONG KONG MARITIME HUB:
TAKING IT TO THE NEXT LEVEL

CONTENTS

3  Hong Kong Maritime and Port Board taking Maritime to the next level
In another busy year for the HKMPB progress has been made on all fronts to equip Hong Kong’s maritime sector for the challenges ahead

8  Even more reasons than before
InvestHK is better equipped than ever to inform global shipping players there has never been a better time to invest in Hong Kong’s burgeoning maritime centre

10  Revealing a world of maritime possibilities
As a co-organiser of Hong Kong Maritime Week the Maritime Museum has a vital role in reaching out to the younger generation

14  The call of the sea
TCC Group chairman and chief executive Kenneth Koo owes much to the inspiration offered him by previous generations of his family. The next generation will thank him for his extraordinary contribution

18  Lloyd’s in Hong Kong
Prompted by regulatory changes and a desire to invest in Hong Kong’s success, Lloyd’s continues to grow its presence

22  How the Fair Winds Charter put Asia on the right course
In a unique example of cooperation involving all stakeholders, Hong Kong forged an historic agreement on ship emissions that influenced regional policy and continues to reap benefits today

26  The power of blood and the sea
Inheritance and experience have both played a part in Olivia Lennox-King’s rise to the top

30  In the eye of the storm
There were more than 185,000 vessel arrivals in Hong Kong in 2017. The contribution made by pilots and tug operators to keep Hong Kong waters safe deserves to be recognised.

34  Picking up the baton for Hong Kong
A new generation of maritime executives are emerging and ensuring that a newly invigorated Hong Kong shipping scene is sustainable

38  The Port of Hong Kong’s role in the Greater Bay Area
The merging of Hong Kong and China in the Greater Bay Area will do more than benefit the technology sector
In another busy year for the HKMPB progress has been made on all fronts to equip Hong Kong’s maritime sector for the challenges ahead.

The three Committees of the Hong Kong Maritime and Port Board have been working individually and collaboratively to create a coherent vision for the future of the territory’s maritime sector. We are pleased to update you on their progress.

**Manpower Development Committee**

The members of the HKMPB’s Manpower Development Committee represent a broad range of expertise and experience across shipping and the marine-related services that support the industry. Together, the Committee is tasked with assessing the manpower needs of Hong Kong’s Maritime sector and formulating strategies, initiatives and programmes that will assist the industry in meeting those needs.

The most noticeable way that the MDC is assisting in the development of fresh talent is the deployment of funds for training and education made available through the HK$100m Maritime and Aviation Training Fund (MATF). Since its inception in 2014 the MATF has helped more than 6,300 students and in-service practitioners achieve their career goals.

**Starting young**

Hong Kong, in common with other mature economies, is faced with low awareness amongst its youngest citizens as to the benefits and rewards of a career at sea. In recognition of this in July 2017 the MDC provided funding support of HK$1.32m to the Hong Kong Maritime Museum to produce an innovative curriculum-linked education pack to introduce students to the exciting world of maritime and shipping.

Nautic Quest, with its combination of book-led learning with the interactivity of a dedicated website, has been fully aligned with the way F.4 students imbibe knowledge today.
For those students who find themselves captivated, through the “Maritime Professions” page on its website, HKMPB offers further guidance on maritime career paths while exposing them to the positive experiences of young practitioners.

**Assistance at the tertiary level**

Since the establishment of the HKMPB in 2016, MDC has offered a myriad of scholarship schemes in collaboration with local universities. In 2017, MDC was pleased to implement three new scholarships, viz. The Hong Kong Nautical and Maritime Scholarship Scheme; Maritime Law Scholarship Scheme and The University of Hong Kong – Shanghai Maritime University Academic Collaboration Scheme.

To encourage life-long learning among existing practitioners and facilitate a vertical career path through the gaining of further professional qualifications, funds are also available under the MATF’s Professional Training and Examination Refund Scheme (ProTERS) for eligible in-service practitioners who aspire to pursue further training to enhance their professionalism to apply. 80% of the fees for completing approved courses and examinations can be claimed back by the in-service practitioners under the Scheme.

Maritime related industries are undergoing a period of extraordinary technological challenges and digital disruption that are transforming the way shipping businesses are operated. And the support of schemes such as the ProTERS will prove increasingly vital to a workforce that must navigate a new and rapidly evolving work environment.

**Fine-tuning**

MDC chairman Willy Lin points out that in addition to reviewing and approving new schemes, it is important to revisit the effectiveness of extant ones. For example, the Sea-going Training Incentive Scheme has been available since 2004. Originally the scheme offered a monthly subsidy while deck and engine-room cadets were at sea for a maximum period of 18 and 12 months respectively. A recent review by MDC found merits in extending the support while cadets are onshore preparing for professional examination and during the time they return to sea with higher professional qualifications, but not yet promoted.

In a further initiative aimed at enriching the experience of local seafaring students MDC has sponsored collaboration between the Hong Kong Seaman’s Union and Dalian Maritime University. This enables participants to set sail on the university’s training ship for 11 days and get a feel for the real environment on board.

The Ship Repair Training Incentive Scheme was also found to benefit from further enhancement and since April 2018, ship repair mechanic students have seen their monthly subsidy doubled from HK$1,500 to HK$3,000.

**MATF renewed at HK$200m**

The importance of MATF as a central pillar in the drive to create qualified and incentivised professionals was duly recognised in this year’s Policy Address delivered by the Chief Executive, Mrs Carrie Lam. Amidst a raft of policy initiatives aimed at pushing the quality of the maritime sector to the next level, the decision to sustain MATF and inject the funds with additional HK$200m has been universally welcomed by the maritime sector.

Cited as, “Very good news indeed!” Mr Lin says: With the injection of extra funding into MATF, more can be done to attract young people to join the maritime industry; enhance the overall competency level and professionalism of practitioners in the sector; as well as build up a vibrant, diversified and competitive pool of professional personnel to support Hong Kong’s talent development in the maritime sector.”

Additional financial support for the continuation of the MATF will offer an extraordinary boost to the industry. Hong Kong’s maritime sector can look forward to a sustainable training and education regime, open to enhancement measures as well as brand new initiatives and promotion activities, some of which are already in the pipeline.
Maritime and Port Development Committee
The Maritime and Port Development Committee, chaired by Andy Tung, has made considerable headway in contributing to industry reform in Hong Kong’s maritime sector in the past 12 months.

Most importantly, the MPDC has formed a Task Force on Ship Leasing to study and draw up a tax concession model for stimulating the growth of ship leasing business in Hong Kong. The proposed tax measure was one of the new initiatives announced by the Chief Executive in her second Policy Address, but the mission of boosting Hong Kong’s high value-added services has long been a top priority of the Committee.

“It is helpful that we have the example of the recently in place concessions for aircraft leasing. Though maritime and aviation industries are quite different, we will certainly tap on their experience in creating a facilitating and feasible model” says Mr Tung.

Not all of its work grab headlines but what conducted by the MPDC in the last year is making a vital contribution to the smoother running of maritime operations.

One key achievement is the formulation of an immigration arrangement to facilitate non-local contract seamen to work on stranded ocean-going vessels in Hong Kong beyond the longstanding rule that imposed a limit of 14 days stay due to unforeseeable circumstances. By engaging with the Transport and Housing Bureau, the Marine Department and the Immigration Department, the MPDC explained to them that under certain circumstances such a strict ruling was creating an unnecessary burden for efficient ship operations. Upon rounds of deliberation and review, a facilitation arrangement has been implemented since December 2017. Ship operators or local shipping agents can apply for permission to remain for up to 90 days on behalf of such visiting seafarers subject to the assessment and approval by the Immigration Department. It is a measure that has been warmly welcomed by the industry.

Similarly, the further enhancement of services of the Hong Kong Shipping Registry has been welcomed by shipowners. Such work includes engaging Hong Kong’s Economic and Trade Offices in Mainland China (first the Beijing and Shanghai offices in October 2017, recently Liaoning and Shandong Liaison Units in September this year) and overseas (first in Tokyo, Japan, and later extended to Singapore) to deliver ship registration certificates more swiftly. As one of the initiatives to further enhance the Shipping Registry, the Marine Department is also planning to set up regional desks in selected overseas and Mainland offices by phases starting next year, with a view to rendering more direct and prompt support to shipowners at the ports concerned, and to promote the Registry.

The Port of Hong Kong
The Tsing Ma Bridge, with its role as an entry to the port for containerships has been a point of vigorous discussion with shipping and port representatives emphasising the importance of having an air draft sufficient to allow access for the new breed of mega-containerships. The understandably more cautious authorities – the Marine Department and Highways Department, on the other hand, are prudent in ensuring the bridge structural safety and vessel navigation safety. Following the discussion and views of the MPDC, two independent consultants have been engaged to advise on whether there is any feasible proposal of relaxing the bridge height clearance without compromising safety.
Mr Tung diagnoses the conundrum: “The port industry is vital to Hong Kong. With increasing competitions in the region, any obstacle to port productivity is undesirable. However, the Bridge is utterly important to everybody in Hong Kong and where there is a safety element involved, we cannot afford to get it wrong.”

Meanwhile, the MPDC does what it can to sustain the competitiveness of the port. It does so by ensuring that the planned provision of additional back up land, which is so badly needed due to the introduction of mega vessels and the port’s increasing role in transhipment, remains on track.

The very existence of the port in a city with a severe housing shortage has tended to create a division in the community with a constituency calling for it to be replaced by new homes. Mr Tung would reject this approach because it is based on only a partial understanding of the port’s importance.

“The port is tied to the logistics sector. Logistics and trade constitute one of the major pillars of Hong Kong’s economy,” he says. To be exact, trade and logistics accounted for 21.6% of the economy and provide around 730,000 jobs.

The future

Both the MPDC and the industry as a whole has welcomed the news from this year’s Policy Address that the Hong Kong Government will explore splitting the current Transport and Housing Bureau into separate entities.

“We appreciate the amount of effort that has been devoted to shipping under the current arrangement but with housing being such a huge concern, the new arrangement will make more sense,” says Mr Tung.

Looking to issues that are being put to the MPDC by industry for future consideration, Mr Tung says there continues to be advocates for a statutory body to oversee and lead on the maritime cluster. If it were to happen, Mr Tung believes that such body should be made up of people within the industry to further promote its development.

“When you see these types of entities in other countries, they are tied to the port and typically the Government releases the land to it to manage the port and lease the land out to the port operators – an entire business entity.”

“In Hong Kong, we don’t really have that model in the maritime sector but certainly it is something we would like to see. Because we really think that it would help. The benefit of having a dedicated body with real industry professionals would certainly add to the effectiveness of what we do.”

Promotions and External Relations Committee

“The maritime industry is a truly global industry, with ports and shipping companies around the world cooperating with each other. As an international maritime centre, we believe that it is essential to promote our maritime industry and quality services to other maritime communities across the world,” says Agnes Choi chairman of the Promotions and External Relations Committee.

“Fortunately, Hong Kong has its unique competitive edge,” says Ms Choi. “It derives from our strengths in finance, marine insurance, a well-established legal system including maritime arbitration, and one of the largest ship registries in the world. Combining these attributes with the advantages of being a gateway to Mainland China, you will find we have an unbeatable offering for international players,” she adds.

Chairman of the Promotions and External Relations Committee, Agnes Choi

“In the past, perhaps we have been a little too humble with what our industry has achieved. We’ve tended to simply get on with the job of being a highly efficient maritime cluster, while believing that the rest of the maritime world will notice what we can offer and use our services, or even join us by setting up offices here. This is no longer the case. To cater for the ever-changing needs of
the market and having faced the fierce competition in the region, we should take a more proactive approach to reach out to the world.”

“The best solution of course is for government and industry to collaborate in getting the message out. Since the establishment of HKMPB in 2016, PEC has been actively providing the maritime cluster with that much-needed voice internationally.”

The PEC has organised a number of promotion visits in various maritime cities across the world. Through these visits it has created a rapport with counterparts overseas in cities such as London, Hamburg and Athens. As a result key participants in those cities are now aware of our value offering, and Hong Kong has benefitted from a permanent line of communication going forward.

On a national and regional basis, the PEC promotional visits to Shanghai, Beijing and Tokyo have been very productive in promoting the full range of maritime services available in Hong Kong including ship finance and ship leasing, marine insurance and maritime legal and arbitration services. This has proved very useful in encouraging maritime enterprises from those cities to set up representative or branch offices in Hong Kong.

On the manpower front, the HKSAR Government’s close connections with the Shanghai Maritime University and Dalian Maritime University have resulted in closer cooperation between Hong Kong and these Mainland educational institutes, with the aim of broadening students’ horizons and promoting diversified manpower development.

Looking to next year, Ms Choi reveals a promotional calendar for 2019 is in the making. The key northern European maritime centres of Oslo and Copenhagen have already been identified as cities that are likely to be receptive to Hong Kong’s unique business offering.

The Chief Executive’s policy address in October 2018 delivered a number of ground-breaking maritime-directed initiatives, including tax measures to foster ship leasing business; tax concessions for the marine insurance sector; support for maritime arbitration services; enhanced services delivered by the Hong Kong Shipping Register and; a HK$200m injection into the Maritime and Aviation Training Fund.

As a result of these initiatives next year the PEC will be in the enviable position of being able to meet its overseas counterparts with a raft of new incentives that have greatly enhanced Hong Kong as an international maritime centre.

**Hong Kong Maritime Week**

Through the hard work of the PEC and the industry, it has taken just three short years for Hong Kong Maritime Week to become an international event marked on the calendars of maritime professionals around the world.

“On the manpower front, the HKSAR Government’s close connections with the Shanghai Maritime University and Dalian Maritime University have resulted in closer cooperation between Hong Kong and these Mainland educational institutes, with the aim of broadening students’ horizons and promoting diversified manpower development.”

Ms Choi says this with good reason! Hong Kong Maritime Week was the first major project undertaken by the HKMPB. Every year since the event has provided a magnificent week-long, city-wide platform for members of the local and global industry to promote their expertise and knowledge; to discuss the most pressing challenges of the day and; ideally, it has laid the groundwork for future business relationships.

Meanwhile, activities specifically aimed at the wider Hong Kong community, particularly the youngest members of society, are actively sowing the seeds for a future generation of maritime professionals.

“This year in 2018, we are pleased to have the continued support from the Hong Kong Shipowners Association and the Hong Kong Maritime Museum as co-organisers, and the Hong Kong Trade Development Council and InvestHK as our partners to support the Hong Kong Maritime Week,” says Ms Choi.

“On the manpower front, the HKSAR Government’s close connections with the Shanghai Maritime University and Dalian Maritime University have resulted in closer cooperation between Hong Kong and these Mainland educational institutes, with the aim of broadening students’ horizons and promoting diversified manpower development.”

“The very positive response received from the industry both here and abroad, has resulted in some 50 activities staged by over 60 industry organisations, professional bodies, chambers and enterprises from Hong Kong and abroad. This is also deeply gratifying.

“We are especially pleased to welcome world-renowned international event organisers such as Lloyds List, Mare Forum and BIMCO, and Marine Money.”

Ms Choi concludes, “We are confident that this year’s Hong Kong Maritime Week has been arranged in such a way as to have something of interest for everyone. At the HKMPB we wish everybody an exciting and rewarding week of intense activity.”
EVEN MORE REASONS THAN BEFORE
InvestHK is better equipped than ever to inform global shipping players there has never been a better time to invest in Hong Kong’s burgeoning maritime centre

THE ESTABLISHMENT OF A DEDICATED MARITIME CLUSTER TEAM at Hong Kong’s FDI agency, InvestHK is just one of many recent initiatives taken by the SAR Government to attract foreign and Mainland marine-related businesses to the territory.

Benjamin Wong, Head of Industrial and Transport, explains how the agency is contributing to a government-wide focus on the maritime sector.

Collaboration
“The setting up of the Hong Kong Maritime and Port Board in 2016 has, amongst other things, been a catalyst for a more collaborative approach across government departments involved in boosting Hong Kong’s status as an international maritime centre,” he says.

“For example, joining all three committees of the HKMPB has helped me to fully appreciate all aspects of the sector from a 360 degree perspective. In turn they have a deeper appreciation of how we can assist in augmenting Hong Kong’s maritime centre. It was because the chief executive’s office came to learn of InvestHK’s need for greater resources and ultimately approve our new Maritime Cluster team, that I was offered places at HKMPB.”

The first mission for the team will be to meet and greet many of the thousands of foreign visitors due to arrive this November for Hong Kong Maritime Week 2018. There the team will be reaching out to professionals and businesses engaged both in shipping and the very broad range of maritime services.

Latest incentives
Following the October 2018 policy address by Hong Kong’s chief executive, the Maritime Cluster team will be armed with a whole new set of attention grabbing incentives for marine-related businesses. These include the slashing of corporate rate tax for ship leasing firms and marine insurers, a shipping register with enhanced service capabilities, and a HK$200m Maritime and Aviation Training fund.

Karen Mak’s work with the Maritime Cluster team has her focusing attention on the finance side of the shipping sector. Needless to say she sees the Government’s initiatives to lure ship leasing companies as a positive step that will greatly facilitate her work when speaking to ship leasing firms from the Mainland, Japan and Europe.

“I have every confidence that as a result of the measures introduced by the Government, ship leasing companies will already be making a fresh assessment of the advantages in creating a base in Hong Kong,” she says. “Which will make my job a lot easier,” she smiles.

Mr Wong adds: “The Maritime Week will be our focus in November. The team will be attending as many of the 50 events as possible, regardless of whether we are sponsoring them or not.”

“Ship leasing companies represent one aspect of the sector but Hong Kong Maritime Week brings together members of all the shipping services. If they are not based here already we shall be on hand to let them know why they should be.”

Hands across the water
Meanwhile, overseas, InvestHK is leveraging on the contacts of its 30 offices around the world. At present the Maritime Desk is focusing its attention on the huge contribution the traditional marine powerhouses of Germany, Scandinavia Greece and Mainland China could bring to Hong Kong.

“Our overseas offices take a holistic approach when identifying businesses that would benefit from a presence in Hong Kong,” says Maritime Cluster senior manager, Dixon Wong. “It is the job of our overseas offices to highlight the advantages that companies in any sector can enjoy, such as our low tax regime, rule of law and the general ease of doing business.”

Fellow Maritime Cluster senior manager, Brian Yam adds: “When overseas colleagues alert us to the interest of marine-related companies we are ready to step in and introduce the very special value offering Hong Kong has for the sector. If they see the sense in coming to Hong Kong, we remain on call to help them bed their enterprise in.”
REVEALING A WORLD OF MARITIME POSSIBILITIES
As a co-organiser of Hong Kong Maritime Week the Maritime Museum has a vital role in reaching out to the younger generation

THE THREE ORGANISERS OF THE HONG KONG MARITIME WEEK, the Hong Kong Maritime and Port Board, The Hong Kong Shipowners Association, and the Hong Kong Maritime Museum, have joined together to ensure that this year’s Hong Kong Maritime Week will be an unforgettable experience for all participants.

It’s the very special role of the Museum to reach out to Hong Kong’s youngest citizens: To open their eyes to the extraordinary world of the sea and, with a little bit of luck, persuade them that they may one day play a part in the human activity that takes place on the world’s oceans every day.

In 2013, the Museum and HKSOA created a joint initiative to raise awareness of and generate interest in maritime careers among young students. The flagship event of this drive was Hong Kong Maritime Awareness Week. Since 2017, HKWAW has in the interest of inclusivity been subsumed into Hong Kong Maritime Week. The format has largely remained the same but the Museum has promised some exciting new additions this year.

Activity-packed Sunday
The first day of HKMW is likely to be the Museum’s busiest with literally something for everyone. One of the main halls will be devoted to “Maritime Economy and Career Planning: New Thinking, New Challenges”, a career advisory session organised by the HKSOA along with co-organisers the Museum, Hong Kong Alumni Association of Shanghai Maritime University, Dalian Maritime University Hong Kong & Macau Alumni Association and the Hong Kong Polytechnic University. Offered in a conference/exhibition format the all-day programme is aimed at practitioners and university students.

Meanwhile, away from the high seriousness of career planning, but in the same expansive venue, the annual Family Fun Day will be getting underway.

“Through the Family Fun Day we have come up with a range of novel activities and materials to really engage with the very young,” says Museum director Richard Wesley. “Whether it be through music, craft activities, or the thousands of objects in our collection, often children are familiarising themselves with the sea and its importance to us for the first time,” he adds.

“We think it is important to cater for families. We feel certain that way it will become a topic of conversation in the days to come.”

Following the Sunday event the Museum has a full week of activities centred on a comprehensive schools programme and community group programme.

Meeting the professionals
The aim of the programmes is to bring students and other members of the community into direct contact with professionals from shipping, logistics and the maritime support services.

“This is a one-on-one experience for students that gives them the opportunity to gain insight into the nature of the work conducted by the thousands of professional people that maritime needs to run smoothly. We also hope to show just how rewarding that work can be,” Mr Wesley explains.

The highlight of the daily programmes will be the arrival of a tug owned by local towage & salvage expert HUD. The tug visit will allow students to talk to active seafarers. They will discover in real time how the work of tug operators ensures the smooth running of the day-to-day activities in one of the world’s busiest ports.

“This has proven to be very popular among our visitors,” he says.

This year for the first time the Museum has curated a special exhibition in cooperation with giant Chinese shipbuilder China Shipbuilding Industry Corporation (CSIC) entitled “Passions for Shipbuilding”.

The Hong Kong Maritime Hub: Taking it to the next level
The Museum will be presenting a number of unique models of vessels built in China including its first aircraft carrier. The exhibition aims to trace the growth of shipbuilding in China and the role that Hong Kong has played in that development.

The first order for a large bulk carrier in China was actually made by a Hong Kong owner. The Museum hopes that this exhibition will help the public and students better understand and appreciate the vital importance of the shipping industry and become more aware of the many professional job opportunities that are available.

Mr Wesley is confident that, for the Museum, this year’s Maritime Week will be even more successful than its predecessors.

“We have a core group of supporters among the families of those involved in the maritime-related fields. They know that when they come to the Museum for occasions such as this they will have a good time with some useful instruction thrown in. Beyond that we have an extensive marketing programme via an electronic mailing list, our website and our presence on Facebook. We are already receiving enquiries from far and wide across Hong Kong,” he says.

Into the classroom

In a longer term collaboration, HKMPB and the Museum’s joint project, NAUTIC QUEST is about to alert a new generation to the career potential of the territory’s exciting maritime sector.

In their most ambitious collaboration to date, the HKMPB resorted to the Maritime and Aviation Fund to donate HK$1.2m to a Museum-designed project aimed at more than 60,000 S4 Hong Kong students.

NAUTIC QUEST is a set of specially designed school-based learning materials supported by a multitude of interactive and multimedia components covering a broad range of intriguing and inspiring maritime topics.

“This learning platform aims at enriching the knowledge of students and the general public on the most precious natural resource of Hong Kong – our harbour – and its deep connection with a host of maritime industries as well as our daily life,” Mr Wesley explains.

The highlight of the NAUTIC QUEST project is the Yuto Aquarium, an augmented reality enabled roving exhibition, which brings the project’s maritime learning platform to schools and communities. The aquarium-shaped display employs interactive and multimedia presentation strategies to deliver knowledge in a fun, youth-friendly format.

NAUTIC QUEST was officially unveiled at a dedicated ceremony at the Museum on Saturday 12 May. Among the dignitaries at the ceremony was Under Secretary for Transport & Housing Dr So Wai-man, Raymond. Dr So provided perhaps the most poignant moment of the afternoon. As he delightedly observed a group of children testing the limits of the Yuto Aquarium, he was marking them down as future recruits to Hong Kong’s maritime community.
Survey result from the Gulf Clean ACT Survey 1 dated Oct 2018.

Have you documented a ship specific implementation plan for your vessels?

- 42% YES
- 58% NO

Would you like Gulf Oil Marine Ltd. to work with you and develop an implementation plan?

- 80% YES
- 20% NO

WE HEARD YOU!

Introducing the Gulf E-Platform for one-stop transition planning

1. Ship Specific Implementation Plan
2. Lubricant Transition Plan

2018
- Assess options

2019
- Confirm plan

2020
- Transition smoothly

3.5%S

0.5%S
THE CALL OF
THE SEA

KENNETH KOO
TCC Group chairman and chief executive Kenneth Koo owes much to the inspiration offered him by previous generations of his family. The next generation will thank him for his extraordinary contribution.

FOR THOSE UNFAMILIAR WITH THE NAME of Kenneth Koo (there can only be a few in the maritime world) it may take a while to gain a handle on the man. The chairman and chief executive of the dynastic Hong Kong shipping company, TCC Group has a disarmingly youthful look about him that belies more than 30 years in the business.

Met with a broad, welcoming smile that frequently breaks out into bouts of laughter, one may erringly think he lacks gravity. Rarely seen on a public stage, who would know that he has contributed more to the growing voice of Asian shipping than a dozen more publicly vocal members of his peer group? But although he wears his learning lightly it’s quickly apparent that he has one of the sharpest minds, and an encyclopaedic knowledge of the business, as well as an unmatched passion for its betterment.

The early days
Kenneth was born in 1960 to an extended family with deep maritime connections stretching back to Shanghai in 1917. It was there that his grandfather, C S Koo founded Tai Chong Cheang Customs Brokers Company. When a close friend of Kenneth’s grandfather passed away with the wish that he take over his friend’s ship, TCC appeared in its first manifestation as a shipping company. By 1939, the fleet had grown to 10 vessels. In 1949, in common with other members of Hong Kong’s now historic shipping community, Mr Koo relocated the renamed Tai Chong Cheang Steamship Company to Hong Kong.

From those early beginnings, Mr Koo continued to grow the company until, by the 1960s to early 1970s, it owned a fleet of 12 new ships.

Kenneth was first exposed to the family business at around the age of five but the deepest impressions on his character were being made in the classroom.

“I have not been baptised but I went to religious schools throughout my childhood and adolescence, beginning with a Roman Catholic kindergarten, a Jesuit school in Japan at the age of seven, back to the Lutheran Hong Kong International and on to a Roman Catholic University in the US. The lessons I learned touched me deeply. Compassion was a lesson learned early. During my teenage years I was involved in a lot of outreach work and remember well the years when I helped out at an orphanage.”

Choices
Kenneth’s years in adult education were to lead to a turning point in his life because the freedom he felt at that time was ultimately an illusion. Unlike other traditional Chinese parents with a business to run, his father, K H Koo did not seem inclined to clip his son’s wings, even when Kenneth aspired to be a sports writer. So far did he follow this ambition that he was offered a post at the LA Times. The law was also an attraction and he was offered a place as a paralegal with the New York legal firm Hill Betts & Nash. But eventually the call did come. Kenneth’s father was ageing. It was time to come back. Time to return to the family, the business and a new venture.

Kenneth returned to the embrace of his family just as his father and uncle, K W Koo set up Tai Chong Cheang Steamship Co (HK) Ltd.

In at the deep end
“In 1983 I literally knew nothing about shipping. But because I had undertaken an internship at a local legal firm it was assumed that I was the legal expert. So my father decided I should take care of the corporate side. But my uncle K W demonstrated with him and insisted that as I would one day own all of the assets I needed to know all about them immediately,” says Kenneth.
“By the middle of 1984 I had begun my shipping career on the technical management side. But when my uncle passed so suddenly in 1991, I was really thrown in at the deep end and suddenly became responsible for technical fleet management.”

When Kenneth speaks of his uncle K W Koo it is with a deep affection for a man who was above all others his mentor and friend. He was also instrumental in bringing about a Damascene conversion in Kenneth’s attitude to the shipping business.

In 1985 Kenneth joined his uncle on a trip to Shanghai where the company was to sign a contract for a panamax bulk carrier at Jiangnan Shipyard. At the time it was to be the largest bulk carrier ever built in China. When the uncle and his nephew arrived celebrations were underway for the yard’s 120th anniversary.

Kenneth takes up the story.

“I remember a great deal of jubilation at the yard on such a special day. But what really sticks in my mind is the launching of a handsysize carrier, the MV Moxingling, ordered by Guangzhou Transport Bureau. When I saw the ship going down the slipway there were tears in my eyes. From that moment on I was hooked.”

From that day on Kenneth vowed to continue the TCC tradition of building on the spirit of family with a unique business philosophy and management platform that rest upon a foundation of institutionalization, professionalism and transparency. The result is a shipping company with 16 vessels and one of the highest reputations in the business.

The call
Kenneth says: “I would say that shipping for me now is a genuine calling. It may be that my religious background has rubbed off on me. But I really do feel there is a calling for me in terms of contributing in as many ways possible to the shipping industry.

“I am continuing my fathers’ work in as much as I see it as a duty to create a stronger Asian voice that should more accurately reflect the size of our presence,” he adds.

An Asian voice
Like his father, Kenneth has spearheaded a number of initiatives to improve many aspects of shipping through his current vice chairmanship of the Council of INTERTANKO, chairmanship of the Hong Kong Shipowners Association (2009-11), a seat on the Council of the International Shipping Federation, and the chair on the HKSOA’s Manning Sub-Committee and China Sub-Committee, to name just a few of the close to 25 senior industry posts he has worked on.

Among his achievements, earning him the reputation of an industry leader, Kenneth led a working group in the HKSOA, which developed the first ever set of guidelines for the selection and application of ballast water tank coatings in 1994. He formed a working group of 12 Mainland China maritime education and training institutes to develop unified minimum standards of training in 1999.

Kenneth then went on to develop a proto-type Yangtzemax capesize bulk carrier with Shanghai Waigaoqiao Shipyard in 2000. In 2010 he established a research and development programme with the University of South California’s Viterbi School of Engineering. The programme is to develop the application of transient plasma injection technology to achieve total combustion efficiency in marine diesel engines. It is this last project that occupies his mind today.

“We actually have a partnership with Hyundai Heavy. And we are testing the application of this technology on the emissions remediation front with increasing higher output marine diesel engines, culminating in a test on a 1MW engine next spring. Then we will scale up the engine size all the way up to 33MW, which is suitable for a VLCC.

“This technology means that you can continue to burn 3.5% sulphur without the need for scrubbers. There is no problem with NOx or SOx. We have also been surprised by a reduction in PMT 2.5 to well below the industry prescribed limits,” he says.

“Emissions remediation is just part of a larger effort that increases combustion efficiency. Diesel engines today can burn only 50% of the fuel oil with the other 50% emitted as unburned hydrocarbons. This project eliminates that waste. It has been 10 years in the making but we are hopeful it will go to market soon,” he adds.

In fact a tentative date of 2020 has been mooted, offering the real possibility that there will be a further option to tackle the IMO-imposed 0.5% sulphur cap on marine emissions from January of that year.

Reflections
Looking back over his career, Kenneth cites his personal highlights. “In 1992 we bought a 10-year old capesize shortly after my uncle passed away. The CSK Brilliance was my baby,” he exclaims. We ran her from 1992 to 2001 with not a single day off hire. I was so proud!”

The creation of the Maritime Educational Training Schools,
which came up with minimum training standards for Chinese cadets was another proud moment. Delivering the world’s first “Green Cape” bulk carrier in 2003 also gets a special mention.

Kenneth would not allow anyone to think that he has achieved so much on his own. For more than 100 years TCC Group, in whatever form, has always been a family affair. And that won’t change anytime soon. Kenneth may not have achieved his youthful ambition as a sports writer but, to take a sporting analogy, he has been a relay runner since he took the baton from his father in 2005, and eventually he will pass it to his daughter Emily (30) and his son Edward (28). Unlike Kenneth, both his children took to the business from the start with Emily doing a stint at Noble Chartering before joining the company, and Edward working for a spell at Chevron and a summer with DNV GL before entering the family concern.

Ever the eternal optimist, which might explain the always-on smile, Kenneth has a theory that with care most of us can now expect to live 90 years.

“During the first 30 years you make your entry into the working world. In the second 30 years you are making a foothold and becoming established in your field of endeavour. The last 30 years are strictly for you.

“I now spend most of my time as mentor, educator and guide to my children. I’m happy to sit back and keep an eye on them and only intervene when they ask for help. I am enjoying it immensely.”

Of course this is not entirely true. On an average day he will find time for his work with the HKSOA, INTERTANKO and even the Hong Kong Maritime Museum, and the Sailors Home and Missions to Seamen. Looking 20 years younger than he actually is, it’s a good bet that the industry won’t accept his withdrawal for at least another 20 years.
Prompted by regulatory changes and a desire to invest in Hong Kong’s success, Lloyd’s continues to grow its presence

Marine insurance is of course the oldest form of insurance, with origins in the Greek and Roman civilisations. By the 17th century we begin to see a form of marine insurance more familiar to us today, led by the Lloyd’s coffee houses in London.

Unlike private insurers, Lloyd’s is an insurance market in itself, made up of syndicates that insure and spread the risks of different businesses, organisations and individuals. The Lloyd’s market has evolved over time into a sophisticated market that takes on a myriad of risks. But marine still has an important presence particularly in a market such as Hong Kong.

Lloyd’s has been insuring maritime trade business originating in or connected to Hong Kong since the mid-19th century. But it wasn’t until 1952 that it was first authorised to do business in the territory, through legal representatives and the Lloyd’s Agency network.

**Lloyd’s lands in Hong Kong**

“In 1997, prompted by regulatory changes, and a desire to invest, we appointed a Corporation of Lloyd’s employee, opened an office and started hiring staff to promote and protect our presence here,” says the current Lloyd’s representative, Thomas Haddrill.

“Following the investment made by the Corporation in 1997, we have only seen that investment from the market grow,” he says.

“In the 1990s we were represented by a couple of coverholders (intermediaries that can bind insurance on behalf of a Lloyd’s syndicate), and one syndicate office. Today there are nine syndicates and 30 coverholders.”

The significance of maritime trade to Hong Kong is reflected in the 30% share of the overall business written by Lloyd’s in Hong Kong. This figure compares to just 8% written in Lloyd’s in London. With a growing middle class in the region and national trading initiatives taking off, other classes of business are growing exponentially, as Mr Haddrill explains.

“In addition to the traditional ocean going marine business of cargo, hull and liability, yacht business is a growing area. With the rapid growth in high net worth individuals in the region, super yachts are generating growing volumes of business.”

**Vast potential for premium growth**

“As the projects originating from China’s Belt and Road Initiative begin to gain traction, other business conducted by the syndicates include regional reinsurance business, together with casualty, liability lines, financial and professional risks. Political risk and trade credits are also areas for risk transfer that are growing apace. This demand is driven by a lot of overseas investment in infrastructure across Asia. This has originated by financiers and banks that now require that insurance support be built.

“Up to now the majority of projects listed as Belt and Road have been financed by the Chinese government or state supported enterprises. Increasingly private investment will play a role. Hong Kong is in a great position to advance that as an agenda and build a risk management and insurance capability around it,” say Mr Haddrill.

Leading reinsurer, Swiss Re has released a report on the insurance implications of the Belt and Road Initiative. It estimated that the potential increase in insurance premiums in the Asia Pacific
would be in the tens of billions of dollars, equivalent to four or five times Hong Kong's current non-life market. The challenge will be to find a concentrated, coordinated way to deliver capacity to those solutions and to also originate the opportunities. Hong Kong is in the driving seat to do both.

**Enhancing Hong Kong's marine insurance environment**
Recent incentives introduced by the Hong Kong Government to enhance the attractiveness of Hong Kong as a place to do insurance business have been welcomed by Lloyd's.

“We certainly welcome the Government’s incentives, particularly the tax concessions for marine insurers.

“There are already tax breaks for reinsurance written outside Hong Kong and similar incentives for insurance captives. With these latest incentives for marine business Hong Kong is creating a compelling environment. And Hong Kong is perfectly located to tap into the China market,” Mr Haddrill adds.

“China is the largest market in the region for non-life insurance, and it's the fastest growing in the world. From an economic perspective it is the country that has dragged the world into growth since the financial crisis. It has to be the focus for any insurer doing business in Asia. Hong Kong also has the added catchment area to draw in business not just from China.”

“Here in Lloyd’s Hong Kong, 81% of our business is done in North Asia – Hong Kong, South Korea, Taiwan and China Macao. These are all mature markets. In some ways China is still emerging. But in many ways, with its technological innovation and distribution channels, it is one of the most sophisticated. The level of investment is astonishing.

“I’m convinced that Hong Kong could be a perfect conduit for capacity and international expertise going into China, as we also learn from and partner with the country,” he concludes.

Despite the ideal environment that Hong Kong provides for marine insurers, in common with the rest of the world it is a market awash with capacity and a lack of underwriting discipline.

“The returns have been reducing in recent years,” says Mr Haddrill. “It is a very challenging market for both cargo and other marine lines. Values are increasing and premiums are not matching that increase. The volumes of business are growing without an adequate understanding of what the risks are and those being priced in.”

**Nurturing the market**
As a giant in the insurance market with vast resources and immeasurable experience, Lloyd's is in a position to offer all insurance practitioners and insured parties with the tools to get better results.

Globally, Lloyd’s writes about £1bn in cargo business each year. It is in its interest to offer what assistance it can in an ailing market. This year Lloyd's issued a report entitled “Goods to Go”. “GTG is a new methodology for modelling cargo risk,” says Mr Haddrill.

“It aims to enhance the way insurers model their risk, manage their accumulations, and mitigate aggregations in the cargo insurance industry.”

A sister publication aimed at the marine market entitled “Steering the Course” improves risk selection and insight. A lot of the methodology involved in the risk models is practical and can be applied to the shipping industry. “We then handle the transfer side,” he says.

Currently Hong Kong is suffering from a lack of new talent in the marine insurance sector. In this case Lloyd's is being more hands on in addressing the issue.

“We are doing some outreach in training and education in Hong Kong,” says Mr Haddrill. “This is primarily through our work with the Vocational Training Council’s Work and Learn Insurance Programme, and the Hong Kong Federation of Insurers.”

In January 2019 a group of 20 Hong Kong students, including marine insurance professionals benefiting from government-funded internships, will be taken to London. There they will embark on an immersive two-week work and learn programme.

“We have partnered with the Chartered Insurance Institute for this programme. And CII will be providing the educational input before the students move on to the Lloyd’s building for some intensive practical experience,” Mr Haddrill concludes.
Established in 1988 in Manila, Philippines, International Container Terminal Services, Inc. (ICTSI) develops, manages and operates gateway ports in the Asia Pacific, Americas, Europe, Middle East and Africa.

Starting with the privatization of the Manila International Container Terminal, ICTSI’s current diverse portfolio includes capacity expansion projects and greenfield investments in developed and emerging markets.

ICTSI is an acclaimed private sector partner of governments requiring high-performing, profitable ports.

More important is ICTSI’s distinct neutrality. As an independent business with no shipping, logistics, or consignee-related interests, ICTSI offers the same level of service excellence to every port community stakeholder.
HOW THE FAIR WINDS CHARTER
PUT ASIA ON THE RIGHT COURSE
The Hong Kong Maritime Hub: Taking it to the next level

IN 2010 HISTORY WAS MADE IN HONG KONG with the inauguration of the Fair Winds Charter. In essence this was the first ever voluntary agreement among 17 shipping companies, including Hong Kong’s Orient Overseas Container Line and Denmark’s Maersk, to switch from heavy fuel oil to 0.5% sulphur distillate fuel when at berth in Hong Kong.

Identifying the target

However, the groundwork that had to be done to get to that milestone began in 2005. It was then that local public policy think tank Civic Exchange, led by Christine Loh, was first alerted to ground-breaking work on reducing marine emissions that was being conducted by the US ports of Los Angeles and Long Beach as well as ports in Germany, the Netherlands and Norway.

Scientific research assessing the deleterious impact of shipborne emissions on human health began to emerge in 2007. The research concluded that shipping related PM emissions were behind around 64,000 deaths worldwide. The estimate for East Asia accounted for 20,000 of those fatalities.

Such findings added urgency to act upon a 2005 research paper, the result of a collaboration between the Institute for the Environment, the Hong Kong University of Science and Technology and Civic Exchange. The paper revealed a high level of SO2 in the area surrounding Hong Kong’s port and the data exposed heavy fuel oil as the culprit, confirming Civic Exchange’s suspicion that ships were responsible. Clearly around 3.8m citizens who lived within the port district were in harms’ way.

By 2008 Civic Exchange and the Environmental Protection Department were firmly in the same camp. As well as engaging with other stakeholders the EPD leveraged on its inner resources to further engage with the issue. Meanwhile, Civic Exchange

A group of fellow warriors who fought to bring the Fair Winds Charter into being reunited recently to recall the effort. From left to right Roger Tupper, former Director of Marine, Arthur Bowring, former Managing Director of HKSOA, Simon Ng, Civic Exchange Fellow, Dr Peter Louie, Senior environmental Officer, Environmental Protection Dept, and Professor Alexis Lau, Division of Environment & Sustainability, HKUST. They were joined by (second from right) Ms Winnie Cheung, Chief Executive Officer, Civic Exchange, and (centre) Mr Evan Au Yang, Chairman, Civic Exchange
was involved in further research, led by IENV and HKUST, and getting the shipping industry on board. The report that arose from that research provided the most accurate and in depth analysis of emissions, calculating pollution levels ship-by-ship. The data justified the focus on containerships and the then on-going Fair Winds Charter.

Volunteers gather
The decision by members of the shipping industry to go ahead with such a radical scheme as the FWC can be traced back to a workshop hosted by Civic Exchange in June 2010. At the workshop Arthur Bowring, then managing director of the Hong Kong Shipowners Association, and Tim Smith, then with Maersk Line, together posited a voluntary emission reduction initiative. Given the expected objections centering on the additional cost and availability of low sulphur fuels and their compatibility with some ships’ engines, and the impact on the port’s competitiveness in relation to adjacent ports in the Pearl River Delta, it is extraordinary that a deal was struck by 29 October 2010. Initially set to run for a two-year period, there were still 17 shipping companies committed to the renewed charter in 2013, supported by the HKSOA, the Hong Kong Liner Shipping Association, Civic Exchange and local ship manager Wallem.

Both prior to and during the period shipping companies were operating under the FWC, Civic Exchange and interested industry bodies continued to put pressure on the Hong Kong Government to legislate for the fuel switch.

In late September 2012 the Government introduced measures that would encourage the industry to stick to the FWC. This began the three-year period under which ocean-going vessels would enjoy a 50% reduction in port facilities and light dues. These measures had the added advantage of allowing the Government time to shape future legislation.

Government mandates fuel at berth legislation
In July 2015 the Air Pollution Control (Ocean Going Vessels) (Fuel at Berth) Regulation came into effect and the Port Facilities and Light Dues Incentive Scheme was extended to 31 March 2018.

According to Simon Ng, author of “Fair Winds Charter: How Civic Exchange influenced policymaking to reduce Ship Emissions in Hong Kong 2006-2015”: “The FWC was a defining moment for the collaborative efforts between the shipping industry, the government and Civic Exchange. Not only did it help reduce ship emissions in Hong Kong in the short-to-medium term, but it also firmed up the dialogue on control regulation in the city and provided opportunities for broader collaboration with local, regional and even national governments to tackle the problem.”

Even before the inception of the FWC, Civic Exchange had the introduction of a Pearl River Delta Emissions Control Area in its sights as the optimum solution to ship borne emissions in the area. As early as 2011 Civic Exchange and government agencies in Guangzhou and Shenzhen were in regular dialogue, while the government agencies kept a close eye on ship-emission control developments in Hong Kong. In 2014, Shenzhen introduced its voluntary fuel-switching regime based on Hong Kong’s FWC.

Subsequently Civic Exchange became one of a group of evangelists, including HKSOA, for the ECA concept in Guangdong and other port cities in China. At the same time CE leveraged on the expertise it found in Europe and the US, who both volunteered their experience of ECAs in their own territories.

After countless meetings between Civic Exchange and other stakeholders, including government representatives from Hong Kong, Guangdong and Beijing, over a two-year period, in December 2015 the Ministry of Transport of the Chinese Central Government put forward an implementation plan for domestic emission control areas that would run from the Pearl River Delta in the South to the Yangtze River Delta and on up to the Bohai Rim.

Mr Ng writes: “By January 2019, all ships entering the three DECAs will be required to use fuel oil with sulphur content not exceeding 0.5 per cent. (Fuel at Berth) Regulation came into effect and the Port Facilities and Light Dues Incentive Scheme was extended to 31 March 2018.

According to Simon Ng, author of “Fair Winds Charter: How Civic Exchange influenced policymaking to reduce Ship Emissions in Hong Kong 2006-2015”: “The FWC was a defining moment for the collaborative efforts between the shipping industry, the government and Civic Exchange. Not only did it help reduce ship emissions in Hong Kong in the short-to-medium term, but it also firmed up the dialogue on control regulation in the city and provided opportunities for broader collaboration with local, regional and even national governments to tackle the problem.”

Even before the inception of the FWC, Civic Exchange had the introduction of a Pearl River Delta Emissions Control Area in its sights as the optimum solution to ship borne emissions in the area. As early as 2011 Civic Exchange and government agencies in Guangzhou and Shenzhen were in regular dialogue, while the government agencies kept a close eye on ship-emission control developments in Hong Kong. In 2014, Shenzhen introduced its voluntary fuel-switching regime based on Hong Kong's FWC.

Subsequently Civic Exchange became one of a group of evangelists, including HKSOA, for the ECA concept in Guangdong and other port cities in China. At the same time CE leveraged on the expertise it found in Europe and the US, who both volunteered their experience of ECAs in their own territories.

After countless meetings between Civic Exchange and other stakeholders, including government representatives from Hong Kong, Guangdong and Beijing, over a two-year period, in December 2015 the Ministry of Transport of the Chinese Central Government put forward an implementation plan for domestic emission control areas that would run from the Pearl River Delta in the South to the Yangtze River Delta and on up to the Bohai Rim.

Mr Ng writes: “By January 2019, all ships entering the three DECAs will be required to use fuel oil with sulphur content not exceeding 0.5 per cent. This is a significant development in China, and one that would bring enormous emission reduction and health benefits to society. It is fair to say that Hong Kong’s pioneering work on ship emissions offered an excellent model for China to consider as the country develops its control and regulatory strategies.”

For the full story download “How Civic Exchange influenced policymaking to reduce Ship Emissions in Hong Kong 2006-2015” at https://civic-exchange.org/
POWERING GLOBAL GATEWAYS

PSA IS THE LEADING PORT OPERATOR OF CHOICE IN THE WORLD’S GATEWAY HUBS, WITH A GLOBAL NETWORK STRETCHING FROM COAST TO COAST. PARTNER US TO BRING THE WORLD’S PORT OF CALL TO YOU.
THE POWER OF BLOOD AND THE SEA

OLIVIA LENNOX-KING
The Hong Kong Maritime Hub: Taking it to the next level

Inheritance and experience have both played a part in Olivia Lennox-King’s rise to the top

As a managing director of Hong Kong-based minor bulk specialist, Asia Maritime Pacific, and as a woman, Olivia Lennox-King is exceptional. According to a survey conducted by the Maritime HR Association in 2017, just 0.17% of the female sample occupied a place on the executive leadership team of a maritime-related business. But in Olivia’s case she has been extraordinary in many other ways too. It seems, with hindsight, that she was destined to find herself sharing the helm of a successful shipping company.

Born in Hong Kong to a mother whose parents had arrived in the territory 20 years earlier and who sailed enthusiastically and a father who was also a sailor, you could say that Olivia was born with the sea in her blood. But the connections with the ocean go back further; her great grandfather came to China many years earlier and, when he settled in Hong Kong, became a naval architect at the Tai Koo Dockyards.

Life sets sail
Before very long, however, Olivia was to gain a more visceral relationship with the oceans and their moods, as she explains: “When I was six-years-old my life took an extraordinary turn. Inheritance and experience have both played a part in Olivia Lennox-King’s rise to the top

It seems that living on terra firma had lost its attraction for my parents. Instead we upped sticks and sailed the world for the next three years, in a 40ft classic Hong Kong yacht – Reverie.

“Back in the day this yacht was very famous for having won the very first China Sea race. I remember that at 40ft, she was a tight squeeze.”

Eventually Olivia’s parents came to realise that perhaps taking a six-year-old and an eight-year-old across the World on a yacht wasn’t the most responsible decision they had taken. When they reached land in New Zealand, it became the place she would call home for close to 15 years. While Olivia continued to be a keen sailor – as she remains today – it was those very early days at sea, when she would take the night watch and wonder at the immense trading ships emerging from the gloom, that would play its part in determining her future. When she graduated from university in New Zealand it was with an arts degree and law honours degree with a specialisation in salvage law, where as part of her degree she discussed the Lloyd’s Open Form.

Feelings for home
Her earliest days in Hong Kong were also formative. While still at university, thoughts of returning were already high on her list of priorities and she secured a position in Hong Kong before she completed her degree.

At first she enjoyed her new career as part of a business restructuring and insolvency team:

“There are aspects of being a lawyer that I still miss today,” she says. “I love taking someone’s problem or business proposition and solving it or facilitating their ambitions. I really enjoy that!

“But to be honest it did not really fulfil me. It wasn’t what I wanted in my career. I was looking for something commercial,
really exciting, interesting and dynamic. In insolvency you are not actually creating something; often it is the reverse and can be quite sad," she adds.

Olivia decided there was more to life than closing down businesses, but was unsure of what to do next. Then she had a chance meeting with Hong Kong shipping luminaries Chris Buttery and Paul Over, late of Pacific Basin. In 2008, the pair had set up AMP with Mark Young.

**New horizons**

"In many ways I was really lucky. After meeting Chris and Paul they really put me through my paces. I'm sure I met more than half of Hong Kong's shipping community. It eventually became apparent that this was a very long and protracted interview process," she recalls. The next step was to meet Mark Young (AMP's current chief executive).

"In 2011 shipping was already three years into a depression that lingers to this day. Initially Mark tried to dissuade me from joining. 'We are in a depression, it's hard work and not as glamorous as you might think,' he insisted.

"And frankly shipping still has an image problem. It's not considered to be a particularly glamorous profession or necessarily attractive to women. That may have been one of the reasons why Mark emphasised that the job might not be for me. But I ended up taking the position despite taking a pay cut. What did I have to lose? Now was the time to take a risk," she says.

Starting at AMP with little or no experience, Olivia found that she had to become a "Jackie of all trades". "I had a huge amount to learn," she concedes. She might also argue that not much has changed in the ensuing seven years. Today she is directly responsible for insurance, sales & purchase, legal, compliance, investor relations and asset management.

Nevertheless, she maintains, "The longer I am in shipping the more I'm happy I joined AMP. From my perspective it has been a great experience to learn across all departments. The company is highly integrated in terms of how we look at the asset, how we are going to operate that asset, and how easy that asset will be to operate."

Some 18 months after Olivia joined AMP, the company merged with OSL Shipping. She recalls the merger process as "extremely complicated, challenging, painful, but ultimately rewarding."

Ahead of the merger, AMP was operating 14 mini bulkers. OSL's two handysize vessels and additional market tonnage then augmented the fleet. Despite the extraordinary headwinds created by the downturn, AMP has subsequently gone from strength to strength. The company now owns and controls a fleet of over 40 vessels, including MPP vessels of 6,600dwt to 8,500dwt; small handysize 18,900dwt – 28,000dwt; and larger handysize of 32,000-36,000dwt.

Reflecting on her seven years with AMP and her meteoric rise to managing director, she says:

"While it was a tough market I don't think anybody could have guessed it would last a decade. Put brutally, all dry bulk owners have been bled white for ten years." But today she is philosophical: "The bad times are when you learn the most. In 2017 and 2018 we have seen a gentle improvement in the market and there is good reason to feel more positive about the future."

**Deal-making**

It's fortunate that Olivia feels that doing deals is one of the most satisfying aspects of her job. Just a few weeks ago, in a reversal of the OSL merger, she was instrumental in a deal that will see AMP absorb fellow minor bulk operator Fenwick Shipping.

When the deal was announced AMP’s chief executive stated that the company would be looking to do similar transactions in the future. On that basis Olivia’s job satisfaction levels will be up for a long time to come.

It now seems those childhood experiences of a dazzling neon-lit Hong Kong, and the dark seascapes she encountered on a yacht, as she sailed around the world, were serendipitous.

"Hong Kong is the right place to be. There might be a pull toward Singapore, and some of our related companies are located there. But for me Singapore doesn't have what Hong Kong has. Over and above my huge emotional attachment to Hong Kong, my feeling is that having a doorway into China will prove to be a big advantage in the long term.

"Both Hong Kong and working in the shipping sector are everything I imagined they would be.”
To book a place in the hub for your business

call (852) 2987 8870/(852) 9304 9987

or email enquiries@hongkongmaritimehub.com
IN THE EYE OF THE STORM

Photo: https://www.maxpixel.net/photo-63213
There were more than 185,000 vessel arrivals in Hong Kong in 2017. The contribution made by pilots and tug operators to keep Hong Kong waters safe deserves to be recognised.

ON 16 SEPTEMBER 2018, Hong Kong collectively battened down the hatches as it prepared to sit out the onslaught of Typhoon Mangkhut. The most powerful typhoon ever to hit the territory would go on to wreak untold havoc.

While millions of Hong Kongers huddled indoors Hong Kong Salvage & Towage Coxswain Lam Ah Kee and the rest of the crew of Taikoo prepared to meet the storm head on in an effort to tow a 122m dumb lighter from Zhuhai port to the typhoon evacuation centre. Mr Lam recalls that day:

“Mangkhut was a fast moving typhoon. Weather and sea conditions deteriorated rapidly as she approached us. We encountered very high waves and dense streaks of foam along the wind direction, deeply affecting disability,” he says.

During the process of bringing the lighter to safety the crew had to gain knowledge of the best typhoon avoidance route on a minute-by-minute basis. A wrong move may have led to a disaster.

“It was thanks to the seamless teamwork from the rest of the crew and the reliability of our tug that we overcame all difficulties and re-delivered the dumb lighter safely,” Mr Lam adds.

Raising a 747
Mr Lam has been in constant attendance on Hong Kong waters for nearly 30 years; ready at a minute’s notice to help vessels in distress. Or even airliners. Locals might recall when a Boeing 747 overran the runway and steered into Victoria Harbour in 1993. After 18 days attempting to lighten the plane, the Taikoo and other tugs were recognised as the first salvors in the world to recover a submerged 747 – some 15 years earlier than the well-known recovery of a US Airways plane on the Hudson River.

Mr Lam says; “Getting the job done; a feeling of mission accomplished; having opportunities to save lives, properties and the environment, are just a few of the main reasons for me to stay in HKST for almost 30 years.

“Each salvage operation is unique and challenging, no two operations are the same. There are always unforeseeable events that arise that we have to cope with, solving the problems stage by stage. With the joint efforts of all crew members, we manage to overcome the challenges every single time. It brings me tremendous satisfaction.”

Fit for the job
To be able to do the job in often difficult conditions, HKST’s fleet of tugs must be tough, powerful and highly manoeuvrable. Each tug features twin propulsion main engines with azimuth stern drives, or “Z-pellers”. The main engines are capable of generating high propulsive power and high bollard pull, with the ability to rapidly accelerate and decelerate at speed in the case of push/pull manoeuvring requirements. They are also fit for long-range heavy load running.

The Z-pellers are centrally controlled by a uni-lever situated in the driver’s console in the wheelhouse. This provides the tug with extremely high manoeuvrability for operating in confined water space. For harbour and high sea towage, the tugs are equipped with high holding power hydraulic towing/escort winches both forward and stern with full electronic remote control in the wheelhouse.

Last but not least, the tug is fitted with twin water/foam monitors for fighting fires on burning vessels. Powerful searchlights, sonar scanners, a zodiac rubber boat. The most advanced navigational equipment and GMDSS are also essential.

The tugs might be state-of-the art but Mr Lam claims: “Qualified crews capable of team-work are no less important than equipment for a successful operation. Our tug is manned by an experienced Master, Deck and Engineering Officers, crew and divers who are very useful for salvage/underwater search operations.”

Guiding giants
Over the past decade the size of the largest container ships visiting Hong Kong has literally doubled from a typical 10,000 teu to 20,000 teu or more. With thousands of smaller vessels entering and exiting Hong Kong waters every day, life can get hairy for a harbour pilot, as Captain Summy W S Chu can attest.

Lam Ah Kee, Coxswain with Hong Kong Salvage & Towage

Captain Summy W S Chu poses before a Chinese aircraft carrier on its maiden visit to Hong Kong

The Hong Kong Maritime Hub: Taking it to the next level 31
During his 30-year relationship with the sea, Captain Chu has held several positions involving, variously, regional cargo planning, port planning and development, Y2K management (port sector), and maritime law enforcement. He has also been an IMO expert in maritime search and rescue before finally becoming a harbour pilot.

Captain Chu spends his working days as a harbour pilot on Hong Kong waters but still finds time for his post as technical director of the Hong Kong Pilots Association where his duties include routing the pilotage of ships and resolving technical issues, such as setting technical criteria on the safe berthing and unberthing of the latest generation of containerships and cruise ships.

The conditions in Hong Kong mean that pilotage is compulsory in the case of ships of 3,000GT or over, and for vessels of 1,000GT or over if they are carrying dangerous goods.

“Occasionally we also assist vessels in immediate danger that require expert assistance in navigation or salvage,” says Captain Chu.

On the particular hazards found in Hong Kong waters, Captain Chu says: “It is a the fact that piloted container ships are now growing to 400m in length with a carrying capacity of over 20,000 teu, and large bulk carriers are drawing a maximum draft of almost 17 metres. Piloting these mega ships in one of the world’s busiest ports with numerous encounters with local and river trade traffic is a great challenge; sometimes it’s almost an impossible mission for the pilots. Luckily, the waters of Hong Kong are well managed by the port authority. By cooperating with the Vessel Traffic Centre of Hong Kong Marine Department the pilots always maintain an extremely high standard of safety.”

Despite the everyday challenges it is clear that Captain Chu finds the work a joyful and satisfying experience:

“The Port of Hong Kong is a miracle. There is little production in the city, and natural resources are very limited. But we have created one of the busiest ports in the world, along with many job opportunities.

“The pilots’ performance and contribution are vital to the success of the port of Hong Kong. And the way the port and its related industries have contributed significantly to the GDP of Hong Kong is to be celebrated. We are all delighted and proud to be one of the major participants in the success of the port.”
Leading with integrity

- Ship Management
- Crew Management
- Technical Services
- Offshore
- Education
- Training

www.angloeastern.com
PICKING UP THE BATON FOR
HONG KONG
A new generation of maritime executives are emerging and ensuring that a newly invigorated Hong Kong shipping scene is sustainable

Winton Porter – Business Development Manager – Marshall Islands Register

Winton Porter represents the third generation of a family with close ties to the sea. His grandfather was a ship’s captain, and his parents traded a vessel in the Cook Islands. “My childhood experiences played a large part in luring me to this industry,” he says.

Winton’s first professional experience was in ship finance at the Bank of Ireland. This was followed by a stint at the Cook Islands Ship Register. Winton claims both positions were helpful in preparing him for his biggest challenge so far as Business Development Manager at the Marshall Islands Register, currently the second largest Ship Register in the world with 164m GT entered.

Winton says no two working days are the same. “It’s in the nature of the job that I spend a great deal of time networking both here in Hong Kong and across the world, so travelling is a big time consumer. When I’m not monitoring and responding to client enquiries, liaison with our 28 offices globally is an important role. Downtime is taken up by research and life-long learning projects,” he adds.

“Using our global network of 28 offices and 450 employees to help our owners find solutions to the many potential issues that this industry can throw at them is the most satisfying aspect of the position. And of course, getting that call/email from an owner to tell me we are getting some new babies into the Registry to look after,” Winton says.

Looking to the future, Winton comments: “I want to get a better understanding of all parts of our industry. Whether it be onboard ships, regulations, legal, finance, technical, etc, etc.”

Emma Yang – Sales & Purchase – Clarkson Asia

Emma Yang is one of the brightest new stars at one of the largest shipping service providers in the world.

Emma was first educated at Shanghai Maritime University where she graduated in International Shipping Management.

“After obtaining a scholarship from the Hong Kong Government and the Hong Kong Shipowners Association, I went on to study at the Hong Kong Polytechnic University where I gained a Master’s degree in International Shipping and Logistics,” says Emma proudly.

Before joining Clarkson Asia Emma completed an internship at Hong Kong’s iconic minor bulk specialist, Pacific Basin Shipping, as well as a stint at Dimerco Logistic Group.

Emma demonstrates a sharp eye on the bigger picture when revealing that the most satisfying aspect of her role is “becoming the trusted partner of our principals and assisting them in concluding major transactions in selling or purchasing assets. This has the potential to change the course of development of a company.”

Emma is convinced she has chosen the right company to support her ambitions.

“Clarksons is the world’s leading provider of integrated shipping services, which brings our connections and experience to an international client base. The company has 166 years’ experience in shipping, with a truly global presence over 44 offices and experts covering all sectors in the shipping business.”

Emma concludes, “We are like the fuel in the main engine of a ship. We help our clients’ businesses run smoothly.”
Sissi Zhang – Marine Business Development Leader – Vice President Marine Practice, Greater China – Marsh (Hong Kong) Limited

Sissi Zhang’s outstanding academic achievements began when she first gained a Bachelor’s degree in International Shipping Management at Dalian University. From there, like Emma at Clarksons, Sissi was awarded a Hong Kong Maritime Scholarship, courtesy of the Government and HKSOA. Again, like Emma, Sissi pursued a Master’s Degree in International Shipping and Transport Logistics at the Hong Kong Polytechnic University.

“With the enthusiasm I have for the marine sector, I finished my courses half a year ahead of schedule,” recalls Sissi. “Since then I have devoted myself to the marine insurance industry in Hong Kong.”

In 2009, Sissi joined Hong Kong insurance broker FP Marine Risks as an intern. In just five years she quickly took on a full broker role, helping maintain the business portfolio for Greater China.

From the time Sissi joined Marsh, a global leader in insurance broking and risk management, in 2014, she was embarking on a steep career progression path.

In 2016, she was promoted from Business Development Manager to Assistant Vice President. She then moved swiftly on to her current position in April of this year.

Along the way Sissi was given the Top Sales Performer award in 2017 in recognition and appreciation of her outstanding performance.

Sissi has spent the past seven years as a marine insurance broker, and when asked what gives her the greatest satisfaction in her post she says simply, “Enabling our clients’ success and creating real value for them.”

Tabitha Logan – Senior Manager – Chartering and Projects – AMP Shipping

Unlike our other star performers, Tabitha Logan “fell into shipping by accident.” When she arrived in Hong Kong in 2007, she joined leading maritime law firm Clyde & Co. Under the influence of Partner Simon Baker and Master Mariner John Wilson, Tabitha soon fell under shipping’s spell and decided she would prefer to be closer to the practical operations of the industry she had been serving. “That’s where my history with shipowners began,” she declares.

Since joining AMP Shipping, Tabitha has gained wide experience in maritime law, ship operations and chartering practices. “The importance of the efficient operation of a ship, having properly drafted contracts and the commercial experience to negotiate a deal means I bring a lot of skills to my role,” she says.

A further example of Tabitha’s commitment to the industry is a leading role she has taken on at the ever-popular Young Professionals in Shipping Network.

“YPSN has greatly expanded my business network. And I have learned the value of maintaining these relationships over time.”

Meanwhile, back in the office Tabitha says, “Apart from my day to day chartering activities my role includes managing our handysize pool operations and reporting the quarterly results. I also focus on our longer term tonnage strategy, carry out business development and work closely with our management on the future growth plans for AMP. I have recently gained a lot of experience through our merger with Fenwick, another Hong Kong shipowner.”

Looking to the horizon, Tabitha maintains, “Long term I look forward to AMP becoming one of the largest dry bulk handysize owner/operators out there. I also would like to continue with my work with YPSN but with a specific focus on attracting younger talent to the industry. We are lacking in this area and I think the shipping industry needs to overhaul its image and modernise in order to remain relevant in the 21st Century.”
Speed...

Fast in... Faster out... Fastest to market!

Every hour spent at sea adds profits. That’s why our professional teams at Modern Terminals in Hong Kong and DaChan Bay Terminals in Western Shenzhen operate with speed and efficiency. Using the latest environmentally-friendly logistics technology and with seamless cooperation with all parties involved, our terminals were born, bred and groomed with world-class productivity to improve your bottom line.

For more information, visit www.modernterminals.com and www.dcbterminals.com
THE PORT OF HONG KONG’S ROLE IN THE GREATER BAY AREA
The merging of Hong Kong and China in the Greater Bay Area will do more than benefit the technology sector

WITH THE OPENING OF THE HONG KONG-MACAO-ZHUHAI BRIDGE and the Guangzhou-Shenzhen-Hong Kong Express Rail Link this year, the physical integration of Hong Kong with the other 10 cities in the region is all but complete within a seamless Greater Bay Area.

While increased development in the areas of technology and innovation has been touted as the chief beneficiary of this extraordinary development, logistics, and the ports in the region that serve as the key links, have been identified as the second most important sector to grow further out of the further integration of the GBA.

The factories within the GBA already account for 37% of China’s exports, which makes the region the world’s fourth largest exporter. But the consensus is that further gains can be made from greater integration and the increased connectivity that will follow. With the freer movement of goods, labour and capital, companies will re-examine sourcing, manufacturing, warehousing and distribution frameworks in order to improve their supply chain in the region.

Port integration
As part of a port cluster located along the Pearl River Delta, the Port of Hong Kong, which has stalled in terms of box throughput in recent years, is likely to gain a new lease of life as part of a major Southern China port cluster. Modern Terminal’s Group managing director, Peter Levesque is convinced of the potential.

“Modern Terminals sees the creation of the Greater Bay Area as a major opportunity for the transportation and logistics sector in Hong Kong,” he says.

“The GBA will allow Hong Kong to leverage its attributes under One Country Two Systems, to complement the scope and scale of Guangdong Province, in creating a network of high value transportation and logistics services. A Greater Bay Area port cluster for example, where Guangdong and Hong Kong ports cooperate, would allow Hong Kong’s free port status to enhance Guangdong’s port expertise and proximity to manufacturing, while creating the world’s largest logistics zone with over 60m teu of throughput.”

Mr Levesque’s counterpart at fellow port operator HIT, managing director Gerry Yim is in agreement, under the right circumstances.

Mr Yim recently told a KPMG survey of businesses best positioned to profit from the GBA, “As a response to the growth of other GBA city ports as export hubs, the Hong Kong port has transformed into a transhipment hub. Roughly 70% of our business in Hong Kong is now transhipment.”

The GBA will allow Hong Kong to leverage its attributes under One Country Two Systems, to complement the scope and scale of Guangdong Province.
Mr Yim stressed the importance of the different ports being allowed to continue to focus on their strengths. A situation that could be achieved by the inclusion of a framework within the Central Government’s upcoming GBA implementation plan that protects the status of certain logistical and shipping advantages.

Mr Yim added: “We would like to see a special role within the GBA framework for Hong Kong to remain the transhipment hub, while Shenzhen and Nansha remain the export and domestic centres, respectively. The logistics sector – in particular the port industry – needs careful consideration from the government in terms of balancing the roles, needs and future supply of each port.”

Mr Yim added: “The Greater Bay Area container port market was the first in China to open up and is one of the most competitive in the world,” says Dr Beard.

“The rapid expansion of new, high-spec ports and the expertise of international operators have spurred the evolution of the GBA port cluster, delivering considerable benefits to importers and exporters, and the economy at large.

“Hong Kong played a critical part in these developments, but the role of its port as a major hub and gateway to the world is under intense threat. Cargo volumes through Hong Kong continue to fall: 3.8% in the first six months versus a year earlier, while other GBA ports, notably Nansha, continue to surge at over 8% growth across the same period. Meanwhile, the Guangzhou government provides aggressive support, funneling further financial incentives towards the Nansha port, related shipping lines and its nascent maritime cluster,” he adds.

“To remain competitive, Hong Kong needs to up its game – not through the type of subsidy that has supercharged the development of Nansha port, but rather through looking to remove regulatory inefficiencies and ‘scaling up’, including exploring opportunities for its fragmented operational model to effectively function ‘as one’ – this is critical in the era of mega-vessels, liner mergers and increasingly complex inter-terminal transfers. At the same time, Hong Kong needs to advocate for commercially and environmentally sustainable competition across the GBA.”

Jonathan Beard, executive director & head of Business Advisory, Asia at design and consultancy company, Arcadis, is not a total believer in harmonious port cooperation in the Pearl River Delta. Rather he insists that Hong Kong will have to up its game to overcome the advantages that other PRD ports have been afforded in order to truly benefit from the GBA concept.

The Greater Bay Area container port market was the first in China to open up and is one of the most competitive in the world.
MAKE CHANGE HAPPEN
SUPPORT THE HONG KONG MARITIME MUSEUM

• Make an ANNUAL PLEDGE by Joining our CSR Program
• ADOPT an OBJECT for posterity
• Join our annual FRIENDS PROGRAM
• Make a PROGRAM CASH PLEDGE to support education program, collection development or new exhibitions

Central Pier No.8, Hong Kong (next to Observation Wheel)
www.hkmaritimemuseum.org
T 3713 2500
E fundraising@hkmaritimemuseum.org