

**立法會**  
**Legislative Council**

LC Paper No. CB(4)1561/16-17

(These minutes have been seen  
by the Administration)

Ref : CB4/PL/EDEV

**Panel on Economic Development**

**Minutes of meeting**  
**held on Monday, 26 June 2017, at 10:45 am**  
**in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon Alvin YEUNG (Deputy Chairman)  
Hon James TO Kun-sun  
Hon WONG Ting-kwong, SBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon LEUNG Kwok-hung  
Hon Claudia MO  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon Frankie YICK Chi-ming, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon Charles Peter MOK, JP  
Hon Kenneth LEUNG  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Elizabeth QUAT, JP  
Dr Hon CHIANG Lai-wan, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHUNG Kwok-pan  
Dr Hon Junius HO Kwan-yiu, JP  
Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai  
Hon CHAN Chun-ying  
Hon LUK Chung-hung  
Hon Kenneth LAU Ip-keung, MH, JP  
Hon Jeremy TAM Man-ho  
Dr Hon YIU Chung-yim

**Members absent** : Hon Jeffrey LAM Kin-fung, GBS, JP (Chairman)  
Hon WONG Kwok-kin, SBS, JP  
Dr Hon KWOK Ka-ki  
Hon Dennis KWOK Wing-hang  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon CHU Hoi-dick  
Hon Jimmy NG Wing-ka, JP

[According to the Judgment of the Court of First Instance of the High Court on 14 July 2017, LEUNG Kwok-hung, Nathan LAW Kwun-chung, YIU Chung-yim and LAU Siu-lai have been disqualified from assuming the office of a member of the Legislative Council, and have vacated the same since 12 October 2016, and are not entitled to act as a member of the Legislative Council.]

**Public Officers attending** : Agenda item IV

Ms Louisa YAN  
Acting Deputy Secretary for Transport and Housing  
(Transport)

Mr WONG Sai-fat  
Deputy Director of Marine

Mr YU Ying-wai  
Assistant Director of Marine / Multi-lateral Policy

Mr LAI Ying-keung  
Chief / Maritime Policy  
Marine Department

Agenda item V

Professor Anthony CHEUNG, GBS, JP  
Secretary for Transport and Housing

Miss Vicky CHEUNG  
Acting Deputy Secretary for Transport and Housing  
(Transport)

Mr WONG Sai-fat  
Deputy Director of Marine

Mr CHOI Chi-chuen  
General Manager / Shipping Registry and Seafarers  
Marine Department

Miss Joyce CHAN  
Assistant Secretary for Transport and Housing  
(Transport)11A

**Clerk in attendance :** Ms Shirley CHAN  
Chief Council Secretary (4)5

**Staff in attendance :** Mr Bonny LOO  
Assistant Legal Adviser 4 (Agenda item IV only)

Ms Shirley TAM  
Senior Council Secretary (4)5

Ms Lauren LI  
Council Secretary (4)5

Ms Zoe TONG  
Legislative Assistant (4)5

Miss Mandy LUI  
Clerical Assistant (4)5

---

Action

**Opening remarks**

Mr Alvin YEUNG, Deputy Chairman of the Panel, informed members that he would chair the meeting as Mr Jeffrey LAM, Chairman of the Panel, was unable to attend the meeting.

**I. Confirmation of minutes of meeting**

(LC Paper No. CB(4)1259/16-17 — Minutes of meeting held on 24 April 2017)

2. The minutes of meeting held on 24 April 2017 were confirmed.

**II. Information papers issued since the last meeting**

(LC Paper	Nos. —	Letter from Hon Jeremy TAM
CB(4)1098/16-17(01)	and	Man-ho dated 23 May 2017
CB(4)1198/16-17(01)		concerning issues relating to the

discussion of "Competition Commission's study on the auto-fuel market" at the meeting on 22 May 2017 (English version only) and the Administration's reply letter

LC Paper No. CB(4)1135/16-17(01) — Administration's paper on tables and graphs showing the import and retail prices of major oil products from May 2015 to April 2017

LC Paper Nos. — Joint letter from Hon James TO  
CB(4)1137/16-17(01) and Kun-sun, Hon WU Chi-wai and  
CB(4)1265/16-17(01) Hon Andrew WAN Siu-kin  
dated 31 May 2017 concerning  
issues relating to the discussion  
of "Competition Commission's  
study on the auto-fuel market"  
at the meeting on 22 May 2017  
(Chinese version only) and the  
Administration's reply letter

LC Paper No. CB(4)1145/16-17(01) — Letter from Hon Steven HO  
Chun-yin dated 1 June 2017  
requesting the Panel to hold a  
public hearing on the  
Government's proposal to  
establish a new principal  
fairway (Chinese version only)

LC Paper No. CB(4)1247/16-17(01) — Administration's paper on basic  
tariff adjustment of the Hong  
Kong and China Gas Company  
Limited

LC Paper Nos. — Letter from Hon Holden  
CB(4)1280/16-17(01) and (02) CHOW Ho-ding dated 24 May  
2017 requesting information  
and discussion on the  
development of the  
Guangdong-Hong Kong-Macao  
Big Bay Area, covering matters  
relating to the tourism, shipping

and logistics, as well as value-added service industries in the area (Chinese version only), and the Commerce and Economic Development Bureau's response)

3. Members noted the above papers issued since the last regular meeting.

### III. Items for discussion at the next meeting

(LC Paper No. — List of outstanding items for  
CB(4)1261/16-17(01) discussion

LC Paper No. CB(4)1261/16-17(02) — List of follow-up actions)

4. Members agreed to discuss the following items (a) and (b) and receive deputations' views on item (c) at the next regular meeting –

- (a) Legislative amendments relating to the carriage of dangerous goods by air;
- (b) Reprovisioning of Hongkong Post's Headquarters in the General Post Office Building to a Government, Institution or Community site at Wang Chin Street, Kowloon Bay; and
- (c) Proposal to establish new principal fairway in North Lantau.

5. Members agreed that the Secretariat should ascertain members' availability for the next regular meeting originally scheduled for 24 July 2017, as some members would be out-of-town for the overseas duty visit to be conducted by the Panel on Commerce and Industry.

*(Post-meeting note: A circular was issued to members on 28 June 2017 vide LC Paper No. CB(4)1320/16-17 to enquire their availability for the regular meeting in July. Having considered members' replies, the Chairman decided that the meeting should be rescheduled to Friday, 21 July 2017, from 9:00 am to 12:45 pm.)*

6. Mr James TO said that under the arrangement made by the Administration, some Legislative Council ("LegCo") Members had signed the confidentiality undertaking and perused the Report of the Transport and Housing

Bureau's Investigation into Staff Conduct in the Marine Department in relation to the Vessel Collision Incident near Lamma Island on 1 October 2012 ("the Report"). He had written a letter to the Chairman proposing the discussion of the Report.

*(Post-meeting note: Mr James TO's letter was issued to members on 28 June 2017 vide LC Paper No. CB(4)1316/16-17.)*

**IV. Amendments to subsidiary legislation under the Merchant Shipping (Prevention and Control of Pollution) Ordinance (Cap. 413) and the Merchant Shipping (Limitation of Shipowners Liability) Ordinance (Cap. 434) to implement the International Convention for the Prevention of Pollution from Ships and the Convention on Limitation of Liability of Maritime Claims**

(LC CB(4)1261/16-17(03)	Paper	No. — Administration's paper on incorporating in local legislation the latest standards of the International Maritime Organization — Merchant Shipping (Prevention and Control of Pollution) Ordinance (Cap. 413) and Merchant Shipping (Limitation of Shipowners Liability) Ordinance (Cap. 434))
----------------------------	-------	--

Presentation by the Administration

7. At the invitation of the Deputy Chairman, Deputy Director of Marine ("DD of M") briefed the Panel on the legislative proposals to incorporate in local legislation the latest requirements set out in the International Convention for the Prevention of Pollution from Ships ("MARPOL") Annex II and the Convention on Limitation of Liability for Maritime Claims ("LLMC") adopted by the International Maritime Organization ("IMO"). MARPOL Annex II regulated ships carrying noxious liquid substances ("NLS") in bulk, whereas LLMC was adopted to limit shipowners' financial liability for maritime incidents involving primarily personal claims and property damage claims. Legislative amendments relating to the latest requirements under MARPOL Annex II and LLMC would be submitted to LegCo by mid-2018 and by end of 2017 respectively. Details of the briefing were set out in LC Paper No. CB(4)1261/16-17(03).

## Discussion

### *The proposals*

8. Ir Dr LO Wai-kwok expressed support for bringing the local legislation in line with the latest international marine-related requirements. He asked for further information about the application of the liability limits for maritime claims under LLMC. Pointing out that the financial liability arising from claims relating to marine pollution as a result of spillage of oil and hazardous materials might substantially exceed the said limits, he was concerned about how the shipping industry could seek financial protection and indemnity against such risks.

9. Acting Deputy Secretary for Transport and Housing (Transport) ("Ag. DSTH") explained that to balance the objectives of compensating persons who suffered loss or damage caused by shipowners or their representatives in maritime incidents while encouraging the shipping business, IMO adopted LLMC to limit shipowners' financial liability in respect of claims arising from injury or loss of life and damage to other ships, property or harbour works. According to the records of the International Association of Insurance Supervisors, these liability limits were rarely reached in previous claims, with only 2% of the claims, such as those related to oil spills, having reached or exceeded the limits.

10. DD of M supplemented that in general, shipowners solicited protection from mutual maritime insurance for third-party risks on damage caused to cargo during carriage, and relevant claims would be subject to the LLMC liability limits. There was a separate fund under the mutual maritime insurance which specifically covered claims arising from oil spills and pollution where the financial liability could be very high.

11. Mr CHAN Chun-ying noted that the proposed increase of the liability limits by 51% only reflected the monetary values changed due to inflation from 1996 to 2012. As inflation had further increased since 2012, he enquired if the Administration would consider increasing these limits further so as to reflect the overall accumulated inflation. In response, Ag. DSTH advised that as a general rule, Hong Kong was obliged to follow IMO's requirements on this subject. The proposed legislative exercise was to incorporate the latest limits set by IMO into the local legislation.

12. Mr CHAN Chun-ying was also concerned whether the new liability limits would be applied to the outstanding claims arising from the vessel

collision incident near Lamma Island on 1 October 2012, so that relevant bereaved family members and injured passengers might receive higher compensation. To this end, he asked whether the application of the new liability limits would be based on the time when the court handed down its judgments of respective claims, or the time of occurrence of the maritime incidents.

13. Ag. DSTH explained that the new liability limits would be applied based on the time of occurrence of the maritime incidents. On the Lamma incident, she understood that the Hong Kong Electric Company Limited, one of the defendants, had reached settlements with some bereaved family members and injured passengers out of court in respect of their civil claims. The amount of compensation reached in the settlements was not affected by the new liability limits.

14. Mr Holden CHOW considered that the proposed increase in liability limits was substantial and might have impact on insurance and operating costs borne by Hong Kong ship operators/owners. In this connection, he asked about the relevant cost adjustments in other jurisdictions when they adopted the new requirements of LLMC.

15. DD of M replied that the proposed increase in liability limits should not have significant impact on the insurance and operating costs borne by shipowners given that the insurance premium for ships was mainly determined by their quality, track record and likely risks, as well as the number of ships to be insured for a particular shipowner. During the consultation conducted in 2015, the Local Vessels Advisory Committee confirmed that relevant ship insurers had indicated that the insurance premium would not be increased as a result of the adjustment of liability limits, and thus the shipping sector had no adverse views on this proposal.

16. Mr Holden CHOW asked further about the feasibility of introducing a scheme, similar to the Traffic Accident Compensation Scheme, for maritime incidents with a view to providing early financial help to relevant victims or their dependants, regardless of who was at fault in causing the incident.

17. DD of M replied that the Marine Department ("MD") had previously explored the feasibility to set up a compensation scheme for maritime incidents. However, given the relatively small pool of contributors in the marine transport sector (vis-à-vis the road transport sector) to the fund, the resulting financial contribution required from each shipowner would be substantially high. Having considered the views of the shipping sector, the Government had decided not to proceed with this proposal. In any case, the protection of other



emergency financial assistance schemes might be extended to victims of local maritime incidents if necessary.

18. Mr Frankie YICK said that the shipping industry had no adverse views on the proposals to incorporate in local legislation the latest requirements set out in MARPOL Annex II and LLMC. In fact, ocean-going vessels ("OGVs") registered in Hong Kong had been complying with the latest requirements under LLMC and MARPOL Annex II, whereas the local shipping sector had been consulted on the proposals.

*International maritime conventions*

19. Pointing out that IMO made revisions to MARPOL Annex II in 2004 to give clear guidelines on the transport of NLS in bulk, Mr Jeremy TAM expressed dissatisfaction with the Administration's delay in incorporating the relevant requirements into local legislation. He enquired about the reasons for the delay and the number of outstanding marine-related legislative exercises which had dragged on for a long time.

20. Echoing Mr TAM's view, Mr LEUNG Kwok-hung expressed concern that Hong Kong was lagging behind in updating its local legislation. He asked about the Administration's work in taking forward relevant legislative exercises to reflect the latest international maritime requirements.

21. Ag. DSTH said that following the IMO's adoption of the latest requirements under MARPOL Annex II, MD had issued the Hong Kong Merchant Shipping Information Note to notify Hong Kong-registered vessels carrying NLS in bulk of the new requirements under MARPOL Annex II. It was observed that all 116 Hong Kong-registered vessels concerned were in compliance. She supplemented that the Administration had been expediting the legislative exercises to incorporate in the local legislation the latest requirements under marine-related international conventions that were applicable to Hong Kong. In this regard, a dedicated legal team had been created in the Department of Justice to support the Transport and Housing Bureau ("THB") and MD. Relevant officials met frequently to discuss the way to speed up the exercises and take forward new updates in relevant international conventions. Out of the outstanding legislative exercises as reported to LegCo in 2015, about two-thirds of them had been completed. It was expected that the remaining regulations would be ready for introduction in batches in the coming two legislative sessions.

22. Ag. DSTH supplemented that marine-related legislative exercises were rather complex and technical in nature. Moreover, as relevant conventions

were under constant review by IMO in the light of the latest international developments and needs, new legislative work would be created from time to time and the Government had been exploring a better way of coping with such frequent updating. For example, the "direct reference approach", i.e. making direct reference to provisions under international conventions in local legislation, had been adopted in some of the legislative exercises to facilitate the work and avoid the volume of amendments as far as practicable.

23. Mr Frankie YICK considered that with the additional manpower resources approved by LegCo, the Government had made considerable efforts in catching up on the delay so that many of the backlogged cases had been cleared. He called on the Government to adhere strictly to the timeline and cleared the remainders by 2018.

24. Mr Jeremy TAM did not subscribe to the Administration's explanation. To this end, he requested the Administration to provide details of the outstanding legislative exercises to bring local legislation in line with the latest marine-related international requirements.

*(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(4)1483/16-17(01) on 31 July 2017.)*

### Conclusion

25. The Deputy Chairman concluded that the Panel was generally supportive of the proposals. He also requested the Administration to take note of members' views on relevant matters.

*(At 11:41 am, the Deputy Chairman ordered that the meeting be suspended for 2 minutes. The meeting resumed at 11:43 am.)*

## **V. Further development of Hong Kong's port and maritime services**

(LC Paper No. CB(4)1261/16-17(04) — Administration's paper on further development of Hong Kong's port and maritime services

LC Paper No. CB(4)1261/16-17(05) — Paper on further development of Hong Kong's port and maritime services prepared by the Legislative Council Secretariat (background brief)

Presentation by the Administration

26. At the invitation of the Deputy Chairman, Secretary for Transport and Housing ("STH") briefed members on the latest development of Hong Kong's port and maritime industry and the directions for further development. Details were set out in the Administration's paper (LC Paper No. CB(4)1261/16-17(04)).

Declaration of interests

27. Mr Frankie YICK declared that he was a director of the Modern Terminals Limited.

Discussion

*The Hong Kong Port*

28. Mr Frankie YICK thanked the Administration for its efforts made for the port and maritime industry in the past years. He however expressed concern that the cabotage restrictions might have been relaxed in some Mainland ports, meaning that foreign flagged ships could transport cargo from one Mainland coastal port to another, eliminating the need to transship cargo via Hong Kong. He was worried that such relaxation might threaten the development of transshipment trade in Hong Kong and the status of the Hong Kong Port ("HKP").

29. STH advised that Hong Kong had been competitive in transshipment activities as it was not bound by the cabotage restrictions under the "one country, two systems" principle. It was evidenced by the fact that 60% of HKP's container throughput was transshipment cargo. Foreign flagged ships could enter HKP freely but not the ports in the Mainland. The Administration noted the concerns of the maritime industry on the relaxation of cabotage restrictions in some Mainland ports, and had relayed their concerns to the Mainland authorities concerned. To his understanding, the Mainland had no plans to further relax the cabotage restrictions at present.

30. Mr Frankie YICK said that new generation ultra large vessels had difficulties coming to Hong Kong through the Ma Wan Fairway due to the air draft restriction, which was currently set at 53 metres, imposed on vessels passing through the Tsing Ma Bridge. If such restriction was not relaxed, he was worried that those vessels might go to the port in Nansha straight instead of calling at HKP. Pointing out that members of the Hong Kong Liner Shipping Association ("HKLSA") spent about \$400 million each year on pilotage dues, he

considered that the compulsory pilotage requirement imposed by the Administration at Mirs Bay might drive vessels away from HKP due to the consequent financial implication on shipping operators.

31. Referring to the incident in 2015 that the Kap Shui Mun Bridge was collided by a vessel, STH explained that the imposition of air draft restriction at Tsing Ma Bridge was essential to ensure navigation safety, since the Tsing Ma Bridge was the only land link to the Hong Kong International Airport. In view of concerns of the trade, the Administration was looking into the feasibility in relaxing the air draft restriction at Tsing Ma Bridge having regard to the technical, safety and operational aspects. STH also advised that the pilotage requirement at Mirs Bay was required by the current legislation, and had taken into account various views from the industry, including the Hong Kong Pilots Association. To address the concerns of the shipping trade, the Administration would review if there could be exemptions to the pilotage requirement under the current legislation.

32. As regards the application for a block exemption order ("BEO") made by HKLSA to the Competition Commission ("CC"), Mr Frankie YICK noted that CC was still reviewing the application, and was of the view that the shipping companies concerned might give up calling at HKP if either of their application regarding vessel sharing agreements or voluntary discussion agreements ("VDAs") was unsuccessful. In response, STH advised that CC's preliminary view on VDAs was that such agreements might contravene the Competition Ordinance (Cap. 619). THB had submitted its views to CC on this matter.

33. Mr Frankie YICK warned that international shipping lines might withdraw from the Hong Kong market if all the above-mentioned situations, namely the relaxation of the cabotage restrictions by the Mainland, maintaining the current level of air draft restriction at Tsing Ma Bridge, the introduction of compulsory pilotage requirement at Mirs Bay, and the failure of HKLSA in its application for BEO, took place together. Such withdrawal would cause adverse impact on the port and logistics industry in Hong Kong.

34. Dr YIU Chung-yim referred to his recent visit to the container terminals in Singapore, and was of the view that they were more efficient than the Kwai Tsing Container Terminals ("KTCTs") in Hong Kong. STH advised that in the past 10 years, HKP had handled an average container throughput of 20 million Twenty-foot Equivalent Units ("TEUs") per year, which outperformed many other major ports in the world. Besides, OGVs which called at HKP spent far less time staying in Hong Kong than in other ports, meaning that their cargo could be more efficiently handled in HKP. HKP was recognized as a "catch-up port" since vessels would be able to catch up with their previous delays when calling at HKP.

35. On Dr YIU Chung-yim's enquiry about the possible relocation of KTCTs, STH explained that according to the Long Term Housing Strategy announced in 2014 which set out the strategic directions to gradually avert the current supply-demand imbalance, there were suggestions that certain land use in the city centre could be relocated to free land for housing, though the relocation of KTCTs was not explicitly mentioned. The change in land use in Hong Kong had to be planned comprehensively. Supporting infrastructural facilities would need to be considered if KTCTs were to be relocated.

36. Dr YIU Chung-yim noted the Administration's proposals to optimize land use in Kwai Tsing, including examining the feasibility of building a multiple-storey car park in Kwai Chung for the parking of container vehicles and heavy/medium goods vehicles, and conducting a similar study on the development of a multi-storey complex in Tsing Yi for cargo handling and container storage. He enquired about the details of the findings of the two studies. Acting Deputy Secretary for Transport and Housing (Transport) ("Ag. DSTH") responded that THB was following up with other bureaux/departments on the findings of the study on the site in Kwai Chung and that a consultancy study would be commissioned regarding the site in Tsing Yi. At the request of the Deputy Chairman, the Administration agreed to provide further information on the progress of the said studies after the meeting.

*(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(4)1483/16-17(01) on 31 July 2017.)*

37. Mr Frankie YICK noted that the regional development plan of the Guangdong-Hong Kong and Macao Bay Area ("the Bay Area") aimed to promote the cooperation and development of Hong Kong, Macao and the nine cities in the Pearl River Delta region in areas including trade, logistics, professional services and transportation infrastructure. In this connection, he enquired about the measures to take forward the plan. In response, STH advised that the relevant authorities of Guangdong, Hong Kong and Macao, as well as the National Development and Reform Commission of the Central Government, had exchanged views on the relevant matters. Details would be announced when concrete proposals were available. He also advised that various ports in the Bay Area would, under the principle of complementarity, develop their respective strengths to enhance the logistics capacity of the whole region.

38. Mr LEUNG Kwok-hung cast doubt on the benefits brought by the regional development plan of the Bay Area, taking into account the huge investments to be made under the plan. To ensure a stable development of

HKP amid keen competition from the Mainland ports, he suggested that HKP could enter into agreements with the Mainland ports on the share of throughput to be handled. STH replied that Mr LEUNG's suggestion might not be feasible since the decision on the choice of ports rested with the shippers. He added that the possibility of cooperation between HKP and other ports in the Bay Area in future could not be ruled out.

*Manpower development*

39. Mr LUK Chung-hung considered that the port and maritime industry was an important tenet of Hong Kong's economy and was an integral part of local employment. However, the Administration's initiatives in promoting the long-term manpower development of the port and maritime industry were unsatisfactory. To evaluate the effectiveness of the Maritime and Aviation Training Fund ("MATF"), he sought information on the number of students/practitioners who had completed the training and incentive schemes under MATF and was subsequently engaged in the maritime industry.

40. Mr Jeremy TAM and Mr LEUNG Kwok-hung also expressed similar views and enquired about the number of students/practitioners benefitted from the training schemes under MATF who had further pursued a seafaring career. Mr TAM sought information on the increase in the number of seamen after the implementation of MATF.

41. STH advised that the Administration had been devising various measures to nurture talents in the industry. Such measures included establishing MATF, collaborating with local universities to offer relevant training courses, and providing suitable trainings through the Vocational Training Council ("VTC"). Ag. DSTH advised that over 3 000 students and in-service maritime and aviation practitioners had already benefitted from the training and incentive schemes under MATF as at March 2017, among which more than 60% of them were recipients of maritime-related schemes. Despite that the Administration had not collated statistics on the beneficiaries who had joined the maritime industry after completing respective training programmes, according to the surveys conducted by the participating institutions, about 55% of the student beneficiaries continued to serve in the maritime or aviation sectors after completing the one-year mandatory service period of various programmes.

42. Mr Frankie YICK was of the view that MATF mainly subsidized training courses provided to seafarers at senior levels operating on OGVs. He urged the Administration to review its support provided to junior staff of the industry. Besides, he noted that recipients of the Local Vessel Trade Training Incentive Scheme under MATF were allowed to change companies during the subsidy

period, provided that they were still working as local seamen. However, they were only eligible to join this scheme within the first few months upon joining a company. He called for the relaxation of such a restriction, so that seamen could join the training to become coxswains even after they had joined their companies for a longer period of time. STH undertook to consider Mr YICK's suggestion.

43. DD of M supplemented that for seafarers operating on OGVs, relevant incentive programmes had been provided to them since 2004. After the inception of MATF in 2014, there was an incentive programme which offered a monthly subsidy of \$6,000 to deck or engineering cadets on OGVs during their cadetship period. For local seafarers, an incentive scheme with an allowance of up to \$30,000 in total was provided for eligible deck or engine ratings newly employed by the local vessel trade under MATF. From 2014 to 2017, 69 out of the 71 recipients of this incentive scheme had obtained the relevant professional qualifications. On the whole, the number of graduates of marine-related courses grew steadily in the past few years. The major source of new manpower supply for the maritime industry was from the Maritime Services Training Institute under VTC. There were around 40 to 60 graduates of seafaring courses every year, depending on the admission and graduation situations of the year.

44. To nurture young talents to support the development of the port and maritime industry, Mr LUK Chung-hung suggested that the Administration could provide relevant on-the-job training similar to the Earn and Learn Pilot Scheme implemented by VTC for young people. He also suggested that the Administration should cooperate with overseas shipping companies in providing relevant trainings and job opportunities to local talents. DD of M advised that with the assistance of maritime organizations as well as MD, graduates of the Maritime Services Training Institute under VTC were normally offered positions for cadets in the maritime industry. Some graduates were also employed by overseas shipping companies.

45. Mr LUK Chung-hung noted the Administration's measure of allowing holders of a Coxswain Grade 2 Certificate to operate certain types of large vessels for routes specified by MD to address the problems of manpower shortage and ageing in the local vessel trade. In this regard, he enquired about the passing rate of the Coxswain Grade 2 Examination and the equivalency between a Coxswain Grade 2 Certificate and the former local certificate of competency as master of a vessel of 60 tons and under. DD of M replied that holders of the former certificate were qualified to obtain a Coxswain Grade 2 Certificate under existing legislation. Even if they decided not to convert their former 60 tons and under certificates of competency to Coxswain Grade 2

Certificates, they were still allowed to operate the relevant types of large vessels after completing in-house training provided by their employers and passing a practical assessment conducted by MD. In 2016, the passing rate of the Coxswain Grade 2 Examination was 40% for written test and 20% for oral test.

46. Noting that the number of seafarers' certificates issued by MD had decreased in the past years, Mr Frankie YICK was concerned about the manpower shortage in inner harbour ferry services, for example, Star Ferry.

47. Mr LEUNG Kwok-hung also expressed concern about the manpower shortage in inner harbour ferry services. He considered that such manpower shortage was due to the low salary levels in the industry and that the Government should deploy more resources to the industry so as to retain and attract talents.

48. In response, STH advised that while salary could be a factor contributing to the problem, other factors might also affect the employment situation in the trade. He added that regions like Singapore, Shanghai and Taipei also faced similar manpower problems in the maritime industry. DD of M also advised that some training and incentive schemes under MATF encouraged new talents to join the maritime sector and encouraged in-service seamen to obtain professional qualifications to further their career development. He referred to the Sea-going Training Incentive Scheme under MATF, which offered a monthly subsidy of up to \$6,000 to the eligible deck or engine room cadets on OGVs period of up to three months, as an example of the incentive schemes to encourage new talents to join the maritime sector.

49. Mr Holden CHOW enquired about the financial position of MATF which had an initial commitment of \$100 million. In response, Ag. DSTH advised that as at March 2017, \$26 million had been used. It was expected that nearly half of the fund would be committed by the end of 2017-2018.

50. In response to Mr Jeremy TAM's enquiry whether the resources of the Hong Kong Maritime and Port Board ("HKMPB") would also be deployed for the development of the aviation industry, STH explained that HKMPB was established for the development of the maritime industry while MATF was set up to nurture talents for both the maritime and aviation industries.

#### *Maritime services*

51. Mr Holden CHOW commended the work of MD in making the Hong Kong Shipping Register ("HKSR") the fourth largest shipping register in the world. He enquired about the feasibility of providing round-the-clock services



by MD to vessels registered with HKSR during their stay at places outside Hong Kong, and the progress of putting in place a delegation arrangement of issuing exemptions and dispensations from the Director of Marine to professional surveyors. He considered that with the assistance of the various overseas Economic and Trade Offices of the Hong Kong Special Administrative Region, MD should be able to provide such services. In response, STH advised that only the Director of Marine was empowered to issue exemptions and dispensations under the current legislation. In response to the concerns of the industry, the Administration was examining the possibility of delegating the authority of issuing dispensation and exemption to other officers in the Department. Given the wide scope of marine legislation involved, the Administration would work with the Department of Justice to see if there were ways to expedite the legislative amendment process.

52. Mr Holden CHOW sought information on the number of practitioners and organizations engaging in marine insurance services in Hong Kong. He also enquired if the Administration had set any targets as regards the training of professionals engaging in marine insurance services. STH advised that there were currently around 90 overseas and local insurance companies in Hong Kong, with 400 practitioners providing marine insurance services. Besides, 12 out of the 13 members of the International Group of Protection and Indemnity Clubs had presence in Hong Kong, which was the largest representation outside London.

53. On Mr Holden CHOW's enquiry about the implementation progress of electronic authentication for Certificates of Registry by MD, DD of M advised that it was expected to be implemented in the first quarter of 2018.

### Conclusion

54. Summing up, the Deputy Chairman invited the Administration to take note of members' views and concerns expressed at the meeting and provide information on the question raised.

### Motion

55. Mr Holden CHOW moved the following motion –

"本委員會促請政府加快研究利用多個特區政府駐海外經濟貿易辦事處為其在當地港口，向香港註冊船隻提供各種支援服務，包括迅速提供因被當地港口監督檢查或扣查時所需的認證文件。同時，加快探討邀請更多海運相關的國際組織來香港開設辦事處的可行性，促進行業發展。"

(Translation)

"This Panel urges the Government to expedite the study on making use of the various overseas Economic and Trade Offices of the Special Administrative Region Government to provide a range of support services to registered Hong Kong vessels at those overseas ports; including, among others, to provide registered Hong Kong vessels with the required certified documents in a prompt manner when they are under inspection or detention by overseas port authorities. Meanwhile, to promote the development of maritime industry, the Government should step up efforts in exploring the feasibility of inviting more maritime-related international organizations to set up offices in Hong Kong."

56. The Deputy Chairman ruled that the motion moved by Mr Holden CHOW was directly related to the agenda item. The Deputy Chairman ordered that the voting bell be rung to summon members to vote on the motion. The voting bell was rung for five minutes.

57. The Deputy Chairman put the motion to vote. As all members present at the meeting voted for the motion, the Deputy Chairman declared that the motion was carried.

*(Post-meeting note: The wording of the motion was circulated to members vide LC Paper No. CB(4)1315/16-17(01) on 27 June 2017. The Administration's response to the motion was issued to members vide LC Paper No. CB(4)1484/16-17(01) on 31 July 2017.)*

**VI. Any other business**

58. There being no other business, the meeting ended at 12:41 pm.