

**For information  
on 30 October 2017**

**Legislative Council Panel on Economic Development  
The 2017 Policy Address and Policy Agenda  
Policy Initiatives of the Transport Branch of the  
Transport and Housing Bureau**

**Introduction**

This paper elaborates on the initiatives set out in the 2017 Policy Address and Policy Agenda that the Government will pursue and continue to pursue to reinforce and enhance Hong Kong's status as an international aviation and maritime centre.

**Further Development of Hong Kong as an International Maritime and Aviation Centre**

2. With its premier geographical location, unique institutional strengths, free economic system, and extensive experience in international trade and commerce, Hong Kong has become an international maritime and aviation centre and a regional logistics hub. Our soft strengths, including our steadfast commitment to the rule of law, simple tax regime and highly educated workforce, provide a solid foundation for the development of high value-added services.

3. On aviation, the Hong Kong International Airport (HKIA) is the busiest cargo airport and one of the busiest international passenger airports in the world. Air traffic at the HKIA continued to grow this year. In the first eight months of this year, the HKIA handled a total of 48.75 million passenger trips and over 278 000 aircraft movements, representing a year-on-year growth of 2.2% and 1.3% respectively. On the other hand, cargo throughput for the first eight months was more than 3.15 million tonnes, up by 11.1% year-on-year. We will continue to enhance HKIA's hardware and software to maintain Hong Kong's status

as an international aviation hub. Regarding hardware, the Government will focus on enhancing the airport's passenger and cargo handling capacity. Measures include actively assisting the Airport Authority Hong Kong (AAHK) in implementing the Three-Runway System (3RS) and enhancing airport infrastructure and intermodal facilities. For software, the Government will continue to work closely with the Civil Aviation Administration of China (CAAC) to optimise airspace usage, develop high value-added aviation services and continue to expand Hong Kong's aviation network.

4. On maritime front, Hong Kong is a vital regional hub port with long-established maritime tradition. Being one of the busiest international container ports in the world, Hong Kong Port handled about 19.6 million TEUs of containers in 2016.

5. Hong Kong is home to a strong base of shipowners and has a vibrant maritime cluster. Large fleets of ships are owned or managed by our ship owners and ship management companies, accounting for 9.6% of the deadweight tonnage of the world's merchant fleet. Moreover, there are currently over 800 maritime services companies in Hong Kong offering diversified high value-added maritime services for shipping enterprises around the world. These services include marine insurance, maritime law and arbitration, shipping agent and ship management, as well as ship broking and chartering. Hong Kong is also a ship finance centre in the region. The Hong Kong Shipping Register has all along been providing round-the-clock quality services for shipowners to cope with the global nature of the shipping industry. As a matter of fact, ships registered in Hong Kong enjoy excellent reputation of high quality. Currently, our gross registered tonnage ranks the fourth in the world while the port state control detention rate is far below those of other Flag States.

6. The HKSAR Government is committed to developing the maritime industry and high value-added maritime services in Hong Kong. Through the Hong Kong Maritime and Port Board (HKMPB), we will actively collaborate with the industry to reinforce and enhance Hong Kong's status as an international maritime centre, leveraging on our competitive edge in maritime services.

## New Initiatives

7. Please refer to paragraphs 8 to 22 below for the new initiatives we will implement in 2017.

(a) *Enhance HKIA's runway capacity before the implementation of the Three-Runway System*

8. To complement the development of HKIA's 3RS, the Civil Aviation Department (CAD) will continue to closely collaborate with the CAAC in airspace management with a view to progressively achieving the target capacity of the 3RS. To this end, the CAD signed a Memorandum of Co-operation with the CAAC and the Civil Aviation Authority of the Macao Special Administrative Region in July 2017 to further enhance the efficiency of air traffic management in the Pearl River Delta (PRD) region and carry out detailed technical analysis to facilitate the optimisation and synergised development of the airspace in the Bay Area.

9. In addition, in order to meet the imminent air traffic demand before the commissioning of the 3RS, the CAD will continue to study and implement the latest air traffic management technologies, including updating and improving satellite-based navigation technology with the aim of enhancing the Performance-based Navigation procedures in Hong Kong, and studying the feasibility of implementing "Performance-based Capacity Declaration"<sup>1</sup> and "European Wake Vortex Re-categorisation"<sup>2</sup>

---

<sup>1</sup> Performance-based Capacity Declaration (PBCD) is a capacity management solution which utilises computer simulation software to consider various operational conditions such as runways and air traffic management, as well as different combinations of flight mix, to develop a schedule which enhances the capacity and efficiency of airport operation. PBCD has already been implemented in London Heathrow Airport.

<sup>2</sup> European Wake Vortex Re-categorisation (RECAT-EU) is a project jointly undertaken by the Federal Aviation Administration and the European Organisation for the Safety of Air Navigation (EUROCONTROL) in 2005, with the aim of re-considering the current wake turbulence separation minima between aircraft set by the International Civil Aviation Organization and optimising the wake turbulence separation classes from the existing four categories to six categories, in order to achieve higher efficiency of runway capacity.

in Hong Kong, so as to marginally enhance the capacity of the existing two runways of the HKIA.

***(b) Enhance HKIA's air cargo handling capacity***

10. To complement the development of the air cargo industry, we will support the AAHK to reserve land on both the airside and landside in the South Cargo Precinct of the airport island to strengthen its handling capacity and efficiency of various cargo as well as the relevant logistics development, thereby supporting the growth in transshipment, cross-boundary e-commerce and high value-added air cargo business. A new site to be made available at Kwo Lo Wan at South Cargo Precinct, totalling around 5.3 hectares, is planned for the development of a modern air cargo logistics centre.

11. The strong growth of cross-boundary e-commerce in recent years has generated huge demand for cross-boundary logistics, particularly that for airmail and transshipment services. The AAHK is actively discussing with the Hongkong Post about the expansion of the Air Mail Centre at the HKIA to enhance its capacity and operational efficiency in order to better capture the opportunities brought by cross-boundary e-commerce.

12. We will also work with the AAHK to actively examine facilitation measures to promote air-to-air transshipment in Hong Kong with a view to maintaining HKIA's competitive edge as an international air cargo hub.

***(c) Take proactive steps to help nurture aviation talent in the region to foster Hong Kong as an international aviation training hub***

13. To further strengthen Hong Kong's leading status as a major aviation hub in the region, the AAHK established the Hong Kong International Aviation Academy (the Academy) to nurture local and regional talent in the aviation sector. Its first batch of courses was launched in April this year. So far, the Academy has provided professional training programmes covering airport management, security and aviation services for more than 1 200 students. The Academy has also entered into agreement with the Ecole Nationale de l'Aviation Civile

(ENAC) to jointly offer an air transport management programme targeting at local and regional (including countries and areas along the “Belt and Road”) aviation practitioners. Such programme is expected to commence at the end of this year. The collaboration of the Academy and ENAC will not only promote our soft strengths but also help foster Hong Kong as a training base for aviation talent.

14. Regarding aviation training and capacity building, a Protocol of Co-operation was signed with the Direction Générale de l'Aviation Civile of France in June this year, providing a basis for Hong Kong and France to enhancing joint efforts on capacity building in civil aviation for Southeast Asian countries. Subsequently, Hong Kong, France and six Southeast Asian countries, namely Cambodia, Laos, Myanmar, the Philippines, Thailand and Viet Nam, signed a Memorandum of Understanding at the 54th Asia and Pacific Region Directors General of Civil Aviation Conference in August to solidify the co-operation framework. Officials of the civil aviation authority of the six Southeast Asian countries will be sponsored to join the Advance Master Programme in Air Transport Management to be jointly delivered by the Academy and ENAC. We will strengthen collaboration with international aviation organisations and institutions with a view to enhancing civil aviation capacity and safety awareness in the region.

*(d) To entrench Hong Kong's position as an international maritime centre amidst intense international competition, the Government will, through the Hong Kong Maritime and Port Board, work with the industry to formulate holistic strategies. These include exploring and implementing trade facilitation measures for the maritime industry, nurturing maritime talent through the Maritime and Aviation Training Fund, organising visits and promotions for better communication and collaboration with the Mainland and overseas economies, actively driving the development of our maritime industry and high value-added maritime services (including marine insurance, maritime legal and arbitration services, ship finance, ship management and ship registration), as well as encouraging renowned overseas and Mainland maritime enterprises to set up presence in Hong Kong.*

15. To reinforce and enhance Hong Kong's status as an international maritime centre, the Government set up the HKMPB in April 2016. Chaired by the Secretary for Transport and Housing, the HKMPB provides a high-level platform for the Government to join hands with the industry in devising policies and initiatives that will facilitate further development of Hong Kong's port and maritime industry. Three functional committees have been formed under the HKMPB to oversee three major areas of work, namely maritime and port development, manpower development, as well as promotion and external relations. The committees are all chaired by industry figures to enhance the sector's participation in devising relevant policies and initiatives.

16. Since its establishment, the HKMPB has made good progress in various aspects. Its Maritime and Port Development Committee has deliberated and supported a number of initiatives that are conducive to trade development. They include lifting the time limit imposed on barges holding multiple entry permits for their stay in Hong Kong waters, so as to support the sustainable development of Hong Kong Port in handling transshipment and river trade cargo; making relevant immigration arrangements for non-local contract seamen of vessels in distress to enable them to remain in Hong Kong for more than 14 days through applying for employment visas or entry permits; and exploring

the feasibility of entering into agreements on avoidance of double taxation with more countries. Meanwhile, the Manpower Development Committee has reviewed the operation of the Maritime and Aviation Training Fund (the Fund), and new scholarship schemes have been offered under the Fund. The Committee will collaborate with relevant academic institutions to enrich the programmes of various subjects with maritime elements, and will also invite relevant professional institutions to run advanced programmes in order to meet the needs of the maritime sector. As for the Promotion and External Relations Committee, it has embarked on frequent overseas promotion. Such efforts include participating in major global maritime conferences and exhibitions (e.g. the Marintec China held in Shanghai and the Posidonia held in Greece), and arranging delegations visits with trade representatives to those Mainland and overseas maritime cities with development potential for promoting Hong Kong's maritime industry and high value-added maritime services. Moreover, the HKMPB will continue to organise the Hong Kong Maritime Week this November to promote Hong Kong as a preferred base for operating maritime business.

17. Looking ahead, the HKMPB will focus on spurring the growth of our maritime industry and high value-added maritime services, including marine insurance, maritime legal and arbitration services, ship finance, ship management and ship registration. Amidst intense international competition, we will actively work with the industry to formulate holistic strategies. These include exploring and implementing trade facilitation measures for the maritime industry, utilising the Fund to nurture talent for maritime services, organising visits and activities to promote our high value-added maritime services to overseas and Mainland enterprises. Initiatives on enhancing the development of maritime arbitration services and facilitating trade business are set out in items (e) and (g) below, whereas the details and progress of the Fund are set out in the **Annex**.

*(e) Develop Hong Kong into an international arbitration centre for disputes arising from maritime businesses, and actively and extensively participate in maritime-related Belt and Road Initiative.*

18. Hong Kong is a major arbitration centre in Asia with a comprehensive set of arbitration laws. Many of the world's top international law firms have set up their representative office in Hong Kong, providing professional and quality maritime legal and arbitration services to the shipping industry. As a contracting party to the New York Convention, awards made in Hong Kong are enforceable in over 150 jurisdictions worldwide, including our major maritime business partners such as the United States, the United Kingdom, Greece, Singapore and Japan. Under the Arrangement Concerning Mutual Enforcement of Arbitral Awards signed between the HKSAR Government and the Mainland, arbitral awards made in Hong Kong are also enforceable in the Mainland. All these help safeguard the interests of overseas shipping companies that run their businesses in Hong Kong.

19. There are ample choices of arbitral institutions in Hong Kong offering diversified services to the maritime industry, with many of them being global key players. An example is the Hong Kong International Arbitration Centre (HKIAC). Since its establishment in 1985, the HKIAC has attracted a vast pool of arbitrators, mediators and other experts with global perspectives and relevant experience. A prestigious global arbitration survey has rated the HKIAC the most preferred arbitral institution outside of Europe, and also the third best arbitral institution worldwide in 2015, just behind London and Paris. Each year, over 20% of the cases handled by the HKIAC are maritime-related. Moreover, after the China International Economic and Trade Arbitration Commission established its arbitration centre in Hong Kong in September 2012, the China Maritime Arbitration Commission also opened its first arbitration centre outside the Mainland in Hong Kong in 2014.

20. The HKMPB will continue to collaborate with various arbitration institutions to promote Hong Kong's maritime legal and arbitration services and enhance the quality of maritime arbitration services, thereby



developing Hong Kong into a major maritime arbitration centre in the region. The HKMPB will also encourage overseas and Mainland shipowners and ship charterers to adopt provisions specifying Hong Kong as the arbitration location in their standard contracts, with a view to providing high-end international legal and dispute resolution services under the Belt and Road Initiative.

***(f) To strengthen the services of the Hong Kong Shipping Register, the Marine Department will deliver ship registration documents to overseas and Mainland shipowners through our overseas and Mainland Economic and Trade Offices, thereby enabling overseas ships to set sail promptly upon their registration with the Register.***

21. The Hong Kong Shipping Register has all along been providing shipowners with quality services, with its gross registered tonnage currently ranks the fourth in the world. As at end of this August, there were 2 536 ships registered in Hong Kong and their gross registered tonnage reached 114 million, representing an increase of 4.9% over the same period last year. Maritime and shipping industries are international businesses. To keep up with the latest development of the global maritime industry and maintain our competitiveness, the Marine Adviser of the Marine Department (MD), who is based in the Hong Kong Economic and Trade Office (ETO) in London, is currently providing ship registration services to shipowners in Europe. To widen the coverage of service area, MD has reached consensus with specified overseas and Mainland ETOs (including Tokyo, Beijing and Shanghai) to enlist their assistance to deliver the Certificate of Registry to shipowners in those cities, thereby enabling their ships to set sail promptly upon registration

***(g) To explore with the industry the relaxation of the air draft restriction at Tsing Ma Bridge so as to facilitate the access of large container vessels to Hong Kong Port.***

22. Tsing Ma Bridge (TMB) spans over the Ma Wan Channel and the principal fairways underneath it connect Hong Kong to ports in the western and central parts of the PRD (including Shekou, Dachan Bay and Nansha). TMB is also a strategic route linking up the HKIA with the

urban area. To achieve economy of scale, there is an increasing use of mega container vessels by the shipping sector, yet some of them are unable to call Hong Kong Port due to the current air draft restriction at TMB. To maintain the competitiveness of the Port, the Government is exploring with the industry the feasibility of relaxing the air draft restriction at TMB, on the premise that its safety is secured, so as to facilitate the access of large container vessels to Hong Kong Port.

### **On-going Initiatives**

23. We will continue to implement various on-going initiatives in 2017. Details are set out in paragraphs 24 to 38 below.

#### ***International Maritime and Aviation Centre***

(i) ***Continuing to actively assist the AAHK in implementing the HKIA 3RS project to meet the long-term air traffic demand of Hong Kong***

24. With the completion of the relevant statutory procedures relating to reclamation and town planning, the AAHK has commenced the 3RS construction works in August 2016. The AAHK anticipates that the whole project would take approximately eight years to complete. The AAHK is in parallel conducting detailed designs of the remaining works, implementing financial arrangement plan and a series of environmental mitigation measures committed in the Environmental Impact Assessment report and in compliance with the conditions in the Environmental Permit.

25. Transport and Housing Bureau (THB) will continue to gauge major stakeholders' views on matters relating to the implementation of the 3RS and monitor the project implementation through the Aviation Development and Three-Runway System Advisory Committee. The Committee has convened eight meetings since its establishment in August 2015. Detailed discussions were conducted on the progress of the project, financial arrangements, as well as major environmental mitigation measures. On the other hand, the Government and the AAHK will continue to report and explain the latest progress of the 3RS

through relevant panels of the Legislative Council as appropriate.

26. The AAHK estimates that upon full commissioning of 3RS, the HKIA will have the capacity to handle air traffic demand at least up to 2030, by which time the annual passenger volume is expected to increase from 70.5 million in 2016 to around 100 million in 2030, and the cargo volume will also increase from 4.52 million tonnes to around 9 million tonnes during the same period. This important aviation infrastructure development for Hong Kong will not only strengthen Hong Kong's strategic position as a global and regional aviation hub, but also contribute substantively to the promotion of the country's Belt and Road Initiative. The 3RS will bring long-term economic and social benefits to Hong Kong, create considerable employment opportunities for various sectors, promote Hong Kong's overall competitiveness and bring substantial benefits to the well-being of our community.

***(ii) Continuing to support the AAHK in developing the Airport North Commercial District (SKYCITY)***

27. The AAHK launched the SKYCITY development project. The area will be developed into a purpose-built retail, dining and entertainment (RDE) destination which will enrich travellers' experience and become a unique tourism attraction. The SKYCITY is a long-term and phased development. The first phase of development includes a hotel and a facility combining RDE purposes. The tendering exercise for the hotel development has been completed and the development is planned for completion by 2021. The RDE development was put to tender in September 2017. SKYCITY development will generate investment, business and employment opportunities for Hong Kong, enhance the attractiveness and competitiveness of the HKIA as a global aviation hub and promote the further development of tourism.

***(iii) Promoting Aircraft Leasing Business in Hong Kong***

28. With the growth of civil aviation, there is rising and long-term demand for aircraft leasing. As a major international financial centre and important aviation hub, Hong Kong has an edge for developing aircraft leasing business. An amendment to the Inland Revenue Ordinance (Cap. 112) was enacted by the Legislative Council in June 2017 to give profits tax concessions to qualifying aircraft lessors and

qualifying aircraft leasing managers so as to attract companies to develop aircraft leasing business in Hong Kong. The Government will work with the industry to strengthen promotion efforts.

***(iv) Establishing an Independent Air Accident Investigation Authority***

29. The Government will continue the work for establishing an air accident investigation authority under the THB dedicated for investigation of civil aviation accidents and serious incidents, which will be independent of the CAD, in order to comply with the new requirement of the International Civil Aviation Organization, ensuring impartiality in civil aircraft accident investigation. The staffing proposal for creation of the Chief Inspector post leading the authority and relevant legislative amendments have been approved by the Legislative Council. In the meantime, the Government is conducting the recruitment exercise for the Chief Inspector post.

***(v) Progressively implement port enhancement measures to maintain the competitiveness of Hong Kong Port, including provision of additional terminal yard space and barge berths in phases to increase the container handling capacity of the Kwai Tsing Container Terminals and the better use of back-up land of the terminals.***

30. The Government has been taking forward in phases the various recommendations made in the review of the use of port back-up land near the Kwai Tsing Container Terminals completed in 2015, in order to optimise the utilisation of the land for meeting the future development needs of the port and logistics industries. Among all, we have completed preliminary preparatory works for making available six port back-up sites of about 18 hectares for container terminal use in phases as soon as practicable, so as to expand the terminal yard space and provide additional barge berths for enhancing the cargo handling efficiency. We are also conducting two studies to explore the feasibility of developing a multi-storey facility for container storage and cargo handling at a site in Tsing Yi and a multi-storey carpark-cum-logistics complex at another site in Kwai Chung respectively, so that more port back-up land can be released to support port operations. The studies are expected to complete in 2019.

- (vi) ***Facilitate the provision of high value-added third-party logistics services in Hong Kong by continuing to work with the departments concerned to identify suitable sites for the development of modern logistics facilities.***

31. The trading and logistics industry tops the four key economic pillars of Hong Kong, contributing about 22% to our GDP. The logistics sector alone contributed 3.3% (\$78 billion, figure in 2016) to our GDP and around 4.8% (about 180 000 jobs) to our total employment. With our premier geographical location, free port status, well-developed infrastructure, convenient multi-modal sea, land and air transport network as well as experienced professionals, Hong Kong has all along been a regional logistics hub in Asia.

32. The Government will continue to identify suitable sites for the development of high value-added third-party logistics services. To this end, since 2010 the Government has provided the logistics industry with land totalling some 280 000 square metres of floor area for such purposes. Moreover, we have obtained Town Planning Board's approval on the proposed logistics development site of about 3.2 hectare in Tuen Mun Area 49 and our plan is to release the site in Q1 2018. On top of this, the AAHK will release a site of about 5.3 hectare at Kwo Lo Wan of the Airport South Cargo Precinct for the development of a modern air cargo logistics centre this year. We will continue to work with relevant departments to identify suitable land for the development of modern logistics facilities.

### ***Enhancing External Transport Links***

- (vii) ***Working with the AAHK to enhance airport facilities and expand inter-modal connection facilities to meet the air traffic demands and strengthen the links between the HKIA and the PRD region***

33. The Midfield Concourse came into full operation in March last year, increasing the airport's handling capacity by an additional 10 million passengers per annum, which will help in coping with the medium term air traffic demand. The remaining parts of the midfield expansion project will be completed in phases by 2020.

34. Supported by an integrated multi-modal transport network, the HKIA is a major gateway to the Mainland. Cross-boundary coaches, limousines and ferry services connect passengers between the PRD and international destinations via the HKIA. Last year, an average of about 550 trips by coaches was made every day to link the HKIA with more than 110 PRD cities and towns. The SkyPier at the HKIA provides speedy ferry services for air-to-sea/sea-to-air transit passengers travelling to and from the HKIA and nine PRD cities<sup>3</sup>. During the period from January to August 2017, the number of SkyPier transit passengers reached 1.7 million.

35. With the planned completion of various major transport infrastructures in Hong Kong and the PRD region, including the Hong Kong-Zhuhai-Macao Bridge (HZMB) and Tuen Mun-Chap Lap Kok Link in the coming future, the travelling distance for passengers and cargo from the Mainland to the HKIA will be further shortened. To generate greater synergy between the HKIA and the HZMB upon its commissioning, and to facilitate citizens and visitors of Zhuhai and Macao travelling to and from the HKIA, we support the AAHK in expanding its intermodal facilities. Modelling on the concept and existing mode of operation at the SkyPier, the AAHK has proposed to introduce a shuttle bus service for bridge-to-air/air-to-bridge transit passengers from the respective Border Crossing Facilities of Zhuhai and Macao to reach the Restricted Area of the HKIA direct for outbound flights via the Automated People Mover system without the need to go through Hong Kong's immigration clearance. Overseas passengers travelling to Zhuhai and Macao via the HKIA may also benefit from the service.

---

<sup>3</sup> Currently, the SkyPier offers nine cross-boundary ferry routes travelling to and from Hong Kong and Shekou and Fuyong of Shenzhen, Maritime Ferry Terminal and Taipa in Macao, Guangzhou Nansha, Guangzhou Lianhuashan, Dongguan Humen, Zhongshan and Zhuhai.

***(viii) Forming new aviation partnership and reviewing the air services arrangements with our existing partners, with a view to further liberalising our air services regime, thereby supporting the continued growth and development of the local civil aviation industry.***

36. Among the some 60 countries along the Belt-and-Road, Hong Kong has signed Air Services Agreement or Air Services Transit Agreement with 41 of them. As of September 2017, we have signed a new Air Services Agreement with Spain and an agreed amendment to the Air Services Agreement with Israel. We reviewed or expanded the bilateral air services arrangement with nine aviation partners (Viet Nam, France, Cambodia, Belgium, Russia, Austria, Luxembourg, United Arab Emirates and the United Kingdom) to provide the necessary framework for the growth and development of the aviation industry.

37. We will continue to review the demand for air services from time to time and initiate air services negotiations with our aviation partners with a view to increasing the air traffic capacity to meet market demand.

### ***Marine Safety***

***(ix) Implement the improvement measures regarding the regulatory regime on local passenger-carrying vessels to enhance marine safety. We will continue to follow up the recommendations in the report of the Commission of Inquiry into the Collision of Vessels near Lamma Island on 1 October 2012***

38. The MD is following up on the implementation of various recommendations made by the Steering Committee on Systemic Reform of the MD, as well as those in the Report of the Commission of Inquiry into the Collision of Vessels near Lamma Island on 1 October 2012. On the enhancement of marine safety, the Government has implemented a number of improvement measures, including enhancing look-out by crew, increasing third party risks insurance coverage and making laws to require passenger vessels to be installed with equipment that can ensure navigational safety. The MD will continue to put forward various measures to enhance marine safety, such as regulating drink and drug boating, and reviewing the regulatory regime for local pleasure vessels. We will consult the Panel on the proposals in due course.

## **Views Sought**

39. We welcome Members' views on the initiatives outlined above.

**Transport Branch  
Transport and Housing Bureau  
October 2017**



## **Details and Progress of the Key Initiatives under the Maritime and Aviation Training Fund**

To support the long-term development of the maritime and aviation industries and nurture more talent for the two sectors, the Government established the Maritime and Aviation Training Fund (the Fund) with a commitment of \$100 million in April 2014. The Fund serves to support and encourage more young students and in-service practitioners to receive relevant technical training and undertake professional degree programmes for joining the two sectors, thereby enhancing the overall competitiveness and professional competency of the industries.

There are a number of training and incentive schemes covering various aspects of the aviation and maritime sectors launched under the Fund. As at August 2017, the Fund has benefited over 3 730 students and in-service practitioners in the maritime and aviation sectors. Details and progress of six of its key initiatives are set out in the ensuing paragraphs.

### Professional Training and Examination Refund Scheme (ProTERS)

- The Scheme aims to encourage maritime and aviation in-service practitioners to enrol in courses offered by various academic institutions, professional or trade bodies, and to take part in professional examinations, so as to raise their professional competency and help them acquire relevant professional qualifications. To date, the Scheme covers some 205 professional courses and examinations and has disbursed about \$5.1 million to over 2 050 applicants. The Government will continue to increase the number of approved courses and professional examinations under ProTERS.

### Maritime and Aviation Internship Scheme

- Through the tripartite collaboration among the Government, industries and academic institutions, the Scheme provides internship opportunities for tertiary students to encourage them to join the maritime and aviation industries. In 2017, over 400 students participated in the Scheme and worked as interns in about

60 maritime and aviation companies. This year, the Government will continue to promote the Scheme to the industries and academic institutions to encourage more companies, tertiary students and secondary six school-leavers (only applicable to the aviation industries) to join.

#### Overseas Exchange Sponsorship Scheme

- The Government implemented the Scheme in 2015 in collaboration with four universities, namely the Hong Kong Polytechnic University, City University of Hong Kong, the Chinese University of Hong Kong and the Hong Kong University of Science and Technology. To provide opportunities for students to study abroad and broaden their horizons, sponsorships are given to those students enrolling in maritime-related programmes to attend overseas exchange courses relating to maritime. As at mid-2017, 34 students received sponsorships under the Scheme.

#### Local Vessel Trade Training Incentive Scheme

- The Scheme provides an allowance of up to \$30,000 per person for those who are newly employed by the local vessel trade, with a view to encouraging them to acquire their first professional qualification as coxswains or engine operators on local vessels. To date, 95 applications were approved under the Scheme.

#### Hong Kong Aviation Scholarship Scheme

- Since 2015, scholarships have been offered to selected students for completing aviation-related degree or higher degree programmes to encourage the continuing professional enhancement of the aviation sector and three master and bachelor programmes are added to the identified programmes in the school year 2016/17. To date, 11 students were awarded the scholarship.

#### Partial Tuition Refund Scheme for the Specialised Aircraft Maintenance Programme

- To encourage young people to choose specialised aircraft maintenance programmes and join the aircraft maintenance industry after graduation, the Scheme offers extra financial incentive for those who have completed specialised aircraft maintenance programmes

and meet the eligibility criteria. As at August of 2017, about 155 applicants successfully applied partial tuition refund totalling about \$1.84 million under the Scheme.

In addition, three new initiatives were introduced under the Fund in 2017. Details of which are set out as follows.

#### The University of Hong Kong (HKU)-Shanghai Maritime University Academic Collaboration Scheme

- To nurture more maritime-related legal professionals equipped with knowledge of Hong Kong's legal system, the Government has instituted the "HKU-Shanghai Maritime University Academic Collaboration Scheme" under the Fund. Starting from the 2017/18 academic year, selected students from the Shanghai Maritime University will be awarded scholarships to undertake the Master of Common Law programme at the HKU. These students are required to serve the local maritime industry for at least one year.

#### Maritime Law Scholarship Scheme

- To groom more maritime lawyers, the Government has collaborated with the HKU to introduce the Scheme under the Fund, with a view to encouraging its law students to undertake maritime law modules. Students enrolling in specified maritime-related modules during the final two academic years of their law degree studies and have attained good results in those modules will be awarded a scholarship of \$40,000 per year.

#### Hong Kong Nautical and Maritime Scholarship Scheme

- At present, the International Shipping and Transport Logistics (ISTL) Programme run by the Hong Kong Polytechnic University is the only undergraduate programme in Hong Kong providing training in international shipping and logistics. To encourage more students with good academic results to enrol in the Programme and attract university graduates to contemplate a seafaring career, the Government has, since the 2017/18 academic year, introduced a new scholarship scheme under the Fund for students of the ISTL Programme. The new scholarship scheme consists of two prongs,

i.e. a “Seafaring Scholarship” to encourage more students to enrol in nautical courses to pursue a seafaring career; and a “Maritime Scholarship” to attract students with good results at the Hong Kong Diploma of Secondary Education Examination to enrol in the ISTL Programme.