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Panel on Economic Development
Meeting on 24 May 2021

Background brief on the implementation of
the Maritime and Aviation Training Fund

Purpose

This paper provides background information on the implementation of the Maritime and Aviation Training Fund ("MATF"). It also summarizes the views and concerns expressed by members of the Panel on Economic Development ("the Panel") on relevant matters in previous discussions.

Background

2. The Government established MATF with a commitment of \$100 million in April 2014 to support and encourage more young students and practitioners of the maritime and aviation sectors to undertake relevant training and pursue professional degree programmes, with a view to enhancing the overall competitiveness and professional competency of the two industries.

3. In May 2019, an additional \$200 million was injected into MATF to sustain and enhance original funding schemes and scholarships, as well for launching new initiatives for manpower development of the maritime and aviation sectors. Till now, MATF has been providing funding support for 15 training incentives, subsidy schemes and scholarship programmes for the two industries. A list of the existing 15 schemes under MATF is set out in the **Appendix I**.

4. As of October 2020, MATF had benefited over 10 300 students and in-service practitioners in the maritime and aviation sectors. In 2019-2020, MATF benefitted 2 191 in-service practitioners and students through its incentive and scholarship schemes; and 44 beneficiaries of MATF / awardees of MATF-funded scholarships graduated from relevant tertiary educational institutions and joined the respective sectors in the year.

5. The expenditure and balance of MATF in 2019-2020 are as follows:

Accumulated expenditure (as at 31 March 2020) (\$ million)	Commitment Balance (as at 31 March 2020) (\$ million)
97.904	202.096

Major concerns expressed by members

6. The Panel has been concerned about the problem of manpower shortage and aging workforce in the maritime and aviation sectors, and has monitored the utilization and effectiveness of MATF at the previous briefings on the Chief Executive's Policy Address. At the meeting on 28 January 2019, the Panel was briefed on the proposal to inject \$200 million into MATF. The major views and concerns expressed by Members in recent discussions are summarized in the ensuing paragraphs.

7. Members in general welcomed the Administration's proposal on injection of \$200 million into MATF for a period of six years from 2019-2020 to 2024-2025 to sustain the operation of existing training and scholarships schemes, as well as to implement enhancement measures and new training incentive schemes to groom more talents for the maritime and aviation sectors. Members urged the Administration to formulate new measures to attract members of the public to pursue a career in the two sectors so as to mitigate their manpower shortage and succession problems. To attract more young people to join the two sectors, a motion urging the Administration to strengthen the relevant promotion initiatives under MATF and raise the levels of subsidies of the Maritime and Aviation Internship Scheme ("MAIS") and the Sea-going Training Incentive Scheme ("SGTIS") came under MATF was passed by the Panel.

8. The Administration acknowledged that it was important to reach out to general public in particular the younger generations for promoting and enhancing the image of the maritime and aviation industries, part of MATF was set aside to support industry associations to organize promotional and outreaching programmes to raise the awareness of the maritime and aviation sectors among young people and members of the general public. The Administration would continue to closely communicate and collaborate with the respective industry organizations to arrange more various promotional activities and events to publicize the aviation and maritime industries.

9. The Administration also advised that it would report annually to the Manpower Development Committee ("MDC") of the Hong Kong Maritime and Port Board and the Tripartite Taskforce on Manpower Training (Aviation) ("Tripartite Taskforce") on the implementation of MAIS. At the 2018 review exercise, MDC and Tripartite Taskforce agreed to adjust the reimbursement ceiling from \$6,000 to \$7,000, i.e. increase by 17%, per intern per month. The enhanced rate of reimbursement ceiling would be adopted for the 2019 round of MAIS. The Administration would closely monitor the operation of MAIS and introduce enhanced measures where appropriate.

10. For SGTIS which offered a monthly subsidy of \$6,000 to deck cadets and engineer cadets on ocean-going vessels ("OGVs"), the Administration advised that to alleviate the economic burden of the cadets while preparing for professional examinations upon their return from sea-going training, MDC agreed to introduce a special monthly financial subsidy to these cadets. The special subsidy consisted of two parts, including a monthly subsidy of \$3,000 during the period while the cadets were preparing for the professional examinations ashore after their completion of cadetship; and a monthly subsidy of \$6,000 during the period when they returned to OGVs after having acquired the professional qualification but were yet to be promoted to officer rank. The new arrangement was launched in January 2019. The Administration would conduct a review for SGTIS one year after the implementation of enhanced measures.

11. A member noticed that only two schemes under MATF were specific for the aviation sector and considered the number of such schemes, as well as the total funding spent on and the number of beneficiaries of them was much smaller than those for the maritime sector.

12. The Administration explained that in terms of the number of beneficiaries of the schemes under MATF, around 60% were from the maritime sector and 40% from the aviation side. The Administration would explore and implement new schemes by utilizing the extra injection of funding. In respect of the two schemes which were applicable to the aviation sector only, the number of beneficiaries was relatively small as the two schemes were applicable to specific education programmes, thus only those having attained the required qualifications were eligible for those schemes. Furthermore, the Hong Kong International Aviation Academy had been providing a variety of aviation-related introductory courses which were tailored for the industry newcomers or technical staff to enhance their knowledge about the aviation industry and operation skills.

Council questions

13. At the Council meetings of 10 and 17 May 2017, Hon Holden CHOW and Hon LUK Chung-hung raised questions relating to the utilization of the Fund and the development of high-value added maritime services. Hyperlinks to the Council questions and the Administration's responses are provided in the **Appendix II**.

Latest development

14. At the Panel meeting on 24 May 2021, the Administration will update members on the latest development and implementation of the Fund.

Relevant papers

15. A list of relevant papers which are available on the Legislative Council Website (<http://www.legco.gov.hk>) is in the **Appendix II**.

Council Business Division 4
Legislative Council Secretariat
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The 15 Existing MATF Schemes

1. Professional Training and Examination Refund Scheme
2. Maritime and Aviation Internship Scheme
3. Partial Tuition Refund Scheme for the Specialised Aircraft Maintenance Programme
4. Aviation Operations Training Incentive Scheme
5. Local Vessel Trade Training Incentive Scheme
6. Local Vessel Competency Enhancement Scheme
7. Sea-going Training Incentive Scheme
8. Ship Repair Training Incentive Scheme
9. Hong Kong Maritime and Logistics Scholarship Scheme
10. Hong Kong Maritime Law Scholarship Scheme (*Suspended for 2020 entry*)
11. The University of Hong Kong – Dalian Maritime University Academic Collaboration Scheme
12. Hong Kong Aviation Scholarship Scheme
13. Overseas Exchange Sponsorship Scheme
14. Hong Kong Nautical and Maritime Scholarship Scheme
15. The University of Hong Kong – Shanghai Maritime University Academic Collaboration Scheme

Source:

<https://www.thb.gov.hk/eng/whatsnew/transport/2014/20140401.htm>

List of relevant papers

Issued by	Meeting date/ Issue date	Paper
Panel on Economic Development	26 June 2017 (Item V)	Administration's paper Minutes
	30 October 2017 (Item III)	Administration's paper Minutes
	22 October 2018 (Item III)	Administration's paper Minutes
	28 January 2019 (Item V)	Administration's paper Minutes Administration's response to the Motion passed
	31 December 2020	Administration's paper Minutes
Finance Committee	14 April 2021	Controlling Officer's Reply (THB(T)056 & THB(T)084)
Council Meeting	10 May 2017	Council question on "Development of high value-added maritime services" raised by Hon Holden CHOW
	17 May 2017	Council question on "Utilization of the Maritime and Aviation Training Fund" raised by Hon LUK Chung-hung