

Maintaining Hong Kong as a major maritime centre

→ The first of two Branch events in November was an early evening seminar focusing on the recent study commissioned by the government into maintaining Hong Kong as a major international maritime centre. Captain Pradeep Chawla FNI set the scene and placed Hong Kong in its regional context. He pointed out that the maritime sector employs 57,000 people and generates about US\$9 billion annually (2.5% of GDP), whereas Singapore employs 100,000 people and generates US\$18 billion (7% of GDP). Meanwhile, Shanghai is 'marching ahead' and ports like Shenzhen are also catching up with Hong Kong.

He said that long-term residents feel Hong Kong is losing ground, and asked whether there is the political will for the urgent actions which may be required. He also pointed out that Hong Kong must align itself with the goals of the National Five-year plans, since we are now part of China. His key questions were 'how can we influence the next Five-year plan and what can we do ourselves, without relying on the PRC?'

The first speaker to address these concerns was Dr Richard Colwill, Managing Director of BMT Asia Pacific, which conducted the survey on behalf of the government. The survey set out to ask a series of key questions: what the industry comprises, which parts are important, how they compare with other centres, what we can do and how we can do it? The aim was to come up with a recommended strategy for future development.

Dr Colwill was full of praise for the way the local shipping industry had participated in the study. It is heartening to report that around 60 people attended our event – a sure indication that shipping people share the concerns of government. He pointed out that maritime clusters require a critical mass – there must be enough participants for effectiveness and growth. There is a degree of urgency because continued inactivity will see Hong Kong slip further behind the competition. Singapore, in particular, has a very supportive government which is already funding numerous initiatives.

The main recommendation was that Hong Kong should establish a new institutional body to deliver the required change. The scope of the body would be to conduct policy research, propose measures which will drive maritime development, and champion the industry's interests at the policy-making level of government. This new body should also oversee manpower requirements and play a prominent

role in marketing the maritime sector overseas. It will require funding if it is to do its job effectively, but such funds could come from our successful shipping register.

In conclusion, Dr Colwill pointed out that, at the moment, there are only a handful of people in the Hong Kong government with responsibility for the maritime sector, while Singapore is believed to have a maritime promotion team numbering in the hundreds. He stated that the maritime sector has a catalytic impact on the economy and Hong Kong has some unique advantages, but they must be built upon.

The final speaker was Peter Cremers, Chief Executive Officer of the Anglo Eastern Group of Companies. Mr Cremers said that, while Hong Kong has been remarkably successful over the past 50 years, the world is changing and there is no guarantee of success in the future. The government's traditional laissez faire policies may not be suitable in the years ahead.

In addition, Hong Kong faces challenges from 'aspiring Chinese cities' and aggressive regional ports which are 'less bogged down by politics'. The shipping industry is portable and once critical mass is lost it is very difficult to regain. However, if we can attract ship owners and operators, then the other parts of the industry will follow.

In order to do this, we need political stability, widespread reciprocal taxation arrangements, a responsive administration and clarity within the taxation system. If shipping is critical to Hong Kong then government must take the appropriate steps, particularly in setting up a one-stop shop with authority over various departments which presently have control of shipping-related matters.

Government must ensure that 'one country

two systems' works effectively, and must pay attention to quality of life issues such as housing, education and pollution.

Mr Cremers claimed that the Hong Kong workforce is 'second to none', and we also have excellent connectivity, efficiency, the currency link to the US dollar and the rule of law. These are great advantages, but we also need a responsive administration with shipping expertise, and a good deal of additional funding. Hong Kong needs shipping because it creates employment over a broad spectrum, has a high net worth and generates considerable spending power. A sophisticated, cosmopolitan society needs shipping!

He concluded by stating that the local shipping industry likes the BMT report, but questioned whether there is the political will to accept the recommendations and their consequences.

A very lively question and answer session with all the speakers followed, and there was much intelligent discussion. It was pointed out that government has now commissioned another study on how to implement the recommendations of the BMT study. This will take a couple of years, then our legislators will have to consider the findings of the study before anything can be done. Everything is taking too long in a fast-changing world.

This report cannot possibly do justice to the wealth of information covered by our speakers, but copies of the presentations will be posted on the branch website. They are worth reading.

The branch was in action again two days later when we attended the Remembrance Day service at the Cenotaph in Central. Several members were present, and our wreath was laid by our youngest committee member, Victor Fong.



A full house for The Nautical Institute meeting in Hong Kong