



MARINA

The Quarterly Newsletter of
The Hong Kong Institute of Marine Technology and
The Hong Kong Joint Branch of The Royal Institution of Naval Architects
and The Institute of Marine Engineering, Science and Technology

IMAREST

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HKJB & HKIMT Activities

An Interview with the Chairman of the Hong Kong Shipowners Association – Mr. Kenneth KOO

On 27 May 2010, the chairmen of the HKJB and HKIMT, Ir Dr S Y Tsui and Ir Dr Nelson Yu, together with the Hon. Secretary of HKJB, Ir Albert Lo, and committee member Ir Tang Kai Fun visited the Chairman of the HKSOA, Mr. Kenneth Koo. Mr. Koo welcomed the delegates and spent more than an hour to share his views on shipping with them. He also offered his personal experience in running the shipping business.

Mr. Koo stressed that the role of the traditional ship-owning business has changed since 2005/2006. Starting from 2005/2006, sea-going vessels appear to become “commodity” instead of operating assets. Many ship owners placed orders for new buildings and treated them as a commodity for resale purpose. Only a limited number of ship owners tried to line up a long term charter for their ships before they placed orders for new buildings. When the market values of the ships were right they sold the ships for quick profit, or sometimes even sold the building contract to the market. Funds investors or investment banks were keen to participate in this type of business. The new owners of ships would rely solely on third party commercial and technical ship management companies to run and manage their vessels. This trend of shipowning has been somewhat different from the traditional shipowning business in the past.

The entry barrier to shipping seems to be non existence today, investment money can come and go as they wish.

Earning in shipping depends on the market volatility. Traditional shipping business largely relies on long term commitment and friendly relationship among the parties concerned, i.e. charterers, bankers, shipbrokers, shipyards, etc. Owing to the change of business models



HKJB & HKIMT team visited Mr. Kenneth Koo, Chairman of HKSOA

in shipping together with the increasing number of compliance of international rules and requirements, it is really hard for the traditional independent owners to run their shipping business. Some state-owned shipping companies may have support from their governments. However, independent shipowners have to find their ways to struggle for survival.

Going back to reality today, Mr. Koo opined that owing to the latest trend in ship operations, he predicted that the US markets could hardly recover shortly. Several European countries are also facing their financial difficulties. In Asia, the political situation in Thailand and Korea is not that sound. However, China, Hong Kong and Singapore are the places that shipping business should focus at. Mr. Koo said although China is in the dominant position in the shipping market, their market policies appear rather unpredictable. New

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Mr. Kenneth Koo, the 3rd generation & Chairman of TCC Group received our visiting team in his office

government policies may come up quite suddenly in order to control the “overheated” markets. It seems to be not easy to set up long term business plan for China. Comparing with Hong Kong and Singapore, Mr. Koo said Singapore government applied the top-down approach policy in helping their shipping business. Singapore is very proactive in promoting their shipping policy and in attracting new business partners to their country. Hong Kong government is still taking its laissez-faire attitude. That may be one of the reasons why some of the world dominant shipping companies move their operation offices to Singapore. One recent example is that a reputable long standing shipping group has shifted its operation business to Singapore and only leaves behind a small office (so called headquarter) in Hong Kong for liaison purpose. Why Hong Kong is weakening in the shipping business position? Should Hong Kong government review its shipping policy and do something to retain/maintain our position as an international shipping centre, not to say attracting new shipping business partners, bulk cargo owners and bulk trading houses to Hong Kong. How much longer can Hong Kong tolerate with its position in its present transshipment business? Should Hong Kong work more closely with its Chinese counterparts to see how to keep Hong Kong as a major shipping centre in the world?

Kenneth said that real estate business in Hong Kong is mainly a kind of localized and domestic business. Whilst shipping business is an international and outward looking business. Hong Kong government should have a clear vision and direction in the shipping business. Mr. Koo also said that Hong Kong is in lack of Market Research & Development findings and reports relating to shipping business.

Most of the shipping companies today are concentrating on short term profit from the market and quick money return. Classification Societies or Government Authorities try to implement pollution control on emission standard from diesel engines and machinery of ships. There does not seem to have sufficient effort to work on controlling the quality of combustion of the diesel engines. Mr. Koo's group is actually co-operating with a U.S. university to work on improvement of combustion of diesel engine so as to reduce the emission of green house gas. He further stated that shipping business is a high risk business with huge capital investment and he hopes that shipowners should contribute more efforts on environmental issues so as to benefit the whole shipping industry.

The delegates deeply appreciate that Kenneth has enlightened them a lot on the shipping matters. Mr. Koo is not only a shipowner, he is also a well experienced and hands-on ship engineer.

(S Y Tsui, Nelson Yu, Albert Lo and Tang Kai Fun)

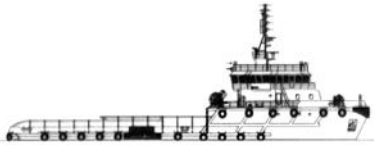


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The Future of H.K. Maritime Industries

Following HKIMT – AGM which was held on the 27 April, 2010 at the Harbour Club of The Hong Kong Marine Department, a special talk was conducted by the Hon. President of HKIMT Mr. M. H. Liang. He gave his view on the way how Hong Kong Maritime Industries should go.

He said Shanghai is aiming to become the International Shipping Centre and Financial Centre by 2020. Recently 16 Chinese official members including shipping and finance professional paid a visit to Hong Kong to further enhance their aiming. In order to become an International Shipping Centre, both hardware and software have to be ready. No doubt, Shanghai has got all the necessary hardware but for software there still require a lot of area for improvement. And Hong Kong is good on the software side such as Common Law, Maritime Law and Regulations, IT Information Centre, duties/taxes, insurance and arbitration, etc. Mr. Liang said London and New York have claimed to be an International Shipping Centre all along for they are both good at hardware and software, not like Japan nor Korean even they have a big shipping lines, they still cannot be claimed as an International Shipping Centre. Mr. Liang said China sooner or later will let their RMB on the free flow if they want Shanghai to be an International Shipping Centre by 2020.

As for the Hong Kong Maritime side all along HKSAR is only aiming at Container Terminals and nothing else. Hong Kong claimed to be No. 1 in handling containers is no longer true as nearby container ports have been passing us. Mr. Liang said he likes to see Hong Kong has a plan how to

co-operate with Shanghai for setting up different specialist working groups to discuss the co-operation on how to assist Shanghai in the software side. And from the discussion of the working groups, action plan can be drawn. If HKSAR claims to be an International Shipping Centre, then they should set up a task force (may be from Hong Kong Marine Department) to look after this matter seriously and not just like right now let it flow freely without any care.

In conclusion, Mr. Liang is a bit pessimistic in the Hong Kong Maritime Industries. If HKSAR still do not act immediately to look at this matter seriously, he hopes that all related maritime parties have to do something on this matter urgently.

As for learned societies such as HKJB and HKIMT, they should look for opportunities and co-corporation with their counterparts and related parties.

(Ir. Tang Kai Fun)



Hon. President & Chairman of HKIMT



Presentation of membership certificate



HKIMT members with Mr. M.H. Liang



Annual report briefing by the Chairman Ir Dr Nelson Yu of HKIMT

Career Talk to IVE students

On the 5 May, 2010, HKJB/HKIMT arranged a career talk to the Mechanical Engineering students of IVE (Tsing Yi Campus). The purpose of this talk was to highlight the existing marine field industries and let the students have some ideas how to make a career decision after they graduate.

The first talk was conducted by Ir. K. K. Lo from HKPU. He showed to the students what was the sea life as a fourth engineer onboard. He stressed the need to work hard and study hard onboard the vessel. And finally, a good testimonial is a good proof to the hard work which is very helpful for future career prospect.



Ir K K Lo presented his seagoing experience



Capt Marso Law at the Career Talk



Mr. K F Kwan presented the Incentive Training Scheme



Students attending the career talk

The second talk was presented by Captain Marso Law. He said that existing shipping companies are short of marine engineers as well as all sorts of marine related vacancies are available to choose. Students after graduation from IVE can enroll to study some basic certificate courses as conducted by the Maritime Services Training Institute (MSTI) which leads to the issue of Seaman's Discharge Books. After five to six years sea life onboard vessel, one can be promoted to first engineer and by that time the salary is much higher than those on land.

Mr. K. F. Kwan, Examiner of Engineers, also gave a presentation on the examination requirements and the Government's Incentive Training Scheme.

Light refreshment was provided after the talks. A lot of students gathered around those speakers as well as other committee members of the HKJB and HKIMT to seek for more information for their further career.

HKJB/HKIMT will continue to arrange such career talks from time to time to students from local industries or other Institutes in order to promote the maritime industry to young students.

(Ir. Tang Kai Fun)

China Maritime 2010

China Maritime 2010 was held between 16-18 March, 2010 at the HKCEC. May be this show was not well promoted in advance in Hong Kong, the number of exhibitors and visitors were apparently less than usual. The show atmosphere was so cold and quiet. Exhibitors actually were the visitors. This indicates that those shipping related industries in Hong Kong are well behind other countries.



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Visiting team members with senior management of Marland Group

Some HKJB/HKIMT member did visit the exhibition and was well received by the chairman of Marland Group.

We trust that HKSAR should act quickly on how to keep Hong Kong as the world's major shipping centre.

(Ir. Tang Kai Fun)

Marine Friends Gathering

Same as last year, the Marine friends gathering was held on the 23 April, 2010 at the Police Officer's Club in Causeway Bay.

Snacks and drinks were served starting from 17:30 all the way through 22:00. Beer drinking contest was conducted and Mr. P. C. So was the winner.

There were about 100 Marine friends gathering on that evening. The atmosphere over the evening was warm and friendly. Quite a number of members from HKJB/HKIMT did attend such an enjoyable evening and we trust that such an event can continue year after year.

(Ir. Tang Kai Fun)



Group photo from friends



Beer drinking contest



Group photo among friends



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Social Dinner Gathering

As invited by the Chairman of MMNC division of HKIE, HKJB/HKIMT formed a table to show the support to our friendship of learned society by attending their annual dinner which was held at the Police Officers Club in Causeway Bay on 29 April 2010 (Thursday). Games were arranged to give gift for those MMNC members who were familiar with the division's activities as well as the division's related matters. During this annual dinner VIP guests, members and friends did enjoy that wonderful evening.

(Ir. Tang Kai Fun)

HKPU Vs HKJB/HKIMT Annual Soccer Match

The annual soccer match between Hong Kong Polytechnic University and the joint team of the Hong Kong Joint Branch of RINA and IMarEST and the Hong Kong Institution of Marine Technology was held on 7 May 2010 at HKPU 5-side playground. The game started at 6:30pm after the kicking off ceremony hosted by Professor Jian Lu, the Dean of Mechanical Engineering Department of HKPolyU, jointly with the



Group Photo



Prof. Jian Lu & Ir Dr Nelson Yu hosted the kick start of the match

HKIMT Chairman Ir Dr Nelson Yu. There was a heavy rain fall after the second half break but the game finished with a result of 5 scores in total. The HKPolyU Team won the game.

(Ir K. S. Szeto)

2010 Dragon Boat & Color Boat Race

Hong Kong Government Dockyard was full of enjoyment on the 5th June, 2010. Colorful flags were flying near the racing area. Rowers and visitors gathered early in the morning to enjoy the races which started at 9:30 am all the way through noon time. Besides the rowing teams from various marine departments, other

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competitors such as marine related organizations and public organizations as well as the learned societies did participate in the races.

Though HKJB/HKIMT team could not win any race, they did play hard to show the team spirit.

It was really a good social event for friends to get together to enjoy the traditional Chinese festival in such a joyful moment.

(Ir. Tang Kai Fun)



Cheering up photo before the race



Cheering from the paddlers



Good memory from the racing team

2010 Annual Ball – to be held on 26 November, 2010

HKJB of RINA & IMarEST and HKIMT will jointly organize the 2010 Annual Ball on 26 November, 2010 at The Grand Ballroom Lower Level I, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Kowloon.

Our Guest of Honour will be Mr. Kenneth Koo, the Chairman of Hong Kong Shipowners Association and a well known figure in the international shipping community. The Event Leaflet and Booking / Sponsorship Form are attached with this MARINA issue. In order to secure your table or seat, please reply on/before 31 August, 2010.

Both the HKJB of RINA & IMarEST and HKIMT are learned societies with objectives to promote professional development of marine technology & maritime activities. Our Institutes have maintained the tradition of organizing the Annual Ball with great success over twenty years during which many distinguished guests from the Government, shipping companies and members that have great contribution to Maritime Industry in Hong Kong were invited to participate.

This is an annual golden opportunity to meet with maritime professionals and business counterparts in a friendly and enjoyable environment and to have great fun. We appeal for your company's & member's support by booking the table or individual seat or sponsorship to 2010 Annual Ball Event.

(Ir. Albert Lo)

Coming Events / Activities in 2010

- **3 July 2010**
Half Day Seminar – Ship Management & Operation at HKIE, 9/F Island Beverley, No.1 Great George Street, Causeway Bay, Hong Kong
Time: 9:00 to 12:00 Hrs
- **September 2010**
Technical Visit
(Venue & time to be advised)

- **September 2010**
Technical Meeting (to be advised)
- **26-28 October 2010**
Shiptec China, Dalian, China
- **November 2010**
Career Talk at Hong Kong POLY U
- **26 November 2010**
HKJB/HKIMT Joint Annual Ball
- **6-8 December 2010**
4th PAAMES/AMEC 2010 – National University of Singapore
- **8-10 December 2010**
INMEX Guangzhou, China

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