

Maritime Services Training Board



Manpower Update Report

Maritime Services Industry

2023



ACKNOWLEDGEMENT

The Maritime Services Training Board (MSTB) would like to thank the members of the focus groups for their valuable time and insights on the manpower situation in the Maritime Services industry. Special thanks go to CPJobs and CTgoodjobs which shared the database of job vacancies and the Marine Department which provided related manpower statistics. The views of focus group and Training Board members and information from major recruitment websites formed an integral part of this report.

Contents

Introduction	1
Methodology	3
Findings	4
Latest Developments and Trends in the Maritime Services Industry	
Manpower Demand	
Training Needs	
Recruitment Challenges	
Recommendations	14
Nurture Youngsters' Interest in the Industry through Early Exposure	
Provide More Support to Retain New Entrants in the Industry	
Address the Training Needs of the Industry in a Flexible Way	
Establish Objective Benchmarks for Assessment and Upskilling of In-service Practitioners	
Enlarge the Local Talent Pool by Utilising the Designated Fund	
Appendix	17
Annex 1 – Number of Graduates Joining the Sea-going Training Incentive Scheme (SGTIS)	
Annex 2 – Posts of the Marine Department Requiring Seafaring Experience	
Annex 3 – Salary of Hong Kong Seafarers (Ocean Going and River Trade Sectors only)	
Annex 4 – Sharing by Focus Groups on the Advantages Working in the Maritime Services Industry	
Annex 5 – Number of Hong Kong Seafarers Obtaining Various Classes of Sea-going Certificate of Competency	

Introduction

Background

The Maritime Services Training Board (MSTB) is responsible for ascertaining the manpower situation in the relevant industries, assessing whether the manpower supply can meet the demand, and recommending to the VTC for the development of vocational and professional education and training

(VPET) facilities to meet the assessed training needs.

To reflect the dynamics of the manpower situation, the MSTB conducts one full manpower survey every four years, supplemented by two interim manpower updates with the latest manpower

information collected. Following the full manpower survey in 2020, this is the first manpower update report published by the MSTB. The second one will then be published in 2024.

The 2023 Manpower Update comprises:

- (a) focus group meetings to gather views from industry experts on the latest developments in the maritime services industry, manpower situation and training needs, recruitment challenges and proposed measures to address the challenges faced by the industry; and
- (b) desk research to analyse job advertisements related to the industry.

Objectives

The objectives of the Manpower Update are:

- (i) to examine the latest developments and trends of the maritime services industry;
- (ii) to explore the changes in manpower demands for principal jobs and the factors behind them;
- (iii) to understand recruitment situations, challenges and solutions;
- (iv) to explore training needs, emerging skills/jobs; and
- (v) to recommend measures to address the manpower needs.

Methodology

Overview

With reference to the 2020 full manpower survey, this update report aims to provide qualitative descriptions of the recent development of the industry from manpower perspective through the information obtained from focus group meetings, supplemented with desk research findings.

Focus Group Meetings

Two focus groups were formed through engagement of industry experts from the following branches:

1. Sea-based Group
 - Ship owner/manager of sea-going vessels
 - Operators of vessels moving between Hong Kong and the ports in Pearl River Delta
 - Local vessel
 - Yacht and pleasure vessel
2. Shore-based Group
 - Shipbroker
 - Ship manager of sea-going vessels
 - Maritime law
 - Maritime insurance
 - Ship finance
 - Ship repairing
 - Ship surveying and classification society

Meetings of the shore-based and sea-based focus groups were conducted on 10 and 12 January 2023 respectively.

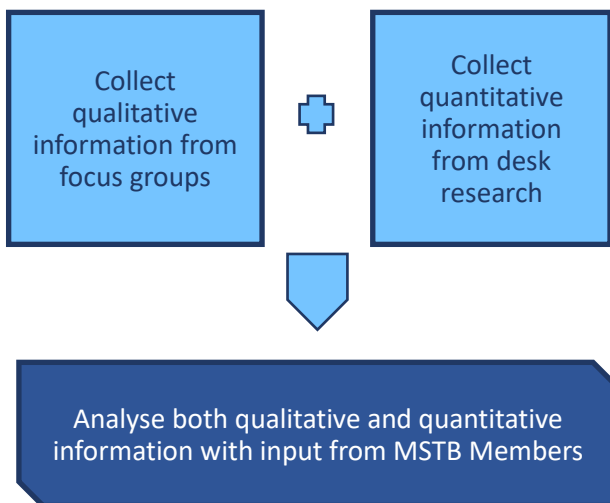
Members had in-depth discussions on topics selected by the Working Party on Manpower Survey of the MSTB. The discussions were recorded and transcribed to facilitate analysis. Two more telephone interviews were conducted on 13 and 18 January 2023 to collect views from focus group members who were unable to join the meetings.

Desk Research

The desk research was conducted between December 2021 and November 2022 to collect job advertisements from major online recruitment portals through an employment information system. The information collected was matched against the relevant company listings in the Hong Kong Standard Industrial Classification and duplicate records were removed. Eventually, a total of 1,165 job advertisements relevant to the industry were captured during the said period.

Data Analysis

The analysis consists of three steps:



Limitations

As this is not a full manpower survey, the findings and recommendations drawn from the focus group meetings are mainly qualitative in nature and the report only focuses on the analysis of manpower trends. Job advertisements were collected from major recruitment portals and the Labour Department. Other channels, such as industry referrals, recruitment through manning agents and head hunting for managerial positions were not covered. The data can only serve as reference information supplementary to the findings of focus group meetings.

Findings

Latest Developments and Trends in the Maritime Services Industry

Intense Global Competition

The maritime services industry is a promising industry which has been performing very well even under the COVID-19 pandemic. Looking forward, despite the uncertainties caused by the Russo-Ukrainian War, the energy crisis in Europe and a looming global recession, focus group members consider that the industry will continue to have good prospects since maritime transport is the

backbone of international trade and around 80 – 90% commodities are transported by vessels.

Nevertheless, the maritime services industry is a highly competitive global industry. The international ranking of Hong Kong's container throughput has been declining and dropped to the ninth in the world in 2021¹. Although Hong Kong has proactively promoted its high-ended maritime services in recent years to serve as an impetus to the further growth of the

¹ Marine Department - Ranking of Container Ports of the World (As at 25.04.2022)
https://www.mardep.gov.hk/en/fact/pdf/portstat_2_y_b5.pdf

local shipping industry, focus group members opine that Hong Kong as an international maritime centre encounters a keen competition from other world cities. According to the 2022 Xinhua-Baltic International Shipping Centre Development Index Report, Hong Kong was ranked the fourth global leading maritime centre, after Singapore, London and Shanghai².

Comparing with the top three on the index, focus group members share their observations on some areas that Hong Kong has been lagging behind. For shipbuilding, Shanghai's strength lies in its shipbuilding technology and government incentive measures which attract many newbuild projects. On the contrary, due to the lack of talents, high costs and the relatively small handling capacity of shipyards, shipbuilding in Hong Kong has almost faded out and ship repairing services have been shrinking too.

For the segment of marine insurance, it was observed that Singapore has surpassed Hong Kong owing to active government support and the overall development strategies. Some leading international marine insurers have downsized their operations in Hong Kong or even relocated their regional offices from Hong Kong to Singapore. By the end of 2022, there were only 83 authorised marine insurers operating in Hong Kong, down from 89 in 2019³.

For arbitration, London remains the capital

of maritime arbitration and most charterparties' arbitration clause still rest with the London Maritime Arbitrators Association. Attributed to weak UK pounds, London's competitive edge has indeed become more obvious in recent years. As Hong Kong no longer has any cost benefits, ship companies tend to employ lawyers/experts directly in London instead of engaging Hong Kong lawyers to handle arbitration cases there.

The fierce competition among leading maritime centres is not confined to business opportunities, but to talents as well. Focus group members engaged in high-ended maritime services such as maritime law, shipbroking and ship surveying notice a brain drain to London and Singapore in the past few years, probably because of the perceived career opportunities and the overall livability of these cities.

Stringent Regulatory Requirements

Another challenge to the industry is the increasingly stringent regulatory requirements, among which the most impactful one is the International Maritime Organisation (IMO)'s Greenhouse Gas (GHG) Strategy. Shipowners will need to cut annual GHG emissions from international shipping by at least half by 2050, compared with their level in 2008, and work towards phasing out GHG emissions from shipping entirely as soon

² The Baltic Exchange –Latest News <https://www.balticexchange.com/en/news-and-events/news/press-releases-/2022/singapore-ranked-number-one-for-ninth-year.html>

³ Summary Statistics on Maritime Industry of Hong Kong (As at January 2023): Table 3 https://www.hkmpb.gov.hk/document/mic_report.pdf

as possible in this century. While there are different possible means to fulfil the requirement (say operating ships at a reduced speed, reducing cargo intake, switching to a low-carbon/carbon neutral fuel or installing energy efficient technology), the route to decarbonisation will have a great impact on shipping companies as they will need to evaluate the suitability of different options for specific vessels and routes, make investments and adjust their operations accordingly. Regardless of which option is chosen by individual companies, alternative fuels will play a key role in the ultimate goal of achieving emissions reduction.

The ocean going sector is not alone in the struggle with tight regulations. The local vessel sector also faces a similar problem. After the Lamma Island Ferry Collision in 2012, the Marine Department has strengthened various measures to enhance maritime safety by phases, e.g. mandating local vessels exceeding specified carrying capacities to use an automatic identification system (AIS), a radar, and a very high frequency (VHF) radiotelephone. The amended regulations also require the presence of crew members qualified to use the radar and VHF radiotelephone. In addition, coxswains are required to regularly attend refresher course covering awareness of navigational safety and collision prevention. As the local vessel sector has been facing acute labour shortage, these additional licensing/training requirements put a strain on the already stretched workforce.

Technological Advancement

Technological advancement is both opportunity and challenge to the industry. On one hand, it enhances navigation efficiency and safety, and is instrumental in advancing environmental sustainability. On the other hand, it poses challenges to in-service practitioners as they will need to acquire new skills to adapt to the change.

Technological innovations that are shaping the industry include ships using new power source, advanced data analytics, on-board sensors, cloud technology, blockchain, etc. Among them, the wave of ferries powered by electricity is worth particular attention as it is foreseen to have a greater impact on local employees. To promote the use of green transportation technologies in local ferries, the Government subsidised local ferry operators to construct electric ferries and the associated charging facilities. It is expected that new electric ferries, coupled with other hybrid ferries, will be put into operation gradually in a year or two.

Crew members will need to get familiarised with the new control systems, charging facilities and maintenance procedures to optimise the performance and safety of these new ferries. While it is anticipated that the new ships will come with easy control panels, focus group members worry that employees of the local vessel sector, especially the older ones who are less tech-savvy may find it hard to keep up with the new technology.

Increasing Popularity of Yachts

Concerning the area of yacht, focus group members are optimistic about its future development. Yacht has been gaining popularity in Hong Kong, as reflected by the increase in the number of licensed pleasure vessels from 7,920 in 2012 to 11,767 in 2021⁴. A Guangdong-Hong Kong-Macao individual yacht travel scheme (「粵港澳遊艇自由行」) was piloted in 2017⁵. The three governments concerned are pushing forward the implementation of an individual yacht travel scheme in the Greater Bay Area (GBA) and exploring means to streamlining clearance procedures for yachts and relaxing yacht's security deposit required for entering the ports in GBA cities.

It is also observed that the new generation yacht owners tend to expect a higher level of service, probably because they have experienced high-ended services in European and American countries. It is anticipated that there will be a growing manpower demand for certified pleasure vessel operators and servicing staff on board the yachts, as well as the need for more comprehensive yacht management services.

Support of the HKSAR Government

Over the past few years, the HKSAR Government has implemented a number of tax concessionary measures to enhance Hong Kong's competitiveness in attracting clusters in the maritime industry. These include the tax concessions in 2020 supporting ship leasing business and marine insurance businesses and the half-tax concession (i.e. a tax rate of 8.25%) to ship agents, ship managers and ship brokers in 2022. The Government has also enhanced the services of the Hong Kong Ship Registry by setting up Regional Desks in selected overseas and mainland Economic and Trade Offices so that more direct and prompt support can be provided to shipowners. Accordingly to the Chief Executive's 2022 Policy Address, the Government will promote the development of "smart port" to strengthen the competitiveness of Hong Kong's port and reinforce intermodal transport to strengthen the key role played by Hong Kong in the logistics chain of the GBA⁶.

The Government has also spared no efforts to bring in and groom talents to support the long-term development of the industry. As stated in the 2022 Policy Address, a Maritime Services Traineeship Scheme will be launched to provide traineeship for young people who aspire to a career in maritime law⁷. The Government has also included three

⁴ Marine Department - Hong Kong Licensed Vessels
https://www.mardep.gov.hk/en/fact/pdf/portstat_2_y_e3.pdf

⁵ 中華人民共和國中央人民政府 – 新聞 (2017-06-23)
http://big5.www.gov.cn/gate/big5/www.gov.cn/xinwen/2017-06/23/content_5205013.htm

⁶ The Chief Executive's 2022 Policy Address (Paragraphs 47 & 49).

⁷ The Chief Executive's 2022 Policy Address (Paragraph 47).
https://www.policyaddress.gov.hk/2022/public/pdf/policy/policy-full_en.pdf

marine professions (i.e. “naval architects”, “marine insurance professionals” and “marine engineers and superintendents of ships”) into its Talent List⁸ with a view to attracting these talents to Hong Kong.

These measures are welcome by the industry as a right move to consolidate and enhance Hong Kong's status as an

international maritime centre. However, in the face of increasing competition from other international maritime centres, often with strong government assistance, it is hoped that the Hong Kong Government could continue its proactive role in attracting commercial principals to Hong Kong so as to build up a bigger clientele for local industry players.

Manpower Demand

Focus Groups

Insufficient new blood and the lack of experts in some areas are still big concerns of the industry. Anticipated trends of future manpower demand shared by focus group members across sectors are highlighted below:

1. Ocean Going Sector

Cadets, particularly engineering cadets will continue to be in demand. The introduction of the Sea-going Training Incentive Scheme (SGTIS) has attracted more graduates to join the ocean going sector in the past decade, yet only very few of them are engineering cadets (please refer to Annex 1 for details).

In view of the difficulty in recruiting and retaining local cadets, shipping companies usually employ seafarers from the Mainland or overseas countries like India, Philippines and Indonesia. Some shipping companies even set up their own

training schools in these places. However, as predicted in BIMCO's Seafarer Workforce Report 2021, there will be a global shortage of seafarers and that an additional 89,510 officers will be needed by 2026 to operate the world merchant fleet⁹. Hence, grooming of local cadets should be treated as a matter of high priority.

2. River Trade Sector

With the resumption of cross boundary ferry services in January 2023, river trade operators have started recruiting new staff after the massive layoff under the pandemic. However, the recruitment is of relatively small scale and the recruitment priority is usually given to those previously redundant staff. The reason behind is that river trade companies expect their passenger volume will not go back to the level of their heyday owing to the competition of road transport after the opening of the Hong Kong-Zhuhai-Macao Bridge. For the foreseeable future, this sector does not see a pressing need for

⁸ Talent List Hong Kong
<https://www.talentlist.gov.hk/en/imf.html>

⁹ BIMCO – News “New BIMCO/ICS Seafarer Workforce Report Warns of Serious Potential Officer Shortage”
<https://www.bimco.org/news/priority-news/20210728---bimco-ics-seafarer-workforce-report>

new blood.

3. Local Vessel Sector

Ageing workforce and the failure to attract young people remain an issue for the local vessel sector. During the pandemic, some ocean going and river trade practitioners joined the local vessel sector as either full-time or relief staff. These additional manpower did alleviate the tight manpower situation of the local vessel sector for a short period of time.

However, as the operation of the ocean going and river trade sectors gradually resume normal, the local vessel sector is unable to retain these workers as its remuneration and prospects are not competitive enough. Looking forward, manpower shortage of this sector will persist and coxswains, engine operators and sailors will continue to be in great demand.

For the area of yacht, its increasing popularity continues to drive the need for more yacht captains, engineers and deckhands. As yacht owners nowadays expect more comprehensive customer services on board the yachts, there has been a growing demand for an emerging job – “yacht steward/stewardess” who is responsible for guest service, silver service, housekeeping, interior decorations, and even entertainment on board a yacht. Employers, including both yacht owners and yacht management companies are willing to offer competitive salaries to yacht crew.

4. Shore Based Sector

Similar to the local vessel sector,

shipyards continue to suffer from a shortage of manpower due to ageing workforce and the difficulty in attracting new blood. Workers of all job functions including mechanics, welding, carpentry and painting are in demand. Although these companies try to solve the problem by recruiting apprentices, the effect seems undesirable. Only very few apprentices can stand the relatively harsh working environment and stay in the shipyards for long-term development.

Manpower is also needed for a range of shore-based roles requiring seafaring experience like port captain, technical superintendent, ship surveyor, managerial posts in ship management companies, teaching posts in training institutes, as well as professional grades of the Marine Department. As very few local people possess the required experience, employers usually need to employ non-local personnel to take up those roles. The Marine Department, as a competitive employer in the industry, also suffers from an under-strength of 20% for posts requiring ocean-going experience (details given in Annex 2).

For high value-added maritime businesses like shipbroking, ship finance/insurance and maritime law which only require a small pool of talents, they also face the challenge of brain drain in recent years. Some companies rely on the support of their overseas branches and some start to promote relatively junior staff to higher ranks to ease the talent crunch. These measures, however, may weaken Hong Kong's overall competitiveness.

Findings of Desk Research

A total of 1,165 maritime-related job advertisements were collected through desk research between December 2021 and November 2022. Since almost no job advertisements related to the ocean going and river trade sectors were collected from major online recruitment portals, analysis of principal jobs in high demand here is confined to the local vessel and shore based sectors. Below are the top three jobs for the two sectors with reference to the principal jobs with the most vacancies reported in the 2020 Manpower Survey.

Local Vessel Sector

	2021-2022 Desk Research Top Three Principal Jobs with the most job advertisements <i>No. in () indicates % of the total advertisements^</i>	2020 Manpower Survey Top Three Principal Jobs with the most vacancies <i>No. in () indicates % of the total vacancies^</i>
1	Sailor (48.5%)	Assistant Coxswain (40.2%)
2	Coxswain/Assistant Coxswain (20.1%)	Coxswain (20.1%)
3	Engine Operator/Assistant Engine Operator (17.8%)	Sailor (18%)

Shore Based Sector

	2021-2022 Desk Research Top Three Principal Jobs with the most job advertisements <i>No. in () indicates % of the total advertisements^</i>	2020 Manpower Survey Top Three Principal Jobs with the most vacancies <i>No. in () indicates % of the total vacancies^</i>
1	Technician; Technical Officer; Service Engineer (13.1%)	Technician; Technical Officer; Service Engineer (9.3%)
2	Cargo Planner; Cargo Officer (11.2%)	Technical Manager; Technical Superintendent (6.4%)
3	Stevedore (7.5%)	Cargo Planner; Cargo Officer (4.1%) & Stevedore (4.1%)

In general, jobs with the most vacancies identified in the 2020 Manpower Survey continue to be in demand in recent years, e.g. sailor, coxswain, assistant coxswain of the local vessel sector, shore based technician/technical officer/service engineer.

Referencing the number of job advertisement in the local vessel sector, it seemed the demand for “Coxswain/Assistant Coxswain” have slightly slowed down. It may be attributed to the Local Vessel Trade Training Incentive Scheme and the Local Vessel Competency Enhancement Scheme which have successfully encouraged more

sailors/new joiners to acquire professional qualifications to progress to “Coxswain/ Assistant Coxswain”.

As regards yacht operators and the emerging job – “yacht steward/ stewardess” mentioned by focus group members, not many job advertisements were collected from online portals. It is probably because the employers rely on other channels say social media and industry referrals but not major recruitment portals for recruitment of these staff.

Training Needs

Training related to Vessels Powered by New Energy Source

Due to the need for greener shipping, more options for marine fuel/power sources are coming out, say LNG, LPG, biofuel, hydrogen, electricity and wind-assisted propulsion. For long-haul ocean-going vessels, LNG is regarded as one of the most matured solutions for decarbonisation and number of LNG-powered containerships is growing. The Government is exploring the use of the offshore LNG terminal newly constructed by the two power companies as a bunkering facility with a view to attracting more ocean-going vessels using LNG to call Hong Kong port for replenishment.

To tie in with the trend of LNG-powered ocean-going vessels, there is a need for seafarers to learn the proper procedures for LNG storage, bunkering and accident handling.

For short-haul local ferries, the Government has been actively promoting electric ferries through the provision of subsidy to ferry operators. As new electric ferries will be launched soon, in-service practitioners of the local vessel

sector will need to acquire the skills required for safe operation and maintenance of electric vessels.

Data Analytics Skills to Optimise Ship Operation

IoT and cloud technology are transforming the global shipping industry. With these advanced technologies, real-time data related to vessels (say trim, stability, engine performance, fuel consumption and temperature of different vessel parts) become easily available to ashore personnel. Training in data analytics skills is of paramount importance as effective interpretation of these Big Data can facilitate decision making related to routing and maintenance, generate business insights and eventually optimise ship operation.

Advanced Training in Marine Insurance, Naval Architecture and Marine Engineering

Marine insurance involves hull and machinery and, protection and indemnity insurance which are highly technical. However, in the absence of relevant

degree programmes in Hong Kong, local practitioners mainly acquire the knowledge only through on-the-job training, making Hong Kong less competitive to its rivals.

The lack of talents in naval architecture and marine engineering also limits the development of ship design and shipbuilding, resulting in the reduced number of new builds delivered in Hong Kong, and consequently a declined demand for local ship surveying services.

Although naval architects, marine engineers and marine insurance professionals have been included into Hong Kong's Talent List, only few overseas experts from these professions were attracted to Hong Kong under the immigration facilitation scheme. Considering that Hong Kong may not have sufficient students and expertise to support the development of specific degree programmes in these areas, a possible way out is to subsidise local students who are aspired to related careers to study these programmes abroad.

Hospitality, Engineering and STCW Training for Yacht Operators

As shipowners nowadays expect more comprehensive customer services on board the yachts, yacht operators particularly those who serve as steward/stewardess should be equipped with all-round hospitality skills/knowledge such as fine dining, wines and cocktails, floral arrangements, laundry and housekeeping.

To enhance safety of yachting, focus group members consider that yacht crew should receive basic training related to personal safety, fire-fighting, personal survival and first aid, making reference to Standards of Training, Certification and Watchkeeping for Seafarers (STCW) - the worldwide convention that ensures a lateral standard of training is achieved by sea-going practitioners. Crew members should also be provided with more solid engineering training so that they could fix technical problems on board the yacht.

Recruitment Challenges

Many employers in the industry experienced difficulties in recruiting talents. Recruitment challenges shared by focus group members are summarised below:

Limited Knowledge of the Industry among Youngsters

Younger generation in Hong Kong

hesitates from pursuing a career at sea since they only have piecemeal and dated information of the industry. Actually the working conditions of seafarers have improved a lot over the years. There are internet access and recreation facilities on board ocean-going vessels and the period of shipboard service for seafarers has been shortened to roughly 9 months on average. With their knowledge and experience at sea, seafarers (particularly

those who have gained the qualifications as a master mariner or senior marine engineer) are welcome by shore-based professions of the maritime services industry. While young people may not be aware of the advantages working in the maritime services industry, quite a number of jobs in the industry are actually appealing to job seekers in terms of salaries, exposures, job satisfaction and job security. Making reference to the “2021 Annual Survey of Wages of Hong Kong Registered Seafarers” conducted by the Marine Department, the salaries of senior navigation officers and engineers of ocean going and river trade sectors, in particular the ocean-going sector, are actually highly competitive (i.e. \$79,000 - \$100,000) (details given in Annex 3). Other advantages working in the industry shared by focus group members are presented in Annex 4.

Insufficient Candidates with Appropriate Qualifications/ Experience

As mentioned above, seafaring experience and qualification is required by a number of the industry’s shore-based jobs. However, employers find that there are insufficient local candidates with seafaring experience to fill these posts. They have no choice but to consider non-local candidates. Even the Marine Department needs to introduce junior ranks with relaxed qualification requirements to respond to the recruitment challenge.

For some shore-based professions like naval architect, it is particularly hard for employers to find a candidate with suitable qualifications as local training is not available. These talents are usually coveted by employers worldwide and Hong Kong may not be their destination of choice.

Lack of Objective Benchmarks for Assessment of Job Applicants

Focus group members expressed that the competencies of yacht operators vary significantly as most pleasure vessel operator’s certificates are obtained through written and oral tests but not practical one¹⁰. Even the year of service may not properly reflect a yacht operator’s experience as some owners only use their yachts a few times a year. The absence of objective benchmarks has made it difficult for the employers to choose the right candidate.

¹⁰ Pleasure Vessel Operator Grade 1 examination comprises a written paper and an oral examination but applicant may

opt for an approved practical test conducted by the Hong Kong Sailing Federation instead to obtain the qualification.

RECOMMENDATIONS

To groom talents and enhance Hong Kong's status as an international maritime hub, the following measures involving the joint efforts of the Government, employers and training providers are recommended:

Nurture Youngsters' Interest in the Industry through Early Exposure

As the younger generation in Hong Kong seldom considers a seafaring career, ocean-going vessels are mainly crewed by overseas personnel. Quite a number of senior shore-based jobs of the industry are also taken up by non-local talents. To ensure that the industry has sufficient new blood to sustain its development, there is a need to cultivate local youngsters' interest in the industry at an earlier stage.

One of the most effective means is to bring in industry elements to the curriculum of secondary schools so that students have real knowledge of the industry. At present, senior secondary students may opt for taking "Applied Learning Subjects" which are intended for enhancing their interest in different professions, however, none of these subjects is related to the Maritime Services Industry. The industry may join hands with training providers to develop "Applied Learning Subjects" with maritime elements so that students can have early exposure to the industry.

The industry should also step up its efforts

to promote its career opportunities to young people through the provision of workplace experience. The 2022 Policy Address mentioned the launch of the "Business School Partnership Programme 2.0" to enhance the workplace experience of secondary school students¹¹. The industry is encouraged to ride on this platform to provide more experiential activities for secondary school students so that they can visualise the job satisfaction and prospects in the industry.

Provide More Support to Retain New Entrants in the Industry

Focus group members notice a relatively high wastage of new entrants in the industry, probably because of the low starting salary and not getting used to the working environment. As such, employers should provide more support to the new entrants with a view to retaining them in the industry. Since ocean-going cadets taking home leave are easily tempted to other onshore jobs, some ship management companies would provide them paid shore-based duties to keep them engaged. Focus group members also share that better job titles, clear progression ladders and experience sharing of peers can help retain

¹¹ The Chief Executive's 2022 Policy Address (Para. 122 (v))
https://www.policyaddress.gov.hk/2022/public/pdf/policy/policy-full_en.pdf

newcomers of different sectors. The industry should consider different options to help maintain young employees' passion for their careers.

The Government is also suggested to review the subsidy level of the Sea-going Training Incentive Scheme (SGTIS) and the Ship Repair Training Incentive Scheme (SRTIS) which intend to subsidise the relatively meagre income of those newly employed as sea-going and ship repairing personnel. The review should take into consideration Hong Kong's current living costs and the salaries of other jobs with similar requirements.

Address the Training Needs of the Industry in a Flexible Way

Training providers should keep up with the training needs of the industry and be responsive and flexible in the delivery of training. The training needs mentioned above, i.e. training related to the new energy source of vessels, data analytics skills and training specific to yacht crew should be properly addressed.

Taking into consideration the unique operations and tight manpower of the industry, training providers should exercise the greatest level of flexibility in class arrangement. Since there are very few local sea-going cadets/officers and their periods of home break vary, it is hard to group several of them to take a course at the same time. Training providers may consider relaxing the minimum number of trainees required for running sea-going examination preparatory courses needed

by these sea-going personnel. In addition, training providers may also develop online resources for self-learning so that sea-going practitioners could complete most of the training hours while they are working at sea.

Establish Objective Benchmarks for Assessment and Upskilling of In-service Practitioners

As the demand for yacht operators is increasing, the industry reckons the need to raise its standards and draw up a set of competency standards for assessment and upskilling purposes. These standards could also help regulate the salary regime of yacht operators, ensuring that everyone is remunerated in line with his/her competencies.

The increasing popularity of yachts also drives the need for other yacht management services say yacht buying/selling, chartering, journey planning, insurance, maintenance and surveying. Yacht operators could be upskilled to take up these management roles once the competencies required by each role are clearly defined.

Enlarge the Local Talent Pool by Utilising the Designated Fund

While the Government plans to put in more efforts to "compete for global talents", to ensure the continued supply of professionals to meet the demands of the industry in the long run, cultivation of home-grown talents is of foremost importance. The 2023-24 Budget

announced the injection of an additional \$200 million into the Maritime and Aviation Training Fund (MATF) to support manpower training of the industry¹². The industry and training providers are encouraged to propose new schemes under MATF to optimise its use. Proposals worth studying include but not limited to the following:

- Provide scholarships for overseas study to students/in-service practitioners who aspired to a career in naval architecture, marine engineering and marine insurance to study relevant degree or post-degree level programmes which are not available in Hong Kong;
- Offer fiscal incentives (say monthly allowance) to attract students to study designated maritime programmes in Hong Kong to ensure sufficient supply of new blood to the industry;
- Introduce a scheme similar to the Local Vessel Competency Enhancement Scheme (LVCES) in the ocean-going sector to encourage ocean-going practitioners to obtain higher qualifications by providing one-off financial incentive; and
- Make reference to the Maritime and Aviation Internship Scheme and launch a new incentive scheme to subsidise maritime companies to employ sea-going cadets who are taking home leave to take up short-term shore-based jobs, with a view to retaining these young cadets in the industry.

¹² The 2023-24 Budget (Paragraph 137)
<https://www.budget.gov.hk/2023/eng/budget24.html>

Number of Graduates Joining the Sea-going Training Incentive Scheme (SGTIS)

Number of graduates joining the SGTIS¹ (as at 31 January 2023)

Year of Graduation	Training Providers ²							
	MSTI	IVE	HKU	HKUST	PolyU		Others	
	Deck Cadet	Engineer Cadet	Engineer Cadet	Engineer Cadet	Deck Cadet	Engineer Cadet	Deck Cadet	Engineer Cadet
2022	28	1	1	0	2	4	2	0
2021	14	0	1	0	2	2	0	1
2020	15	0	0	0	0	0	0	0
2019	20	7	0	0	3	0	2	0
2018	30	5	1	1	3	0	2	0
2017	36	5	0	1	2	0	0	1
2016	36	7	0	2	0	2	3	1
2015	24	7	2	3	6	0	2	0
2014	39	9	1	2	6	4	0	0
2013	24	6	1	1	10	3	0	0

(Source: Marine Department)

Note

- The SGTIS aims at encouraging Hong Kong youngsters to take on and complete sea-going training with a view to developing their future careers in the port and maritime support industries. Eligible applicants can receive monthly subsidy in 3 phases.

(<https://www.mardep.gov.hk/en/training/sgtis.html>)

- Full names of training providers:

MSTI - The Maritime Services Training Institute

IVE - The Hong Kong Institute of Vocational Education

HKU - The University of Hong Kong

HKUST - The Hong Kong University of Science and Technology

PolyU - The Hong Kong Polytechnic University

Others - e.g. Overseas university

Posts of the Marine Department Requiring Seafaring Experience

Establishment and strength of the posts of the Marine Department requiring seafaring experience (as at 31 January 2023)

Posts	As at 31 January 2023	
	Establishment	Strength ¹
Deputy Director of Marine (D3)	1	1
Assistant Director of Marine (D2)	7	5
Principal Marine Officer (D1)	4	3
Principal Surveyor of Ships (D1)	7	5
Senior Marine Officer	19	13
Marine Officer	39	31
Assistant Marine Officer ²		
Marine Controller	15	4
Assistant Marine Controller	51	56
Senior Surveyor of Ships	22	18
Surveyor of Ships	41	30
Assistant Surveyor of Ships ²		
Total	206	166

(Source: Marine Department)

Note

1. excluding officers on outposts
2. a new tier of assistant rank introduced in 2018 with relaxed entry requirements in view of manpower shortage

Salary of Hong Kong Seafarers (Ocean Going and River Trade Sectors only)

(i) Mean average gross wages of Hong Kong Seafarers employed to serve on Ocean-going Ships for the Year 2021

Rank (Officer rank only)	Salary (HKD) [^]	
	Cargo Ship	Tanker
<u>Navigation</u>		
Master	100,024*	---
Chief Officer	79,147*	---
Second Officer	42,327	---
Third Officer (Junior Navigation Officer)	37,410	---
Fourth Officer (Junior Navigation Officer)	---	---
<u>Engineering</u>		
Chief Engineer	98,803*	93,600*
Engineer Officer (1 st & 2 nd Engineer)	79,147*	---
Junior Engineering Officer (3 rd Engineer)	45,735	---
Junior Engineering Officer (4 th & Junior Engineer)	32,725*	---
Junior Engineering Officer (5 th & Junior Engineer)	---	---
Electrical Officer	---	---
Assistant Electrical Officer	---	---

(Extracted from the “2021 Annual Survey of Wages of Hong Kong Registered Seafarers” conducted by the Marine Department)

Note

[^] Seafarers employed to serve on ocean-going ships are remunerated in USD. For conversion to HKD, the following exchange rate is used:

1 USD: 7.8 HKD

* Wage information was given by only one company for employing Hong Kong seafarers serving that rank during the year 2021

(ii) Mean average gross wages of Hong Kong Seafarers employed to serve on River Trade Passenger Ships for the Year 2021

Rank	Salary (HKD)
<u>Navigation</u>	
Master	48,385
Chief Officer	33,137
Navigation Officer	22,225
Navigation Cadet	11,120
<u>Engineering</u>	
Chief Engineer	37,130
Assistant Engineering Officer	17,736
Engineering Cadet	---
<u>Deck</u>	
G.P.	17,294
Sailor	14,841
Deck Trainee	---
<u>Engine Room</u>	
Fitter	18,164
Engine Room Trainee	---
<u>Catering</u>	
Senior Cabin Attendant	16,444
Cabin Attendant	16,919
Services Ambassador	---

(Extracted from the “2021 Annual Survey of Wages of Hong Kong Registered Seafarers” conducted by the Marine Department)

Sharing by Focus Groups on the Advantages Working in the Maritime Services Industry

Areas of work	Views shared by focus group members
Shipbroking (sales & purchase)	<ul style="list-style-type: none"> - Attractive commission for each transaction - Flexible work pattern
Ship insurance	<ul style="list-style-type: none"> - Relatively low entry requirements - Good job security (less hit by economic fluctuations)
Maritime law	<ul style="list-style-type: none"> - Good exposure & chances to travel - Faster promotion path in comparison with other law practices
Ship finance	<ul style="list-style-type: none"> - A growing segment with plenty career opportunities - Good job security in comparison with other financing jobs
Ship management	<ul style="list-style-type: none"> - Chances to work in different offices worldwide - Plenty room for job rotation
Classification society	<ul style="list-style-type: none"> - Chances to work in different offices worldwide - Plenty room for job rotation
Seafaring	<ul style="list-style-type: none"> - Chances to travel across the world - Clear career path with fast salary increment - Plenty shore-based career opportunities after obtaining certain qualifications
Yacht	<ul style="list-style-type: none"> - Competitive salary - Flexible working hours - Low entry requirements
Ship repairing	<ul style="list-style-type: none"> - Good job security - Stable working environment

Number of Hong Kong Seafarers Obtaining Various Classes of Sea-going Certificate of Competency

Year	Deck Officer			Marine Engineer		
	Class 3	Class 2	Class 1	Class 3	Class 2	Class 1
2022	15 (1)	5	7 (1)	3	2	0
2021	31 (2)	25 (5)	4 (6)	6	4	4
2020	5	12 (8)	4 (4)	5	2	1
2019	19 (1)	16 (2)	3 (5)	2	4	6
2018	22	5 (6)	2 (4)	11	2	2 (1)
2017	32 (4)	2 (1)	9 (6)	2	3	1
2016	46 (4)	1 (4)	8 (4)	8	11 (2)	5
2015	16 (1)	9 (8)	5 (3)	15 (1)	9	3 (1)
2014	12 (2)	8 (4)	3 (1)	8	5	1
2013	13	3 (3)	5 (2)	6	0	0 (1)

(Source: Marine Department)

Bracket () - CoC issued by other Administration, e.g. U.K., Australia, The PRC, Philippines, Canada