



THE HONG KONG SHIPOWNERS ASSOCIATION LTD.

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By Mail and by Fax : 2523 3207

14 October 2004

Dear Sirs,

Constitutional Development

In accordance with the invitation contained in the Third Report of the Constitutional Development Task Force, I now submit our Association's views and specific proposals on how the methods for selecting the Chief Executive in 2007 and for forming the Legislative Council in 2008 may be amended.

The Hong Kong Shipowners Association was incorporated in 1957, and has grown into one of the largest Shipowner Associations in the world, its members controlling and managing an internationally trading fleet with a total carrying capacity of about 56 million deadweight tonnes (33.3 million gross tons); about 7.5% of the world fleet.

The Hong Kong Register of Ships is one of the largest in the world, growing from 5.7 million gross tons in 1997 to an estimated 26 million gross tons by the end of this year¹. The Hong Kong port is the world's largest container port, handling some 20.5 million TEUs (Twenty Foot Equivalent Units) in 2003. In 2003, the Maritime Transport industry generated about HK\$27.5 billion of value added, or 2.3% of Hong Kong's Gross Domestic Product, and employed some 46,000 people in the main maritime transport services (not including barges/lighters, stevedoring services) or 73,000 people (including these services)².

The Maritime Transport industry (comprising both the Port and the Maritime industries) is therefore not only of great importance to Hong Kong's economy and employment, but has a global importance that is internationally well respected. A recent Consultant's report made for the Port and Maritime Board³ recognized these

¹ Statement of Director of Marine.

² 'Statistical Digest of the Services Sector 2004', Census and Statistics Department

³ 'Study to Strengthen Hong Kong's Role as an International Maritime Centre', Maunsell, January 2003

strengths, and proposed several strategies to further develop Hong Kong as Asia's leading Maritime Centre. Many of these strategies have as their origin the necessity to create a higher profile for Hong Kong's Maritime industry. It should also be noted that it is clear that Government's strategy is to promote Hong Kong's maritime and logistics sectors, both of which are major contributors to the Maritime Transport industry.

The Maritime Transport industry is a member of the Transport Sector, which presently has a constituency of 191 members. According to the Third Report, 145 of these are registered voters for the Election Committee (for the Chief Executive) and 151 are registered voters for the Legislative Council election. This is one of the sectors with the fewest number of eligible voters.

The 191 members of the Transport Sector are predominantly land based; taxi associations, bus companies, etc. We estimate that the Maritime Transport Industry makes up about 30% of the constituents. The members of the Transport Sector are also mixed in nature; some are companies, some are associations and some others are organizations.

It is our proposal that a new Sector should be created for the Maritime Transport industry. The past, present and future value of the Maritime Transport industry to Hong Kong's economy and employment would, in itself, justify the creation of the new sector. The creation of the new Maritime Transport sector would fit into the strategies proposed by the Consultant in the PMB report cited earlier, as it would raise the profile of the industry both within Government and internationally. The creation of the new sector would also fit into Government's vision for the future of Hong Kong.

The present number of eligible Maritime Transport members of the Transport Sector would not appear, however, to make a separate sector viable. **We therefore further propose that the composition of the new Maritime Transport Sector be augmented.** Such augmentation might include Associations, Organisations and Professional Institutes, if members are individual persons, as well as companies that are the voting corporate members of the various Maritime Transport Associations and Organisations. We are very willing to participate in a consultation process to decide the proper representation of the new Sector.

Our specific proposals for selecting the Chief Executive in 2007 election and forming the Legislative Council in 2008 are as follows:

A. Selection of the Chief Executive.

The Election Committee is presently made up of 800 members. 12 of these are from the Transport Sector, elected by the 145 registered voters. It is our proposal that the new Maritime Transport Sector be given the opportunity to also elect 12 members to the election committee, thereby increasing the number of members of the Committee.

B. Formation of the Legislative Council.

The Legislative Council is presently made up of 60 legislators, equally split between the geographic and functional constituencies. While realising that our proposal will indirectly result in an additional Geographic Constituency, we propose that the new Maritime Transport Sector be given a separate seat in the Legislative Council. This would add two new seats (one Functional Constituency for the Maritime Transport

industry and one balancing seat for a new Geographic Constituency) and therefore result in an increase in representation of the Legislative Council.

The Maritime Sector had, for many years, a separate seat in the Legislative Council. It is our opinion that the Maritime Transport industry has been and remains an important contributor to Hong Kong's economy and employment, and that a new Maritime Transport sector should be created to represent properly those that quietly work for Hong Kong's future.

If you need further information, please do not hesitate to contact me.

Yours faithfully,

(Signed)

Arthur Bowring
Managing Director