

Briefing Paper on the Hong Kong Shipping Register presented to ICONS on 7th August 2000

Background

Hong Kong has been a port of registry for British ships for over 150 years. The laws, procedures and fee structure of the register were the same as those existed in the United Kingdom.

Establishment of Autonomous HKSR

In view of the change of sovereignty of Hong Kong in 1997, the Sino-British Joint Declaration of 1984 made provisions for the establishment of an autonomous Hong Kong Shipping Register (HKSR) well before the handover date. In December 1990, the autonomous HKSR was born, with 6.3 million gross register tons (GRT) of ships. HKSR continued to adopt the erstwhile regulations, procedures and fee structure except that certain statutory surveys and certification functions were delegated to Recognised Organisations.

World Scene

There are many international Conventions in force or waiting to come into force today. And yet, ships are often found not fully complying with the requirements in the Conventions. Flag State control is identified as inadequate in many instances causing the problem. As a result, the international community is prompted to carry out Port State Control (PSC) inspections to alleviate the problem but realising that PSC regime is an imperfect test. The ultimate solution should come from proper flag State implementation.

Reasons for Changes Made to the Hong Kong Shipping Register

Hong Kong is a responsible flag administration. She had inherited the British practices in dealing with registration and ship inspection. The general attitude in MD was one of strict regulation enforcement with customer convenience coming second. This attitude was not helpful in attracting new tonnage to the register.

As a Flag State, Hong Kong always ensures that ships registered with the register are meeting international standards and the RO's, who are delegated with the powers, are carrying out their work satisfactorily. Some statutory inspections were carried out by MD which served to monitor the work of ROs and to ensure the safety standards of the ships. Inspections carried out by MD were more costly than ROs. Technically speaking, these inspections duplicated the work of ROs at the expense of the shipowners. Ways had to be found to reduce the cost to shipowners while adhering to our international obligations.

The objective of maintaining the Hong Kong register is not to obtain financial gain for the Hong Kong Special Administrative Region (HKSAR) Government through the registration service but to enhance the status of Hong Kong as an international maritime centre and the consequent economic benefits arising from being such a centre.

Changes Made to the Hong Kong Shipping Register

It was realised that the traditional ship inspection schemes followed by all advanced maritime administrations were costly and user unfriendly.

The Hong Kong Shipping Register reformed its operation based on the total flag State quality control philosophy. A scheme known as the Flag State Quality Control (FSQC) System was developed under the philosophy. Quality ships are believed to be the products of the hard work of four parties, namely, crew, shipowners, ROs and the flag administration. The main elements of the scheme are:

- * The flag State should take the responsibilities in ensuring the safety of its ships.
- * All inspection and certification functions should be delegated to ROs to minimize flag State interference on the efficient operation of the vessels.
- * Monitoring can be carried out through the information from ROs, Port State Control inspections, casualties etc. The information is analysed to identify ships which qualities are declining.
- * After the analysis, the bottom 10% of ships and their operating companies will be identified and selected for inspections (FSQC inspections) by MD. However the cost of such inspections will not be passed on to the shipowners but absorbed by the revenue generated by the HKSR.
- * FSQC inspections will concentrate on management deficiencies rather than rectification of the technical deficiencies found.
- * Reports of FSQC inspections will be sent to the relevant ship operators and ROs and meetings held with them to discuss the findings and for the remedial actions.

The implementation of the FSQC System has made it possible to monitor the performance of the ships, recognized organisations (ROs) and ship management companies better. The ability to select ships and inspect them on our own accord has made it possible to assess the true quality of ships. The performance of both the ships, ROs and ship management companies can be assessed more accurately than in the previous practice of inspecting all ships at regular intervals.

Ships Safety Records

The safety record of Hong Kong registered ships has always been good. The statistics for the past four years on shipboard casualties are as follows:

	1996	1997	1998	1999
No. of reports on shipboard accidents	9	6	14	15
No. of serious or very serious accidents	2	2	3	3
Percentage of serious or very serious accidents with respect to the number of Hong Kong register ships	0.37	0.41	0.62	0.56
Loss of lives	1	0	0	1

The port State control (PSC) detention rates published by the Paris and Tokyo MOUs are indicators which may be related to the quality of ships under a flag administration. To a certain extent, it also reflects on the effectiveness and attitude of the flag State in fulfilling its international obligations.

The world detention statistics compiled by International Maritime Organisation (IMO) shows that the average detention rate for the number of Hong Kong ships inspected is about 3% from 1995 to 1998. This is about half of the world's average detention rate.

The three years rolling average detention rates for Hong Kong register ships in both Paris and Tokyo MOUs are less than half of the average rolling average published by both MOUs. The three years rolling averages of Paris MOU for Hong Kong in 1998 and 1999 are 6.25% and 5.8% respectively which are 15.27% and 9.15% below the average figures. In Tokyo MOU, Hong Kong's three years rolling averages in 1998 and 1999 are 2.95% and 2.33% respectively which are 3.54% and 4.65% below the average figures.

Seafarers Welfare

International Labour Organization (ILO) instruments on training, certification, remuneration, registration, control of employment, on board working and living conditions, and repatriation of seafarers are implemented by the Merchant Shipping (Seafarers) Ordinance, Cap. 478 and its subsidiary regulations. Sickness and injury compensation to seafarers is implemented by the Employees Compensation Ordinance, Cap. 282. Freedom of association, protection of right to organise and access to free collective bargaining is implemented by Hong Kong Bill of Rights Ordinance, Trade Union Ordinance, Employment Ordinance and the Labour Relations Ordinance. The Mercantile Marine Office (MMO) is the authority in Hong Kong to deal with all crew employment matters.

The Merchant Shipping (Seafarers) Ordinance has provisions on complaint procedures for seafarers. The standard clause of Crew Articles of Agreement and the Guidance Notes to Masters contains grievance procedures which are made known to all seafarers. Masters are obliged to record any complaint in the official log book which will be scrutinized by the MMO. Under these procedures if a complaint cannot be settled satisfactorily on board, the master needs to advise the complainant, and make arrangement for the case to be referred to the company or the Superintendent of the MMO in Hong Kong. The Consuls of the People's Republic of China (PRC) world-wide would also be able to advise Hong Kong when there is a dispute between the master, crew and owner of a Hong Kong ship in foreign port. All complaints from seafarers to the MMO are recorded and investigated.

There are provisions in the Merchant Shipping (Seafarers) Ordinance and the Merchant Shipping (Seafarers) (Repatriation) Regulation covering the relief and maintenance, and conveyance of abandoned seafarers. Any expenses incurred in providing such relief, maintenance or repatriation will normally be borne by the seafarer's employer or last employer, unless the seafarer fails to comply with the reasonable arrangement made for him by his employer. The Superintendent of the MMO is responsible to supervising the repatriation of abandoned seafarers and may issue conveyance order to the master of a ship directing him to make provision for the conveyance of seafarers, and if failed, to make the provision himself. If needed, the assistance from consuls of the People's Republic of China in foreign ports may also be sought. In the past, the HKSAR Government had arranged and paid for the repatriation of abandoned Hong Kong seafarers by other flag Administrations. There has not been any incident of seafarers on Hong Kong registered ships being abandoned by shipowners.

Seafarers Records

Hong Kong has excellent records on crew dispute on wages, abandonment of seafarers and complaints on living conditions.

	1996	1997	1998	1999	2000
No. of crew disputes on wages, abandonment, complaints on living conditions	0	0	0	0	0

The number of crew complaints on Hong Kong ships received by the MMO is few in number. Most of the complaints in the past five years were related to disputes in employment conditions and were resolved in accordance with the law.

	1996	1997	1998	1999	2000
No. of crew complaints on Hong Kong ships	6	4	2	5	3

Conclusion

Hong Kong stands up to its reputation as a responsible flag Administration. In good times and in bad times, Hong Kong has never forgot its international obligations. The reengineering of the HKSR is such an example. Our international obligations are not only maintained but reinforced in the process.