

LOCAL VESSELS ADVISORY COMMITTEE

Proposal of lifting the condition of the maximum hours of stay per visit for Multiple Entry Permit

Purpose

This paper seeks members' endorsement on the proposal to lift the condition of maximum 48 hours of stay per visit imposed on Multiple Entry Permit ("MEP") for river trade vessels ("RTVs").

Background

2. Under the Merchant Shipping (Local Vessels) (General) Regulation (Cap. 548F), RTVs must apply for a "Permit to Remain" for entering and staying in Hong Kong waters. A single entry permit (SEP) is valid for seven days¹. To encourage more RTVs to use Hong Kong Port so as to boost river trade transshipment, the Marine Department ("MD") introduced MEP in 2007² to allow users to pay the cost of five SEPs for ten visits within a month on the condition that the length of stay of a vessel in Hong Kong waters is restricted to not more than 48 hours per visit (the "Condition"). If the vessel stays longer than 48 hours, it has to use SEP. The features of the two types of permits, their validity and fees are set out below –

Features	SEP ³	MEP ⁴
Basic fee for vessel < 400m ²	\$820	\$4,100 for 10 visits (i.e. \$410/visit)
For each additional m ² thereafter	\$2.2	\$11
Duration of stay per visit	Seven days	48 hours
Validity period	Seven days	One month for 10 visits

3. The application of the "Condition" was aimed to encourage a quicker turnaround of RTVs, which coincides with RTVs' objective to minimise turnaround time so that they can handle more business.

¹ The basic fee for a SEP is \$820 for vessels less than 400m² and \$2.2 for each additional m² thereafter.

² Upon the implementation of the Merchant Shipping (Local Vessels) Ordinance (Cap. 548) since 2 January 2007.

³ Item 3(b)(i) of Schedule 2 to the Merchant Shipping (Local Vessels) (Fees) Regulation (Cap. 548J) refers.

⁴ Item 3(a) of Schedule 2 to the Merchant Shipping (Local Vessels) (Fees) Regulation (Cap. 548J) refers.

Nonetheless, port staying time is often outside RTVs' control as RTVs have to compete with other vessels for berthing space. As a result of the uncertainties over the availability of berthing space and cargo handling time, fewer and fewer RTVs are using MEPs. In 2015, only 3 181 MEPs were issued as compared to 4 592 in 2011 indicating a drop by nearly 31% over the five-year period.

Proposal

4. In order to facilitate RTVs to make use of MEP fully, it is hereby proposed to lift the "Condition" with a view to boosting the operation of feeder trade.

Implication of the Proposal

5. It is estimated that the lift of the "Condition" will induce an additional 5 to 10% demand for MEP.

Consultation

6. The proposal was discussed on 14 September 2016 at the second meeting of the Maritime and Port Development Committee (one of the committees to the Hong Kong Maritime and Port Board). Its members endorsed the proposal.

Implementation Timetable

7. Subject to the trade's view, the proposal will be implemented by ~~end of 2016~~ Q1 of 2017. MD will inform the trade at appropriate juncture.
(Post-meeting note: The proposal has been implemented since 16 February 2017.)

Advice Sought

8. Members are invited to endorse the proposal in paragraph 4 above.

Port Control Division
Marine Department
October 2016
(Updated in December 2016 and March 2017)