

Minutes of the 51st POC Meeting

Date: 14 February 2007 (Wednesday)

Time: 1030 hours

Venue: Conference Room A, 24/F, Harbour Building, 38 Pier Road, Central

Present	Mr. Roger TUPPER	Chairman
	Mr. Tony LAI	Dockyard Operators
	Mr. S.C. MO	HK Cargo-Vessel Trader
	(On behalf of Mr. Albert WONG)	Association
	Mr. Peter CHEUNG	HK General Chamber of Commerce
	Mr. Peter NG	HK Liner Shipping Association
	Mr. Y.C. CHEN	HK Pilots Association
	(On behalf of Mr. S.H. PAU)	
	Mr. Sunny HO	HK Shippers' Council
	Mr. L.C. CHAN	HK Ship Owners Association
	Mr. Terence TSE	Wharf and Godown Operators
	Mr. K.M. FUNG	Economic Development and Labour Bureau
	(On behalf of Ms. Janice TSE)	
	Mr. T.C. SIN	Marine Department
	Mr. Frankie LAM	Secretary

Presenter of POC Paper No. 1/07 :

Mr. K.L. WONG Marine Department

Presenter of POC Paper No. 2/07 :

Mr. W.H. WONG Marine Department

Presenter of POC Paper No. 3/07 :

Mr. Frankie LAM The Secretary

Apologies

Mr. Harry LAM	HK Container Terminal Operators Association
Mr. T.K. CHEUNG	Local Ferry Operators
Mr. C.M. KU	Oil Industry

Mr. W.L. LAI

Civil Engineering and Development
Department

1. Open of Meeting

1.1 **Mr. Roger TUPPER** (Chairman) welcomed all to the meeting.

1.2 **Mr. TUPPER** introduced the following new comers to the meeting : -
Mr. Y.C. CHEN representing the Hong Kong Pilots Association acting
on behalf of **Mr. S.H. PAU**.

Mr. T.C. SIN, Assistant Director/Port Control who succeeded **Mr. K.M. LEE** as **Mr. LEE** retired in December 2006.

2. Confirmation of Minutes of the Last Meeting

The minutes of the 50th POC meeting were confirmed without amendments.

3. New Items

POC Paper No. 1/07

Height Restriction Area in the vicinity of the Stonecutters Bridge

Mr. TUPPER invited **Mr. K.L. WONG** (Marine Department) to present the paper.

Mr. WONG briefed members on the purpose of this paper. It was to seek members' views on the proposal to introduce legislation to provide for a height restriction area in the vicinity of the Stonecutters Bridge. In brief the height of the bridge had been set almost a decade earlier at the planning stage and the height restriction of 68.5m had been calculated based on tidal ranges and wave conditions in the same way as limits had been set at other bridges in the past. The height would permit access for the largest ships at sea or on the drawing board. The restricted zone had been drawn up to encompass adjacent waters and mooring areas alongside. Amendments to the existing Shipping and Port Control Regulations Cap 313A and the associated Fifth Schedule and sections of the Merchant shipping (Local Vessels) (General)

Regulation Cap 548F were required.

Mr. TUPPER invited comments from the floor.

Mr. Tony LAI (Dockyard Operators) queried about that the 68.5 metres air draught limit would not leave much room for even large vessels in future. **Mr. TUPPER** responded that such limit was greater than the bridges in most ports of the world and for new ships retractable masts could be incorporated into the design to enable passage.

Mr. Peter NG (HK Liner Shipping Association) pointed out that the installation of new quay cranes of the container terminals might pose an air draught problem. **Mr. Y.C. CHEN** (HK Pilots Association) informed that most terminals inside the Kwai Chung Basin were installing new cranes ahead of the bridge construction.

Mr. K.M. FUNG (Economic Development and Labour Bureau) enquired why the restricted area was greater on the west including KC20 and if the concerned terminals had been consulted. **Mr. K.L. WONG** (Marine Department) responded that the restricted area was proposed for bridge protection and the greater area on the west was to include the berthing face of KC20. **Mr. TUPPER** further elaborated that without the restricted area, any uncontrolled hoisting of quay cranes at KC20 might damage the bridge. **Mr. WONG** said that the Modern Terminals Limited would be informed of the situation in due course.

The Paper was endorsed by members.

3.2 **POC Paper No. 2/07**
Port Benchmarking Study for Assessing Hong Kong's Maritime Services and Associated Costs with other Major International Ports

3.2.1 **Mr. TUPPER** invited **Mr. W.H. WONG** (Marine Department) to present the paper.

3.2.2 **Mr. WONG** briefed members on the findings of the captioned in-house study. In brief, the study was an update of a similar study completed in 2001 to assess the relative position of the port of Hong Kong in relation to other leading container ports in various aspects. The areas covered included port charges, physical characteristics of container terminals,

productivity, services provided to visiting ships, port formality procedures and application of information technology in Hong Kong. The study also assessed the position of Hong Kong amongst major worldwide ports taking into account of the cost and performance of the port and to formulate recommendations on matters relating to port charges and services provided by the Government. He also pointed out that information about container terminal charges were not included in the study as they were commercially confidential information not available to our researchers.

- 3.2.3 **Mr. TUPPER** said that it was a very comprehensive study, it showed that Hong Kong had maintained a good balance of various charges levied on ships visiting Hong Kong and the services provided were in line with the costs. He invited comments from the floor.
- 3.2.4 **Mr. Peter NG** (HK Liner Shipping Association) enquired about whether the study had included the productivity for the Public Cargo Working Areas and **Mr. W.H. WONG** (Marine Department) responded that the study only focused on the container port in Kwai Tsing. **Mr. NG** then asked when the Phase 2 e-business for enhancing port formality procedures for ships would be implemented. **Mr. WONG** said that it was scheduled to implement in mid 2008. **Mr. NG** further asked whether there was any interim arrangement before 2008. **Mr. TUPPER** said that the department would consider to bring forward part of the Phase 2 e-business to facilitate the port formality procedures. **Mr. Sunny HO** (HK Shippers' Council) said that the industry would need to know the legal framework of the e-business well in advance and the associated requirements as the e-business was believed to be conducted via the internet. He also commented that it was regretted not to have the container terminal charges information in the study as such charge was one of the major indicators on how competitive the port of Hong Kong was. **Mr. TUPPER** responded that separate discussions on the rolling out of the e-business would be held in due course and in respect of the container terminal charges, relevant information of other ports were not available.
- 3.2.5 **Mr. Peter CHEUNG** (HK General Chamber of Commerce) enquired about the situation of 5-day week in other ports and he further pointed out that the 5-day week would incur extra costs on shipping agents in obtaining emergency port clearance for ships on Saturdays. **Mr. TUPPER** said that the 5-day week situation might be included in the next study and that any incurred extra costs for emergency clearance in the short term would cease with the implementation of the e-business programme. **Mr. T.C. SIN** (Marine Department) said that the port

formality procedures being handled at the Central Marine Office had been relocated to the Yau Ma Ti Marine Office on Saturdays on a trial basis until mid 2007 and were being monitored to assess the actual demand for the service.

- 3.2.6 **Mr. Tony LAI** (Dockyard Operators) asked whether members could get a copy of the study report and **Mr. TUPPER** responded that the report would be put on Marine Department's website after it had been considered by the Port Development Council.
- 3.2.7 **Mr. Peter NG** (HK Liner Shipping Association) said that hypothetical charges compared with nearby ports might be included in the next report. **Mr. TUPPER** responded that Marine Department might approach shipping companies to obtain information including tariff situation of running a ship to Hong Kong and other ports for a particular size of container ship in the next report. **Mr. Sunny HO** (HK Shippers' Council) said that this approach was taken in the 2001 study.
- 3.2.8 **Mr. Terence TSE** (Wharf and Godown Operators) said that the productivity in the report was only for ocean going container vessels, and the Pearl River Delta cargo vessels might also be taken into account in the next study noting that the Kwai Tsing area did not have enough berths for the Pearl River Delta cargo vessels. **Mr. TUPPER** pointed out that the issue had been addressed in the recommendation of the paper which stated that 'Means of facilitating the smooth flow of cargoes from Pearl River Delta to Hong Kong should be pursued.' In fact, relevant port formality procedures had been made simpler e.g. introduction of multiple entry permit for river trade vessels which would reduce some operating costs and a 5% lowering of port dues.
- 3.2.9 **Mr. Sunny HO** (HK Shippers' Council) pointed out that some cranes handling two containers at one time were operated at some terminals in Shanghai, Yantian and Dachan Dao hence their crane productivities could be increased. **Mr. W.H. WONG** (Marine Department) said that Hong Kong container terminal operators were well aware of twin lift capabilities and would no doubt use them where operationally and economically viable to do so.
- 3.2.10 **Mr. Peter CHEUNG** (HK General Chamber of Commerce) asked whether it was intended that the report would be conducted every five years and **Mr. TUPPER** confirmed in the affirmative. **Mr. CHEUNG** expressed that it was quite a good marketing tool to promote the Hong Kong port. He also enquired whether the next report would also cater for cruise ships as Hong Kong might have the potential to become the

cruise ship hub port in Asia. **Mr. TUPPER** said that we might have more discussions on the issue in the coming POC meetings.

3.2.11 The findings of the Paper were endorsed by members.

3.3 POC Paper No. 3/07

Membership Representation Adjustment of POC from ‘Dockyard Operators’ to ‘Dockyard and Harbour Tug Operators’

3.3.1 **Mr. TUPPER** invited the Secretary, **Mr. Frankie LAM** to present the paper.

3.3.2 **Mr. LAM** briefed members on the proposed adjustment on the membership representation due to the fact that the current member **Mr. Tony LAI**, General Manager of the South China Towing Co. Ltd. was of the view that his company did not provide dockyard services hence naming him as representative of ‘Dockyard Operators’ might not be appropriate. To reflect the fact, membership representation adjusted to ‘Dockyard and Harbour Tug Operators’ would be more appropriate. The meeting agreed to the proposal.

4. Any Other Business

There being no other business.

5. Date of next Meeting

The date of next meeting would be advised in due course.

6. Close of Meeting

The meeting closed at 1200 hours.

Confirmed this 31st day of August 2007

Chairman

Secretary