

**Summary of the revised criteria of SCC**

The composition of SCC at present has 16 members representing the shipping industry. They include representatives from 12 shipping companies, 2 trade unions, 1 shipowners' association and 1 local law firm.

This composition has been adopted for years and the last review was done in 2003. As at 23.10.2003, the Hong Kong Shipping Register (HKSR) had 635 ocean-going vessels with accumulated tonnage 19.1 million g.r.t. By the end of November 2012, our Register had 1,929 ocean-going vessels with accumulated tonnage over 78 millions g.r.t. There is a tenfold increase in the number of ships over the past 9 years and a quadruple growth in the g.r.t. Therefore, there is a genuine need to expand the representation of the shipping companies to cover at least 50% of the tonnage and number of ships in HKSR. It is proposed to increase the number of representatives from shipping companies from twelve (12) to twenty (20) to represent a reasonable and credible coverage of tonnage and number of ships in HKSR.

As shipowners and ship management companies have represented the bulk of the shipping industry in Hong Kong, 10 representatives from each of these two sectors will be appointed separately. League tables ranking arrangements that have been in use since 2003 as stipulated below will continue to be used for the appointment of representatives into the SCC.

The league tables for shipowners and ship management companies are determined by scores that reflect the tonnage and number of ships in the Register the companies operate. To compile the league table, first of all, points are given to 30 companies with the highest rankings in terms of "total g.r.t." on the HKSR. The top company will be given 30 points while the 30<sup>th</sup> company will have 1 point. Similarly, points are also then given to these 30 companies according to their rankings among themselves in terms of "number of ships" owned by each company. As the "total g.r.t." a company has is considered more important than the "number of ships", the weighting for the "total g.r.t." and "number of ships" is respectively 2 and 1. The "total score" of a company is the sum of the points it obtains for its representative rankings in "total g.r.t." and "number of ships" on the Register. 10 of the highest ranking companies on each of the shipowners and ship

management companies ranking list will be selected for appointments into the SCC.

In the revised criteria for appointment of members into SCC, both shipowners and ship management companies that have representative offices in Hong Kong are eligible for appointment. Should the selected company decline the offer, the place will go to the company ranks in the immediate following position.

All members from the shipping industry will serve for a period of 2-years and their appointments are made on the same date.

**Criteria for appointment to the SCC from a local law firm, HKSOA, MNOG and HKSU**

There is no proposal to revise the composition of other parties, i.e. trade unions, shipowners' association and local law firm.

To sum up, the new composition will be:

<b>Membership</b>	<b>Number of Seat</b>
Assistant Director/Multilateral Policy as Chairman	<b>1</b>
Assistant Director/Shipping	<b>1</b>
Representative from Hong Kong Shipowners' Association	<b>1</b>
Representative from Merchant Navy Officers' Guild	<b>1</b>
Representative from Hong Kong Seamen's Union	<b>1</b>
Representative from a local law firm	<b>1</b>
Representative from shipping companies of Hong Kong registered ships (10 for ship management companies) (10 for shipowners)	<b>20</b>
<b>Total</b>	<b>26</b>

All other guidelines for appointment and exception will still remain valid after the above changes.