

TLB043

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1269)

Head: (100) Marine Department
Subhead (No. & title): (-) Not Specified
Programme: (4) Services to Ships
Controlling Officer: Director of Marine (Mr S.F. WONG)
Director of Bureau: Secretary for Transport and Logistics

Question:

Under the Matters Requiring Special Attention in 2024-25, the Marine Department will introduce a block registration incentive targeting shipowners who register multiple ships with the Hong Kong Shipping Registry within a specified period and a Carbon Intensity Indicator (CII)-based green incentive. Please advise this Committee of the details of both incentives and the expenditure involved.

Asked by: Hon YICK Chi-ming, Frankie (LegCo internal reference no.: 11)

Reply:

While the registration fee of the Hong Kong Shipping Registry (HKSR) is already very competitive among other major flags, to provide further growth impetus, competitive financial incentives will be devised to increase the attractiveness of HKSR.

We will provide shipowners with a block registration incentive, so as to attract them to complete the registration of 2 or more ships (with a cumulative gross tonnage of not less than 50 000 and the age of each ship not more than 10 years at the time of the registration) with HKSR within 24 months from the first application date. Each ship can enjoy waiver of the first ship registration fee and the annual tonnage charge (ATC) for the first year of ship registration¹. It is expected that the Government revenue will decrease by about \$12 million in the first year of implementation of this incentive. However, as the newly registered ships will have to pay for the ATC starting from the second year, it is estimated that the annual revenue foregone would eventually be offset by the ATC gained due to the accumulated number of newly registered ships each year starting from the sixth year of launching the incentive. The Government will introduce legislative amendments to the Merchant Shipping (Registration) (Fees and Charges) Regulations (Cap. 415A) by the end of 2024 for the implementation of the block registration incentive to set out the relevant rules and eligibility criteria, etc.

¹ The upper limit of the first ship registration fee is \$15,000 (for ships with a gross tonnage of more than 500); and the upper limit of the annual tonnage charge is \$77,500 (for ships with a net tonnage of 24 000 or above).

In response to the global shift towards green transformation in the maritime and port industry, MD plans to provide green incentives for Hong Kong-registered ships attaining high ratings in the international standards on decarbonisation set by the International Maritime Organization (IMO). This will involve about \$65 million in funding. Specifically, from 2024 to 2026, for all Hong Kong-registered ships with a gross tonnage of 5 000 or above that attain a rating of A or B in the annual operational Carbon Intensity Indicator (CII) introduced by IMO, each ship will receive \$20,000 per year. The incentive is expected to be launched in the second quarter of 2024.

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