
TradeWinds

The Global Shipping News Source

LATEST JOBS **Operations Manager - Project/Heavy Lift**



Capacity key to recovery from crisis in Hong Kong

October 20th, 2016 17:00 GMT

Published in **WEEKLY**

Hong Kong's government must make a long-term positive policy commitment to shipping and give clear access to government officials if the territories' maritime sector is to prosper in the face of tough regional competition.

That was the message delivered by speakers at TradeWinds' Shipowners' Forum held last week for the second time at Hong Kong's Maritime Museum, which attracted around 180 local and international guests.

Peter Cremers, Anglo-Eastern Univan executive chairman, said Hong Kong must learn from Singapore's long-term commitment to the sector.

Earlier, Joseph Lai JP, Hong Kong's Permanent Secretary at Transport & Housing, told attendees in his keynote address that the administration intended to create a maritime business-friendly environment.

The dark shadow of the tonnage oversupply that hangs over many sectors dominated the forum's three sessions, with brokers, financiers and owners in general agreement that more scrapping is needed before markets can recover.

Armin Sass, managing director of H Schuldt Shipbrokers, urged more consolidation between tonnage providers and warned the worst was yet to come, pointing to Hanjin's meltdown and a staggering 400-ship surplus in the market. "Something has to give," he said.

Clarksons Platou's managing director Martin Rowe recognised an acceleration of scrapping in the bulker market was taking place, adding: "The beaches will be busy for some time to come."

However, Lloyd's Register marine and offshore director Nick Brown cautioned that the much-heralded new global ballast water treatment rules may not trigger early retirement for as many ships as has been suggested.

Ed Buttery, chief executive of Taylor Maritime, said that buying a vessel in the hope the market would improve was nothing more than "a gamble". His recently formed dry bulk company had a business plan based on long-term investment for up to a decade.

He added that for things to "get back to normal, poorer quality ships need to be cleared out".

Tribini Capital's Thomas Soderberg went one stage further urging banks to "start behaving like shipowners and get scrapping", which put a smile on the face of Singapore cash buyer Keyur Dave of Wirana.