



## About YPSN

The YPSN monthly newsletter aims to provide you with the latest developments affecting our members in shipping in Hong Kong and broader China.

If you are interested in registering as a member, sponsoring an event or suggesting activities for YPSN to organize, please feel free to get in touch with us on [youngprofessionals.shipping@gmail.com](mailto:youngprofessionals.shipping@gmail.com)

## YPSN PRC Event Shanghai

On Thursday 15 January 2015, our sister organization YPSN PRC, with the generous support of Lujiazui Shipping Association, held their 5th networking event at the Shanghai Lounge located on the 92nd floor of The Shanghai World Financial Tower. Standing at 500m high, this was not for the faint hearted and quite a change of scenery for those regularly working at sea level.

At present, YPSN PRC has over 900 registered members with the vast majority located in Chinese coastal cities.



The networking events hosted by YPSN PRC are free for all guests and, therefore, rely on the generous support by sponsoring companies. YPSN PRC is always on the lookout for sponsors, if interested in sponsorship opportunities please contact YPSN PRC directly at [ypsn.prc@gmail.com](mailto:ypsn.prc@gmail.com).



Over 130 attendees from shipping sectors as varied as owners and managers, insurers, freight forwarders, cargo owners and other stakeholders attended the event, reflecting the broad diversity of the shipping industry. The event was an overwhelming success and gathered enough interest that it was fully booked a week prior to the event. The organisers unfortunately had to kindly refuse close to 100 additional requests to attend due to a lack of space.

For further information about the YPSN PRC please visit [www.ypsnprc.com](http://www.ypsnprc.com)

# Where is the Price of Oil Heading?

One of the fundamental drivers of global trade and shipping is undoubtedly the price of crude oil. In recent months the price of crude has seen its largest decline in recent memory tumbling from US\$107/bbl in June 2014 to just US\$46/bbl today marking a staggering 60% decrease.

In June 2014 nobody could have predicted the drop in prices. No company, no government or analyst had foreseen this phenomenon. However, the question now is for how long will the price of crude remain depressed? Some seem to suggest that the low price of crude will be short lived and that market fundamentals are at play which are likely to push oil prices back up towards US\$100/bbl in the coming months in what would mark a 'V' shaped recovery.

## Balancing Supply and Demand in the Short-run

The supply side was certainly boosted by shale production in the US which in 2014 increased US oil output by 1 million barrels a day, pushing production to the highest level in three decades. This was coupled with the reluctance from OPEX to cut their production levels in November 2014 aiming to oust competitors from the market and maintain their market share as the world's leading oil producers, creating a global supply glut. The demand side has seen a decline in petroleum consumption mostly from developed economies such as Japan, France, Italy, Germany, Canada and the UK, to the range of 1% - 6%. Therefore, both demand and supply appear to have contributed modestly to the price decline.

However, the divergence of supply and demand currently stands at 1.775 million b/d of excess supply translating to a mere 2% of global supply. Although it is still unclear why a 2% divergence in demand and supply would lead to a 60% drop in price, the data suggests that Asia's continued demand for oil grows by 825,000 b/d every year and that the 2014 drop in European oil demand will unlikely be repeated, making a 'V' shaped price recovery a likely proposition in the short run.

## Medium Term Supply and Demand Expectations

Even before the oil prices began plummeting, it was expected that US shale oil production would drop than more than half in 2015 and by more than half again in 2016. By 2017 growth in US shale oil production would come to a halt and by 2020 it would begin falling again. Therefore, the surge in new supply will not be repeated and the new sources of oil will start to diminish.

Global demand is expected to increase, largely due to Asia's unwavering economic growth. Asia's petroleum demand grew by 610,000 b/d in 2014, absorbing 61% of the surge in US shale production, and is expected to continue this growth over the foreseeable future as growth in shale production begins to diminish.

Over the medium term it is expected that excess supply will begin to evaporate and replaced by excess demand, pushing prices back up.

## Long Term Prospects

Over the next decade, Asia's demand growth will effectively account for 100% of the growth in petroleum demand in the G4 countries – US, JP, EU and Asia – as demand from Europe and Japan continue to modestly fall and demand growth in the US will stagnate. Between 2014 and 2024 global demand for oil is expected to increase by 2.75% per year with Asia continuing to account for an ever greater share of the world's demand. Asia's faster growth rate will increasingly determine the global rate.

To sum up, the truth is that even though the US shale production boom has temporarily oversupplied the market, most of the production has been consumed by the growth of Asia in demand for oil products. As the US petroleum supply begins to slow down and Asia's demand continues to grow it is largely expected that excess demand will replace excess supply and drive the price of crude back up to around US\$100/bbl in a year's time. But if the markets expected prices to return to normal in a year, they would put them there today.

Furthermore, the low and volatile price of oil could help shipping in three ways. Firstly, it can stimulate economic growth, especially in developed net oil importer countries, as it puts cash in consumers' pockets. Secondly, cheap oil boosts demand for the commodity and the oil trade as a consequence. Lastly, it provides enormous opportunities to oil investors and traders looking to make large profits on future price increases by holding oil in tankers.

# The Nautical Institute Celebrates 30th Anniversary!

On Friday 23 January 2015 the Nautical Institute (Hong Kong Branch) celebrated its 30th Anniversary with a well-attended annual dinner and a highly anticipated bowling competition. Held in the Mariners Club in Tsim Sha Tsui, the event once again brought together the membership of the Hong Kong branch which includes professionals from a cross section of the many fields that together make up the maritime community in the city.



*Ship Managers hold bowling trophy*

The bowling competition featured a total of twelve teams from across the industry including the Nautical Institute team, Surveyors team, Administration team, Seafarers team, Institute of Chartered Shipbrokers (ICS) team, Insurance team, Charterers team, Shipowners team, a team comprised of members from the Maritime Services Training Institute (MSTI), Lawyers team, Ship Managers team and, of course, a YPSN team! The teams competed for a place in the semi-final by scoring the highest maximum points in the first two rounds, from there on the winning teams played knock-out rounds in a battle to the top. After much enthusiasm and plenty of strikes the winning team was announced, the winner's cup awarded to the Ship Management team. The YPSN team was unfortunately beat early in the competition but was still awarded runner-up prize for the Plate. The bowling competition was intervened for the Nautical Institute Annual Dinner which saw an informative speech on the Nautical Institute's achievements over the last 30 years and the announcement of the replacement of Mr. Luca Ferrerio as Chairman of the Institute by Mr. Vikrant Malhotra of Anglo-Eastern.



*(left to right) Mr. Philip Leung, Mr. Sanjeev Kumar, Mr. Biju Narayanan, Mr. Hare Ram Sah, Mr. Ray Lei and Mr. Andrew Oates of Wah Kwong*

The Nautical Institute was originally set up as a channel to give and receive relevant and topical information to and from Ship Captains and Seafarers. By creating this platform the Nautical Institute, to this day, aims to foster and develop improvements in standards and competencies and make sea going professionals aware of recent developments in the industry. The Nautical Institute in Hong Kong has remained a vibrant and active organization over the years and has proved to be a leading light in the marine industry of Hong Kong as well as overseas.





## Professional Training and Examination Refund Scheme

### 專業培訓課程及考試費用發還計劃

Refund 80% of the fees at maximum of HK\$18,000

可獲發還80%費用，最高18,000港元

#### Objective

To incentivise those already working in the maritime and aviation sectors, including local vessel seafarers, to attend course(s) and sit for examination(s) that are being offered by various education institutions, professional or trade bodies to raise their professionalism and competency, and encourage them to acquire relevant professional qualification(s).

#### 目的

旨在鼓勵於航運和航空業工作的現職人士，包括本地船舶船員，修讀由各院校、專業或業界團體提供的課程和參加專業考試，以提升技能及獲得專業資格。

#### Eligibility

##### Applicant

- ◆ must be a resident of the HKSAR and lawfully employable in Hong Kong;
- ◆ must be in full-time employment in the maritime or aviation sector with an organisation/company in Hong Kong during the time when taking the pre-approved course/examination and at the time of application;
- ◆ has enrolled in one of the pre-approved courses or taken one of the pre-approved examinations on or after 11 January 2014, and has completed the course to the satisfaction of the course provider or passed the examination; and
- ◆ has not been granted any other form of government subsidy or financial assistance for the relevant pre-approved course/examination.

#### 資格

##### 申請人

- ◆ 必須為香港居民及可在香港合法受僱；
- ◆ 必須在修讀相關課程 / 參加考試期間及提出費用發還申請時，受聘於在香港營運的組織 / 公司及全職從事與海運或空運有關的工作；
- ◆ 於2014年1月11日或之後修讀任何一個經核准的課程或參加任何一個經核准的考試，並成功達到舉辦課程機構的要求或通過考試；及
- ◆ 必須從未就同一項課程 / 考試獲任何其他政府補助或資助。

#### Enquiries

For list of pre-approved courses and examinations and other details, please see MATF's website or email us / call the MATF hotline.

#### 查詢

核准課程考試名單及其他詳情可瀏覽基金網址或發電郵 / 致電基金熱線查詢。

MATF

Maritime and Aviation Training Fund  
海運及空運人才培訓基金

基金網址 : [www.matf.gov.hk](http://www.matf.gov.hk)

基金電郵 : [matf@thb.gov.hk](mailto:matf@thb.gov.hk)

基金熱線 : 3509 7261



# 本地船舶業訓練獎勵計劃

## 目的

旨在向已修畢計劃內經核准的海員訓練課程而新入職受僱於本地船舶業的人士提供經濟誘因，鼓勵他們考取首個本地船舶船長或輪機操作員的專業資格。

## 獎勵形式

- ◆ 計劃的成功申請者，將於其受僱期內獲提供薪金以外每月2,500元的資助，最長為期12個月，總額最高為每人3萬元；其中12,000元的資助金額會在申請人考取本地船長 / 輪機操作員三級證明書後發放。
- ◆ 本計劃每月的資助將以劃一金額用自動轉賬形式按月發放。資助會直接存入成功申請者指定接收款項的銀行帳戶。
- ◆ 申請人若在領取每月的資助期間終止僱傭合約，將不再符合申請資格，有關資助將會終止。
- ◆ 資助會按先到先得方式發放，直至計劃已沒有可供運用的款項。同時，每名申請人只會獲本計劃批准資助一次。
- ◆ 不論經費來源，申請人不得收取雙重利益。在接受本計劃資助同時，不得接受任何其他為鼓勵市民受僱於任何行業或參予任何為鼓勵考取本地船舶船長或輪機操作員三級證明書而設的薪金資助。

## 申請資格

申請人必須－

- ◆ 為香港居民及可在香港合法受僱；
- ◆ 從未持有本地船長 / 輪機操作員三級證明書；
- ◆ 於2014年1月11日或之後獲營運領有本地牌照船隻的公司<sup>註</sup>(下稱“本地船公司”)聘用為全職甲板 / 機房普通船員；
- ◆ 除了現時的僱主外，於2011年1月11日或之後並未受聘於其他本地船公司；及
- ◆ 已修畢其中一個經核准的課程。已符合其他條件但正在修讀或已報讀 / 正輪候入學經核准的課程的船員亦可申請，唯該申請人只有在完成有關課程並到任本地船公司後，才可獲發放資助。

<sup>註</sup> 該公司必須持有有效的商業登記証。船隻不包括遊樂船隻。

## 查詢

有關計劃詳情可瀏覽以下基金網址，如有任何查詢，請聯絡海事處海員發證組。(電郵：sasmcrt@mardep.gov.hk · 電話：2852 3069)。

**MATF**

**Maritime and Aviation Training Fund**  
海運及空運人才培訓基金

基金網址：[www.matf.gov.hk](http://www.matf.gov.hk)

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基金熱線：3509 7261