

# GTLK Asia Limited chooses Hong Kong to achieve **regional growth ambitions**

**From its rule of law and its leading financial markets, to its easy access to the region, Hong Kong was the natural choice for GTLK Asia Limited.**

Hong Kong-based leasing platform GTLK Asia Limited (GTLK Asia), landed in the territory in 2019. A relatively new company, it has a rich heritage and depth of experience in its DNA, courtesy of parent company, Russia's state-owned, State Transport Leasing Company.

Tomasz Pietraszkiewicz, Head of Shipping at GTLK Asia, explained that the parent company is focused on a wide range of assets, but for its Ireland-based subsidiary, GTLK Europe, the focus is and remains aviation leasing. "Having an aircraft leasing arm in Dublin for many years, the company decided maritime leasing would be more promising in Hong Kong, due to the vast size of the shipping and shipbuilding market in Mainland China and East Asia."

## Tax concessions

Prior to GTLK Asia's establishment in Hong Kong it was well known that the Government was set on attracting ship leasing companies to the territory with tax concessions that were passed into law in June 2020. Under the regime, the Inland Revenue Ordinance allows for zero rate profits tax for shipping lessors and sees profits tax slashed generally by 50 percent for ship leasing managers.

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**Tomasz Pietraszkiewicz**  
**Head of Shipping**  
**GTLK Asia Limited**

Pietraszkiewicz says that such concessions were most welcome, but the company had already set its heart on Hong Kong as an Asian base. "The main reason we decided to set up in Hong Kong was because of its proximity to Mainland China, and it is the best location to gain access to the rest of Asia and Asian capital markets," he says. "Other reasons include Hong Kong's trusted legal system, the long history of shipping and the many important shipping companies based here, as well as a workforce that is willing to work hard for what it wishes to achieve."

Pietraszkiewicz adds: "Without the valuable help of InvestHK we might not be here yet. Without their guidance in helping us to find the right premises, overcoming the registration and bank account hurdles, and introducing us to the Hong Kong Shipowners Association, the whole process would have taken much longer."

## Building a portfolio

Tasked with building a shipping portfolio in just a year, and confronted with the ultimate business impediment of COVID-19, Pietraszkiewicz and the company have got off to a great start, now owning six vessels comprising four handysize bulkers and two small capesize bulk carriers. "Additionally, we are building another six vessels for Norwegian and Russian clients and, broadening our scope, we have entered into a deal to build ultra-vessels to service the offshore sector," he adds.

One of the objectives of GTLK Asia is to move into trading assets, but at this point of the journey the immediate aim is to build a portfolio that is balanced both geographically and in the classes of vessels held, for new and secondhand vessels. Normally such a portfolio is not attained overnight. However, currently asset prices are low, which is a good entry point in the cycle. Pietraszkiewicz estimates that the company could comfortably raise



US\$300m to US\$400m annually over the next three or four years, when it will then be in a position to begin full-on asset trading. That will however also require a new approach from the leasing market, which will have to evolve into something similar to aviation with regard to trading.

Competition in services that GTLK Asia aims to provide is keen, with many of the largest ship leasing firms based in China and Japan. But GTLK Asia is unfazed. Rather, Pietraszkiewicz says, "We see it as an opportunity for cooperation. Meanwhile traditional banking has its challenges. Banks are being pushed to raise their capital requirements. This will result in higher costs for shipping loans."

Pietraszkiewicz concludes: "We note that the leasing market is evolving rapidly, and business prospects in Hong Kong are bright."

## GTLK Asia Limited

- A ship leasing arm of State Transport Leasing Company, Russia's largest leasing company
- Hong Kong office covers ship leasing, ship management and trading functions in Asia Pacific region