Ioannis Plakiotakis

Greek Shipping Minister faces up to COVID’s challenges
Ioannis Plakiotakis’ personal experience motivates his Greek shipping overhaul for a post-COVID era

Greek Shipping Minister Ioannis Plakiotakis has faced some difficult situations in the past year, both professional and personal. “The pandemic derailed or rescheduled our priorities”, he told ICS Leadership Insights, leaving him with one guiding principle for 2021: to lay strong foundations for the recovery of all economic activities, including shipping.

One of his most recent challenges has been to settle a 72-hour strike by 13 Greek seafarer unions in late February, finally resolved during talks between the unions and Plakiotakis himself. It is clear from a ministry statement that the talks were wide-ranging, calling them “an honest and detailed dialogue on all issues of the sector” and referring to a shared goal: “strong shipping for the benefit of our country, sailors [and] all Greeks”.

Plakiotakis noted that, as with the resolution of the strike, all maritime policy decisions must be based on tripartite dialogues between the government, shipowners and seafarers, and taking all stakeholders’ views into account when shaping Greece’s positions presented to the EU and international bodies. “This long-standing practice definitely prevents any serious conflicts as regards the formulation of maritime policy initiatives and is a catalytic driver for Greek shipping to conquer and maintain the first place worldwide,” he added.

This is anything but rhetoric; data from the Union of Greek Shipowners (UGS) annual report published September 2020 shows Greek shipowners control 20.67% of global shipping capacity and 54.28% of capacity in the European Union.

But Plakiotakis does not take those figures for granted and recently undertook policy initiatives to keep the Greek flag competitive and attractive. “They comprise a set of practical measures on manning requirements, seafarers working conditions, modernisation of on-board training and facilitation of financing” he detailed.

Top-five Targets for 2021
Plakiotakis told ICS Leadership Insights of five major initiatives for 2021 that reflect global as well as local ambitions – his complete to-do list is somewhat longer.
Serving Greek shipping and its human capital is a matter of duty and responsibility

First, he wants to promote “realistic policies” in the EU and at IMO that recognise shipping’s prominent position in the European and global economy. “As Europeans, we need to be stressing on every occasion that shipping, maritime employment and expertise should be retained high in Europe,” he said.

Second, Plakiotakis stressed the urgent need to decarbonise shipping, despite earlier push back on the IMO’s emission reduction strategy timeline. In 2019 Plakiotakis and the UGS opposed the IMO’s 2020 introduction of the 0.5% sulphur cap, preferring an alternative 2025 date because of concerns about availability and safety of the new fuels.

Looking back, he still believes those concerns were justified and said they prompted IMO and its member states to take measures to address them. “Without this, I doubt whether we would now be in a position to speak about a successful transition”, he said.

Plakiotakis would now like to see rapid action. This includes a focus on practical implementation of the short-term technical and operational measures adopted by MEPC 75 in November, followed by work on creating the necessary pre-conditions to enable shipping’s decarbonisation.

He supports a proposal from ICS and other organisations to build a fund to finance R&D for alternative fuels and propulsion systems, backed by Greece and other major shipping nations. It is due to be discussed by IMO’s MEPC 76 in June and “needs to be implemented as a matter of urgency”, he said.

Essential Workers
His third priority is on crew change. Greece exempted crew from COVID-19 travel restrictions in July last year and is one of just 34 states that have set up National Focal Points for crew change and repatriation of seafarers, as recommended by an IMO resolution adopted last September by an extraordinary session of IMO’s MSC.

“We started from the obvious but necessary recognition of seafarers as essential workers”, Plakiotakis said. Greece was flexible about issuing visas and travel documents and Plakiotakis repeatedly communicated his concerns, ideas and initiatives to EU institutions, international organisations and his government colleagues, he said. The problem, however, is not resolved.

“Whilst positively noting that some sort of alleviation of the problem has been witnessed with gradual restoration of international flights, in certain crew change-over hubs, problems on the movement of seafarers and technical personnel persist,” he stressed.

In Greece, as elsewhere, vaccines have been prioritised for the elderly and vulnerable but, speaking in early March, Plakiotakis told ICS Leadership Insights that as more vaccine becomes available he hopes to prioritise crew, both working domestically or abroad. His goal is to get all Greek seafarers vaccinated before the beginning of the tourist season “so that they will be providing their indispensable services in a safe and healthy environment”.

His fourth priority this year is to optimise the Greek port system through concessions and/or privatisation. This would affect 10 ports – but not Piraeus and Thessaloniki, which already have majority foreign ownership. “This will create new investment opportunities for companies active in combined transport, logistics and cruising,” he explained. “The policies we implement [will] enhance the geostategic role of our ports, by turning them into major and modern transshipment hubs in Eastern Mediterranean and the main gateways to Southeastern Europe.”

Plakiotakis is also responsible for coastal shipping. Companies operating these services have seen reductions in passenger numbers of up to 90% during the pandemic, so his fifth priority is the “great challenge” of maintaining frequent, regular and quality connections across a network of more than 400 routes serving 115 inhabited islands.

He faced a great challenge himself when he fell ill with COVID-19 and spent time in intensive care in December. It had a profound effect on his faith in God”. He found himself thinking about what is important to our life … and enhanced my experience “influenced my considerations as to how I would like to live the rest of my life”, he confided to ICS Leadership Insights.

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Concern over Panama Canal price hikes

ICS has expressed industry concerns over the extent and speed of price increases on canal transit fees and other maritime services proposed by the Panama Canal Authority (ACP) that will begin from 15 April 2021.

A letter from ICS to the ACP on 17 March, co-signed by the European Community Shipowners’ Associations and the Asian Shipowners’ Association, notes the “significant increases in charges payable for selected vessel types”. The proposed changes represent a minimum cost increase per transit reservation of US$20,000 (up 57%) and a maximum cost increase of US$58,500 (up 167%).

“This represents a substantial sum, especially when taking into account the ongoing economic impact of the COVID-19 pandemic on the shipping industry”, wrote ICS and its partners.

ACP said the increased fees are to adapt to changing supply and demand conditions for the service it offers.

ICS and its industry partners have requested ACP to delay the price hike and provide further rationale to explain the changes.

They also asked for details of a long-term strategy to mitigate ongoing congestion issues reported at the Neopanamax locks and proposed a meeting with the ACP to discuss these issues further.

ICS lobbying prompts call to prioritise seafarer vaccines

The heads of five UN bodies have signed a joint statement calling for seafarers to be prioritised for COVID-19 vaccinations. This follows intensive lobbying from ICS, the International Transport Workers Federation (ITF) and other organisations.

The World Health Organization, International Labour Organization, International Maritime Organization and two other UN bodies issued the joint statement on 26 March urging all United Nations member states to prioritise seafarers and aircrew in their national COVID-19 vaccination programmes.

Member states were strongly encouraged to take urgent action to address this issue and work with their health, immigration, border control and maritime authorities, at both national and local levels, to support the seafarers that the world needs to recover from COVID-19.

The UN bodies reiterated the essential role that seafarers continue to play in keeping global trade moving during the pandemic. On 19 March, ICS and ITF expressed fears that the figure of 200,000 seafarers currently impacted by the crew change crisis is rising due to travel restrictions being imposed by governments in response to new variants.

Guy Platten, Secretary General of the ICS, commented: “ICS and other organisations have been lobbying hard to get this recognition for seafarers and we urge governments to heed the call from the UN and recognise that successful vaccination will rely on those hidden heroes who deliver the vaccines and PPE around the world. Seafarers are a vital part of the vaccine roll out and need to be vaccinated themselves, and not forgotten.”

US$5 billion R&D fund gains momentum

The global shipping industry is backing a moon-shot proposal of a US$5 billion research and development (R&D) fund submitted by governments to accelerate the complete decarbonisation of maritime transport within a decade.

Governments controlling a major share of the world’s shipping tonnage submitted the proposal to the IMO on 10 March urging all United Nations member states to co-sign a ‘IMO Maritime Research Fund’.

It will use mandatory contributions to fund collaborative R&D programmes for zero-carbon technologies tailored for maritime.

All governments are being urged to approve this mature proposal at a critical MEPC meeting in London in November 2021, coinciding with the next UN Climate Conference (COP 26) in Glasgow.

ICS and its industry partners proposed the idea of an R&D fund in December 2019, which was considered at the IMO Marine Environment Protection Committee (MEPC 75) in November 2020.

ICS/China MSA to work on GHG and COVID-19

ICS and the China Maritime Safety Administration (China MSA) will meet regularly to collaborate on key challenges after a successful virtual meeting in March. The meeting focused on reducing greenhouse gas emissions and managing the impact of COVID-19 on shipping and seafarers.

Guy Platten, ICS Secretary General, and Cao Desheng, Director General of China MSA, led the online meeting.

ICS and China MSA agreed to promote fair and pragmatic measures to reduce GHG emissions from international shipping, under the framework of the IMO. The two organisations also scheduled discussions on how COVID-19 related challenges in the industry – such as vaccines for seafarers, legal liability for shipowners and maintaining strong global supply chains – could be met and managed through international co-operation.

The two organisations announced a regular consultation mechanism, whose aim is to discuss any IMO regulations and technical issues of common concern.
Suez grounding highlights shipping’s vital role

Last month’s grounding of the 20,388TEU box ship Ever Given provided a reminder across the globe of the importance of shipping to world trade and its reliance on a few key arteries, such as the Suez Canal.

As this issue was published, the ship had been refloated but ICS Secretary General Guy Platten warned that “it may take some days yet to ensure normal flow of cargo will resume. This incident has shone a spotlight on the delicate nature of global supply chains and the significant impact rare incidents like this can have”.

While the canal was blocked, Bloomberg estimated that cargoes worth US$10 billion were held up by the blockage and in an advisory to its customers, Maersk said that 12% of global trade passes through the canal.

By the time ship was refloated, more than 360 ships were awaiting transit of the 120-mile canal and many others had already re-routed to avoid the blockage, S&P Global Platts reported, including Ever Given’s sister ship, Ever Greet, which it said had rerouted to skirt southern Africa.

The incident garnered wide attention from governments and markets worldwide concerned over the potentially significant economic fallout on supply chains and consumers. However, Platten hoped it would also remind governments of the vital role seafarers and shipping play in keeping vital supply chains moving at all times.

“Shipping’s ongoing crew change crisis has been largely invisible to the wider public” he said. “Crew are still working hard around the globe to keep global trade moving, despite 200,000 seafarers being impacted by overly harsh restrictions which stop them boarding or disembarking ships.”

India seeks global support for infrastructure plans

India’s cabinet has approved a scheme to invest in infrastructure and increase spending for ports alongside rail and energy. Shipping executives hope this will lead to broader support for the maritime industry. One potential area for investment is in green energy for ports, many of which are already installing solar and wind-based power systems.

A development financial institution (DFI) will be established using Rs200 billion (US$2.8 billion) of state funds that the government plans to boost to as much as Rs3 trillion (US$41.4 billion), raising funds from global investors. First announced by Finance Minister Nirmala Sitharaman in her national budget on 1 February, the DFI was approved by the government on 16 March.

Anil Devli, CEO of the Indian National Shipowners Association, has previously called for a Maritime Development Fund (MDF) and told ICS Leadership Insights that the DFI “seems to be the best way” for the MDF to become a reality and predicted that it will stimulate the economy post-pandemic. Aamir Hashim Sayed, Managing Director of BHN Shipping Group, said that good infrastructure will “unclog” railways, airports and ports and lead to more efficient logistics, something that he said forms a part of India’s Infrastructure Vision 2025 initiative.

Speaking in a personal capacity, he said that financing big infrastructure projects is difficult because India lacks enough institutions able to back projects that might have 10-20 years’ gestation, so “setting up a DFI is a welcome step”.

Underlying the DFI will be a new National Bank for Financing Infrastructure and Development (NaBFID), which Suresh Sinha, Managing Director of the Indian Register of Shipping (IRClass), said “will act as a much-needed catalyst in infrastructure financing”.

He told ICS Leadership Insights that the government has identified “a large number of investible projects” in the shipping and maritime sectors and recalled that that the Maritime India Summit 2021, which took place online in March, organised by the Ministry of Ports, Shipping and Waterways, demonstrated that there was international interest in these industries. That event’s website lists some potential projects, which include new ports in locations that are poorly served. In such regions, “cargo is forced to travel longer distances [adding] to both the cost and time required for cargo handling”, the event’s documentation notes.

“We believe this renewed focus on the maritime sector with supporting initiatives like the NaBFID will help sustain a long-term growth trajectory for the sector,” Sinha said.
Navies bolster GoG anti-piracy response

A pirate attack on a chemical tanker 210 nautical miles offshore in the Gulf of Guinea (GoG) on 11 March saw 15 of its 21 crew kidnapped for ransom in an incident that the International Maritime Bureau (IMB) said “could signal a reignition of serious kidnapping incidents” in the region.

With 140 seafarers kidnapped in the GoG during 2020, the region now accounts for 40% of global pirate attacks, according to the Danish Ministry of Foreign Affairs, which announced in March that a Danish frigate would be deployed to the area for five months starting in November.

A few days later, the UK published a Defence Command Paper that included a commitment to address threats in the region using an offshore patrol vessel to be based in Gibraltar.

Speaking to ICS Leadership Insights, Peter Aylott, Director of Policy at the UK Chamber of Shipping, supported that policy but warned that “the deployment of international naval assets is not a panacea and it will take regional capacity building and political influence over a prolonged period for the situation to improve markedly”.

These resources will add to those already operating in the region from the Spanish, Portuguese, French and Italian navies and IMB acknowledged their support in its 2020 annual report, along with cooperation from the Nigerian Navy and the Nigerian Maritime Administration and Safety Agency.

Nigeria’s Deep Blue

Two years ago, in March 2019, Nigeria’s Minister of Transportation announced its ‘Deep Blue Project’, set up to “rid Nigerian territorial waters of criminalities”. In March this year, Nigeria started deploying fast response vessels as part of this scheme and they are already having an effect, said John Stawpert, ICS’ Manager for Environment and Trade.

In a statement, ICS Secretary-General Guy Platten applauded states that commit resources to the GoG and encouraged them “to cooperate and coordinate with regional states to increase the effectiveness of counter-piracy measures”.

A mechanism to do this was created in January by the European Council, when it launched a pilot of its Coordinated Maritime Presence (CMP) concept. In addition to this, Stawpert would like to see region-wide strategic cooperation similar to that in operation off east Africa, along with mechanisms to allow military deployments to communicate in real time.

Coordination underway

Some coordination is already happening. In March, the Italian frigate Luigi Rizzo conducted joint training with the USS Hershel “Woody” Williams, which Mario Mattioli, President of the Italian shipowners association Confitarma, said was aimed at supporting interoperability between the two navies.

About 25 Italian shipping companies operate in the area he told ICS Leadership Insights, and last year, the Italian government authorised the Italian Navy to conduct two, two-month operations, during which it “intervened several times” even when the incidents involved foreign flag ships, Mattioli said.

A spokesman for the Spanish shipowners association ANAVE said that the CMP’s objective is “to coordinate the efforts of the member states’ forces already deployed” but stressed that “deployed forces will always be under national command”.

Nonetheless, he interpreted Denmark’s proposed action as indicating “an official EU military operation” in the area and said that ANAVE had written to the Spanish Ministers of Defence, Transport and Foreign Affairs and the Chair of the Joint Chiefs of the Spanish Navy asking for Spanish support to that initiative.

Asked what action these naval forces could take, Stawpert confirmed that they have the right to apprehend pirates under UNCLOS and he would like to see ‘sea riders’ from regional states on board the naval vessels to take on the policing responsibilities if pirates are caught.

Any improvement to this longstanding problem will be welcome and he is hopeful that the actions now being taken will have an impact “if external assets coordinate with the operations of regional states, creating a meaningful and enduring maritime security architecture for the region”.

“\The deployment of international naval assets is not a panacea\"
New WTO DG is determined to deliver results

With the appointment of a new director general, Dr Ngozi Okonjo-Iweala of Nigeria, the World Trade Organization (WTO) hopes it can move on from being “one of the most maligned and misunderstood international organisations” that “has been labelled as the single worst trade deal ever made”.

That is how Singapore’s permanent representative to WTO Ambassador Tan Hung Seng described the organisation during an ICS event to launch its Protectionism in Maritime Economies report. He went on to refer to “the paralysis of the appellate body and the impasse over the appointment of the new Director General”, a post that had been vacant for six months when Dr Okonjo-Iweala took up the position on 1 March.

She is aware of the challenges ahead. Addressing the WTO General Council immediately after taking office, she said “we have to change our approach from debate and rounds of questions to delivering results” and set a challenge for the delayed 12th Ministerial Council (MC12), now to be held in Geneva in the week of 29 November. Although WTO members would like to see a large number of topics discussed, she suggested they should focus on “three or four clear deliverables” with “programmes for the rest to be agreed”.

Support for WTO changes

Other speakers at the ICS event welcomed these signs of change. “I think everyone in the world would love to see the WTO succeed,” said ICS chair Esben Poulsen. Marco Felisati, deputy director, international affairs and trade policy at Italy’s Confindustria described MC12 as “the first reality test” for WTO and hoped it will deliver “enough to develop a trend and establish a positive agenda”.

Ralf Nagel, CEO of the German Shipowners’ Association, said during an event that the report “demonstrates very clearly that removing tariffs and non-tariff barriers on maritime trade would not only benefit the shipping industry; countries could see their GDP rise as much as 3.4%.”

Latvia tops league table in ICS global protectionism analysis

Latvia has the lowest level of restrictive maritime trade policies and Egypt the highest out of 46 countries analysed in the recently launched ICS study on Protectionism in Maritime Economies. The study uses a ranking system to demonstrate the impact of trade policies in those 46 nations in a bid to incentivise reform.

Speaking during an event to launch the report, Esben Poulsion, chairman of the ICS, believes that restrictions such as these are putting countries’ economies under threat. Referring to a report published by the WTO in November 2020, he said that “US$1.7 trillion of world imports have been affected by constraints like these since 2009” and that they “are making it more difficult for economies to recover from the effects of the COVID-19 pandemic”.

The ICS study, co-authored by Professor Craig Van Grasstek of Harvard Kennedy School of Government, shows the removal of tariff and non-tariff barriers on maritime trade would not only benefit the shipping industry; countries could see their GDP rise as much as 3.4%.

Each nation was analysed and given a PRtectionism In Maritime Economies’ (PRIME) score according to how restrictive their trade policies are, based on factors such as management and licensing rules, government integrity, and tariffs. The PRIME score ranges from 0-100, with 100 being the worst possible score.

The study found that “PRIMEs are closely correlated with income per capita”. There is “a clear pattern whereby countries’ propensity to adopt more open policies … increases rapidly as they become more economically developed”, the report’s summary notes.

But there are exceptions, such as the US. Despite being in 29th place, its per-capita income is 3.7 times that of first-placed Latvia and its PRIME index is 1.8 times more restrictive.

Taking these PRIME indices as its guide, the report finds that maritime barriers are as much as four times more restrictive than tariffs and assesses the economic forces that could be released by policy reforms. It looks at four scenarios, with the most ambitious predicting that the average country’s total exports would rise by 21.1% and its real GDP grow by 1.1%.

Ralf Nagel, Chairman of the ICS Shipping Policy Committee and CEO of the German Shipowners’ Association, said during the event that the report “demonstrates very clearly that removing tariffs and non-tariff barriers … would help national economies navigate towards economic recovery from COVID-19”.

The report will be presented to the WTO’s Services Council and to the B20’s Taskforce on Trade & Investment. A summary can be downloaded – or a full copy purchased – from the ICS website.
Dutch shipowners back ‘Maritime Masterplan’ of zero-emission shipping

Dutch shipping is hopeful that results of the general election on 17 March will advance government reform on maritime strategy and release financial backing for zero-emission fleets. The People’s Party for Freedom (VVD) of current prime minister Mark Rutte emerged as the largest party and talks about forming a new coalition government and which parties will join the new administration were underway as this newsletter was published.

“We hope that the new government will advance some important policies for shipping together with financial backing for initiatives supported by many maritime organisations such as the creation of a Dutch Maritime Authority”, Annet Koster, Managing Director at the Royal Association of Netherlands Shipowners (KVNR) and the 2020 Rotterdam ‘Port personality of the year’, told ICS Leadership Insights.

At present, maritime affairs are packaged up with roads, railways and air transport within the Human Environment and Transport Inspectorate of the Ministry of Infrastructure and Water Management, yet certifying and licensing ships and seafarers is entirely different from licensing taxi and bus companies, she pointed out.

For years, KVNR has called for the return of a Netherlands Shipping Inspectorate as part of a maritime authority and late last year, the then minister set out a plan to establish a Dutch Maritime Authority, a development that Koster welcomed.

Then, in early March, the previous government adopted a subsidy scheme worth €150 million (US$180 million) for R&D in aviation, automotive and maritime. Koster said that, for the maritime sector, she welcomed this step as part of a broader Maritime Masterplan that was announced last November with a goal of having 30 different types of zero-emission Dutch ships in service by 2030. Together with other maritime sectors, KVNR is pressing for a total of €250 million of government co-financing for this masterplan.

That could come from the National Growth Fund or the European Recovery & Resilience Fund over a period of four or five years, alongside €750 million investment from the maritime sector. “We call on...
the Ministry of Defence and the Ministry of Infrastructure and Water Management to participate as launching customers, also moving their own fleets towards a zero-emission future”, Koster added.

**COVID concerns**

COVID-19 is the most pressing current concern for KVNR’s members, Koster said. Cruise operators and offshore oil and gas have had a difficult time, although offshore wind and traditional reefer operators have fared better.

Seafarer travel restrictions and access to vaccinations have also been a priority. Dutch sea ports and Amsterdam’s Schiphol Airport make up a significant crew change hub and this is now functioning well for crew transfers, she said.

As for vaccinations, seafarers are not a prioritised category in the national vaccination programme, but KVNR and trade union Nautilus International are engaged in talks about a national programme to vaccinate them.

“This is not about prioritising seafarers; it is about devising a tailor-made national programme because they are difficult to reach”, she explained. “We are looking at a programme to vaccinate all seafarers, regardless of nationality, who work on ships managed by the Dutch shipowners”, she added.

**Brexit fallout**

Now that the UK has left the EU, “we are seeing some effects, especially at our ferry ports, where customs facilities have been enhanced and veterinary inspections stepped up”, Koster said. Some port and logistics organisations have created a website, Get Ready for Brexit, to address domestic port procedures, and a government-backed Brexit Desk offers advice about how to prepare for this new EU-UK relationship.

As for seafarer certificates, the necessary steps were taken in close cooperation between the Netherlands maritime administration and the KVNR to ensure that seafarer certificates issued in the UK could continue to be recognised for service on board Dutch-flagged ships after the Brexit date of 1 January 2021.

**Safety and security**

She also mentioned concerns about two national developments that affect ship safety and security. First, the roll-out in the Netherlands of a 5G mobile phone network that uses the same frequency as C-Band signals, including GMDSS messages received by the Inmarsat Burum Land Earth Station (LES).

The government’s response has been to suggest that Inmarsat relocate the LES out of the Netherlands, “which KVNR feels may not be the only possible solution”, she added. More details are on KVNR website.

Second, ships registered in The Netherlands “may finally use private security guards, under specific circumstances”, she said; something KVNR has been pressing for. The Dutch Parliament has adopted the Merchant Shipping Protection Act, which is likely to come into force on 1 January 2022.

**Green initiatives**

Heerema Marine Contractors is working with power company Eneco and Port of Rotterdam to provide shore power from wind turbines and battery-charging facilities for two HMC crane vessels when they are docked. It is due to be completed later this year and will also supply power to non-HMC vessels.

The Port of Rotterdam itself is also encouraging environmental shipping. As one of the world’s major bunkering hubs, it is encouraging use of new fuels through an incentive scheme for climate-friendly shipping, which began in January 2019. Until the end of next year, it is offering up to 40% towards projects that use batteries, fuel cells or alternative fuels, provided the fuel is bunkered within the port.

In early January, Boomsma Shipping fitted two Ventifoil sails made by eConowind to its 6,447dwt Frisan Sea with support from the EU’s Wind Assisted Ship Propulsion project. Meanwhile, some KVNR members are working with Marine Performance Systems to test its Fluidic Air Lubrication solution, which uses air bubbles to reduce hull friction.

Other members are also working with partners to explore environmental options, Koster said.

As the Dutch wait for a new government to be formed, Koster also spoke about the future. “We are looking to the longer-term global situation as we move towards decarbonisation”, she said, noting that many ships that will be built in 2030 will still be sailing in 2050. “So the reality is that we need to be getting ready now for a zero-emissions future. Here in The Netherlands, we are confident that, with the right support and a proper long term and comprehensive maritime strategy, that is a realistic goal.”

KVNR Managing Director Annet Koster hosted a live streamed pre-election debate in January in which she emphasised shipping’s importance to the Dutch economy (image: KVNR/Erik Jansen)
Benefits of cutting barriers to maritime trade

Percentage global gain for industry sectors of a 10% cut in protectionism ratings

In one of four scenarios explored in the Protectionism In Maritime Economies study (see page 7), an assessment was made of the effect on global trade of an across-the-board reduction in national PRIME* scores of 10%. This graph (Figure 3.6 in the full study) shows the percentage improvement in value that reduction would have on various industrial sectors, compared with 2015 levels.

This scenario is called a ‘modest and equal ambition’ in the study and Ralf Nagel, Chairman of the ICS Shipping Policy Committee and CEO of the German Shipowners’ Association, described it as a realistic approach in an ICS Leadership Insights live event to launch the study.

* For details, see page 7

Developing countries increasing share of global seaborne trade

This UNCTAD data shows the rise in developing countries’ percentage share of global seaborne trade by volume of goods loaded and unloaded at their sea ports. These nations’ economies now account for about 60% of maritime transport activity (see Figure 2 in the ICS summary report). While Asia has capitalised on the fragmentation of globalised production processes to bring together more than 50% of global maritime trade volumes, slow maritime trade growth in developing America and Africa should not be overlooked. By reducing their PRIME score by 50% the South American trade bloc Mercosur could make gains of 0.8%, while the African Union bloc could gain 1% of GDP, according to ICS.

Source: UNCTAD, Review of Maritime Transport 2020

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