



International  
Chamber of Shipping

# LEADERSHIP INSIGHTS

Monthly insights from the International Chamber  
of Shipping's global leadership community

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DECISION MAKER: GUY RYDER

## ILO Director-General Guy Ryder praises MLC and urges post-COVID action

Shipping could set an example for fractured global industries, ILO head believes

Guy Ryder, Director-General of the International Labour Organization (ILO) admires the shipping industry. Creating the 2006 [Maritime Labour Convention \(MLC\)](#) “is probably the most extraordinary piece of international labour standard-setting in the history of the ILO”, he told *ICS Leadership Insights*. “The complexity and ambition of that process is without parallel.”

It was achieved because within shipping – unlike any other industry he deals with – there was at that time a shared belief that international regulation of seafarers’ working arrangements was needed, “not just [among] governments, but in the shipowners’ community and the seafarer community”, he said.



ILO issued a global call to action in response to COVID-19 (image: ILO)

He made the comparison as he nears his final year of a decade in office – the most the ILO constitution allows – and he reflected on his ambitions when he stood for office. His 2012 [mission statement](#) had suggested he would tackle “issues on which views differ – sometimes markedly” and that this was “particularly evident in respect of international labour standards.”

Nine years later, those divisions remain. “We still have, I regret to say, an organisation which is divided on some rather fundamental questions around our standards function”, he said. This “weakens the organisation [and] weakens the rule of law in international labour markets” and “it’s going to be up to my successor to take this up where I leave off”, he said.

Yet “if we could have brought to this task the type of trust and relationships that exist in the maritime sector, we would have overcome these issues, because [in maritime] there is a common interest in doing so” he believes.

#### **ILO’s maritime roots**

ILO was set up in 1919 to bring together governments, employers and workers to – among other things – set labour standards and develop policies and programmes to support “decent work for all”, its website notes. That structure makes it the UN’s only tripartite agency and it now has 187 member states.

ILO has contributed “to improving working and living conditions in the maritime sector (image: ILO)

Maritime matters have always had an important role. In 1920, its second International Labour Conference was devoted to the maritime sector and over the years it has adopted 70 maritime instruments, “so the maritime sector is truly part of our DNA”. With that heritage, ILO has contributed “to improving working and living conditions in the [maritime] sector and we’ve learnt a lot from it”, he said.

Ryder has spent an increasing amount of his time on shipping matters during the pandemic. “I’ve felt it was really important to invest time, effort and attention to the sometimes dramatic circumstances in the maritime sector”, he said.

As an example, he referred to the plight of seafarers unable to leave their ships because of travel restrictions about which ICS, ITF, IMO and ILO “were very vocal and very active. We got the UN Secretary General to speak out about these things [and] there was an unparalleled effort to deal with these dramatic situations”, he said.

He estimated that, initially, 800,000 seafarers were affected – 400,000 at sea and an equal number ashore – and,



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although that number has come down and some governments have responded to the multi-agency message, in many jurisdictions their health departments and those who deal with migration issues “are not always fully attuned to industrial issues. ... Some parts of government were simply non-responsive and we had to push them”.

That pushing included an [unprecedented 3,300-word, six-page, statement](#) that was adopted by ILO’s Committee of Experts on the Application of Conventions and Recommendations in December 2020. Relying on information from ICS, ITF and IMO that “all ratifying states have failed to comply with major provisions of the [MLC] during the COVID-19 pandemic”, the committee reminded governments that the convention is not “a compilation of labour regulations to be applied selectively”.

Reflecting on that report, Ryder said that it has had a positive impact. “We’re giving advice to governments on how to do better”, he said. It may not have resulted in full compliance with the MLC, but “it’s set in place a very positive dynamic of dialogue with governments, many of whom wish to do the right things and are looking for practical ways in which to make these improvements happen”.

There are still “very considerable problems”, he said, in particular relating

to “access to medical treatment [and] crew replacements ... but our voice has been heard and ... these debates have reached places where they don’t normally get to”.

### COVID resolutions

More recently, in April, the MLC’s Special Tripartite Committee – consisting of representatives from government, ship-owners and seafarers – spent much of its [fourth meeting](#) discussing COVID-related concerns and agreed two resolutions: one “requests the ILO to renew its call on members to designate and treat seafarers as key workers” and includes a list of its implications; the other “calls upon members to ensure that seafarers are provided with access to COVID-19 vaccination at the earliest opportunity”.

Addressing delegates to that committee on behalf of the Director-General, Corinne Vargha, Director of ILO’s International Labour Standards Department, said that their meeting should “mark a turning point in reinforcing the necessary cooperation between and within member States” a remark that Ryder said was made “precisely because the pandemic and the way the MLC was being applied ... fell significantly short” of the obligations it contained.

Later, in June, ILO’s 109th International Labour Conference issued a [“Global Call](#)



Do young people want to become seafarers? (image: ILO)

## Declaration urges progress on ESG

ILO’s [Global Call for Action](#) is a wide-ranging document but it refers several times to the importance of a social element to recovery from the pandemic. “The ILO ... must play a leadership role ... in advancing a human-centred recovery from the COVID-19 crisis”, it notes, and urges a “focused and accelerated implementation of the ILO [Centenary Declaration for the Future of Work](#)”, which was published in 2019.

Among other things, that declaration commits the ILO to “ensuring a just transition to a future of work that contributes to sustainable development in its economic, social and environmental dimensions”.

ILO Director-General Guy Ryder compared its ambitions with those often described as environmental, social and governance (ESG) targets. “People see a need for ESG investments ... and to reward positive business practices”, he said. “We want to be a part of that discussion. ... People want to be reassured that when companies speak to their ESG commitments, they are credible”.

But the balance between those three elements must be right, he suggested. In the maritime sector, for example, there is a lot of emphasis on environmental activities, which he applauded, but “that shouldn’t be to the exclusion of social and governance issues.”



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[for Action](#) for a human-centred recovery” from the pandemic. This referred to all industry sectors and included a commitment by ILO members to ensure that “workers at higher risk of exposure to COVID-19 ... including those working transnationally, have access to vaccines”.

This includes seafarers, Ryder said. “It is extraordinarily important that maritime workers have access to vaccines.” It is too early to say whether the call to action is having any effect, he said, but this will be reviewed “to look [at] how we can follow it through and implement it” when ILO’s Governing Body meets in November.

He also reflected on the Centenary Declaration’s (see box, page 4) message about the future of work itself. “It makes the point that we’re living in a time of

unparalleled change ... affecting practically all sectors of the global economy”, he said. Those changes must be navigated in a way that “makes the world of work a fairer, safer, better place to be”.

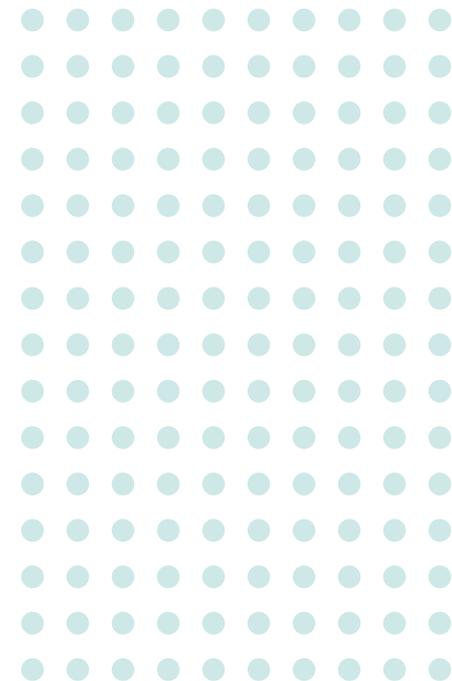
That declaration, of course, was published before COVID struck, and Ryder said that it had revealed how vulnerable global supply chains were. “They weren’t resilient, they got broken easily, they’re over-complex and [people said] they need to be shortened and made more robust”.

But although the pandemic has brought this weakness into the open, whether it will fade at the same pace – or whether other factors such as geo-politics will affect the recovery – is not clear, Ryder said. “Some of the basics of the way work is organised are being questioned”

he said. “And it’s got to do not just with a pandemic: it’s got to do with digitalisation and climate change”, he added. “What we’ve got to do in the world of work is decelerate and halt climate change.”

At the human level, how work is organised must also reflect personal and social preferences: “what we want; not just what we’re forced to do”, he said. “The proof of the quality of work and the quality of functioning of a sector is whether people want to go and work in it.”

For shipping, he said, this is tested by whether young people want to make a career at sea and he threw down this challenge: “I was born in a maritime town. I wonder if young people [there] think ‘that’s where I’d like to make my working life’ with all the challenges that implies.”



## Global shipping conference at COP26

ICS is leading an unprecedented cross-industry event to be held during the 26th UN Climate Change Conference of the Parties (COP26) that will bring together leaders in shipping, energy, politics and finance to discuss maritime decarbonisation efforts.

Held in Glasgow on 6 November, as part of [COP26, 'Shaping the Future of Shipping'](#) the ministerial level, day-long, event will feature some of the world's leading figures on decarbonisation from across the globe to address key strategic issues in shipping's rapidly evolving decarbonisation journey.

The event is taking place at the University of Strathclyde's Technology and Innovation Centre, home to the UK's Maritime Safety Research Centre.

Discussion topics will include: the removal of carbon-heavy fuels from a traditionally 'hard to abate' sector; securing equitable decarbonisation frameworks to benefit developing countries; and the reduction of financial risk from shipping transformation so action can urgently be taken to curb emissions today.

An exclusive ministerial round table will be held during the event to discuss areas such as policy and frameworks,



University of Strathclyde's Technology and Innovation Centre will host an ICS event during COP26 (image: University of Strathclyde)

innovation infrastructure, and financing energy transformation.

Emanuele Grimaldi, ICS Vice Chair and President and Managing Director of Grimaldi Euromed SpA commented: "A holistic approach is essential for the decarbonisation of the shipping industry. Only with international, cross-sectoral collaboration can we deliver an equitable carbon transition for shipping."

Esben Poulsson, Chairman of ICS, said: "With COP starting shortly before MEPC, we see this gathering at COP as a major opportunity to garner the political leadership needed to advance the agenda on R&D and the creation of a global market-based mechanism to drive decarbonisation."

## Indian Ocean High Risk Area re-drawn

Continued inactivity of Somali pirates has prompted a reduction in the geographic boundaries of the 'High Risk Area' (HRA) for piracy in the Indian Ocean, which applied from 1 September.

[The changes](#) agreed by BIMCO, ICS, INTERCARGO, INTERTANKO, and OCIMF, will reduce the HRA to the Yemeni and Somali Territorial Seas and Exclusive Economic Zones in its eastern and southern reaches.

The organisations will also modify how to assess to assess interna-

tional maritime security threats. This is expected to be completed by 31 December.

The HRA was created at the peak of the Somali piracy threat in 2010.

Guy Platten, ICS Secretary General said: "At the height of the crisis the HRA was essential to raise awareness of the Somali pirate threat and the need for mitigation measures, but it has essentially served its purpose in protecting crews and vessels in the region."

## Nigerian Chamber now a full member

The Nigerian Chamber of Shipping [became a full member](#) of the International Chamber of Shipping (ICS) in August.

Guy Platten, Secretary General of ICS, welcomed the new member, adding: "This continues towards our goal to have a broad and truly global shipping community."

The Nigerian Chamber of Shipping, formed in 2002, has grown to represent not only its domestic

shipping industry but all stakeholders in Nigerian maritime, from shipowners to service operators in the oil and gas sector.

Andy Isichei, President of the Nigerian Chamber of Shipping, said: "We recognise the significant position Nigeria holds as a maritime country. Consequently, we consider our admission to full membership of ICS as a call to higher responsibility and commitment to the goals and ideals that ICS represents."

## Attacks underline a need for better threat information

Attacks on vessels have highlighted the potential risks faced by international shipping and the difficulties owners and managers have in obtaining information critical to making operational decisions that reduces their exposure.

Various organisations collect and assess different threats – such as the ICC-IMB, which monitors piracy and [reported in July](#) that piracy and armed robberies were at their lowest for 27 years. But it does not report military threats, such as the drone attack on the 50,000dwt tanker *Mercer Street* on 29 July off Oman, during which two crew were killed.

Less than a week later, the 9,750dwt tanker *Asphalt Princess* was briefly boarded off Oman in an incident described at the time by [United Kingdom Maritime Trade Operations](#) (UKMTO) as a ‘non-piracy’ incident. In April, three people were killed in a drone attack off Syria on the 45,900dwt tanker *Wisdom*, which suffered a further explosion in August in a Syrian port.

In a statement soon after the *Mercer Street* attack, ICS said: “it is vital that all countries respect the rights of seafarers, who keep the world supplied” and

strongly recommended that “all voyages are thoroughly threat and risk assessed, to minimise potential dangers and damages”.

ICS reminded the industry that the current edition of Best Management Practice, [BMP5](#) which includes the advice that “obtaining current threat information is critical for risk assessment and decision making” and John Stawpert, who covers maritime security at the ICS, told *ICS Leadership Insights* that work is underway to simplify obtaining that information.

He spoke of a “global threat assessment process that can be shared with industry to give them better awareness of threats worldwide and to allow them to take measures to mitigate against them”. This would mark a change from the ‘High Risk Area’ (HRA) model (see also page 6).

It is being developed by the same organisations behind BMP5 with a goal of defining security threats consistently wherever they may occur, Stawpert said. A first output of this process will be delivered in January 2022, he added.

Also involved in this project is BIMCO, whose Head of Maritime Safety & Secu-

**A screenshot showing UKMTO notices relating to the *Mercer Street* and *Asphalt Princess* incidents (image: UKMTO)**

rity Jakob Larsen said that he hopes the eventual outcome “would allow for an objective description of the threats, free of any political bias”.

At present, he said, “there no single intelligence source that can supply the necessary information in an appropriate and accurate way to the maritime industry’s risk assessment processes” and said this was due to a “lack of willingness to share information or sharing of inaccurate or

biased information”. He also stressed the value of data in assessing threats but said that transforming it into intelligence “is a delicate process. ... We have seen local attempts to downplay the threats”, he said.

In BIMCO’s view, he said, the proposed new process will “stay as factual as possible” so as to provide “an objective threat overview that can be relied on by the maritime industry”.

## ‘Code Red’ climate report takes nuanced stance on shipping’s emissions

Greenhouse gas emissions from fossil fuel burning and deforestation “are choking our planet and putting billions of people at immediate risk”, [said UN Secretary-General António Guterres](#) in response to [the latest report](#) by the Intergovernmental Panel on Climate Change (IPCC).

Its publication on 9 August served as “a Code Red for humanity”, Guterres said, warning that “the internationally agreed threshold of 1.5°C [temperature rise] is perilously close”.

The report, which runs to nearly 4,000 pages, is just one in a series of contributions towards IPCC’s Sixth Assessment Report. It has been written by IPCC’s Working Group I, which focuses on the physical science basis for climate change, and makes little reference to shipping’s contribution to GHG emissions.

Just one 300-word section is specifically devoted to shipping, noting that it “is

responsible for 10% or more of ... depositions of oxidised nitrogen and sulphur for many coastal countries”. However, the IPCC report predicts that the 2020-sulphur cap “will lead to improved air quality and reduction in premature mortality and morbidity”.

That section also refers to ‘sulphate cooling’ and states that “one year of global present-day shipping emissions ... are estimated to cause net cooling in the near term ... and slight warming ... on a 100-year horizon”.

*ICS Leadership Insights* suggested to IPCC that this gave a relatively rosy picture of shipping’s role in global warming and one of the report’s coordinating lead authors, Sophie Szopa – a researcher at France’s Laboratoire des Sciences du Climat de l’Environnement – said that, in the short term, “the cooling effect from sulphates dominates but ... this cooling effect lasts a few years and after this, only the warming effect from CO<sub>2</sub> will remain”. This is, Szopa

commented, “an example of climate/air quality trade-off”.

An IPCC spokesman added that a later report, due to be published in March 2022 – somewhat later than [originally intended](#) – will address shipping in more detail. That will be produced by IPCC’s Working Group III, which focuses on climate change mitigation.

Asked for her reaction to the IPCC report, Unni Einemo, Director and IMO representative of the International Bunker Industry Association (IBIA), referred to [a commentary](#) on its website that mentions a ‘SOx paradox’ in which sulphates from ships “contribute a cooling effect, both directly by reflecting energy back into space, and indirectly by interacting with clouds and making them brighter so they reflect more sunlight away from the Earth”.

- ICS is hosting a conference, ‘Shaping the Future of Shipping’, alongside COP26 on 6 November. For details, see page 6.

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# Workforce crunch is a wake-up call for industry

ICS/BIMCO study shows imbalance between officer and rating availability

There is very little slack in the global seafarer workforce to cope with shocks to the shipping industry such as the ongoing COVID-19 pandemic, which during the peak of the crew change crisis affected about 400,000 seafarers. Port delays and other supply chain impacts could also put strain on seafarer supply.

Guy Platten, Secretary General of the ICS, says there is very little “wiggle room” between seafarer supply and demand, based on data from the latest ICS/BIMCO [Seafarer Workforce Report](#), published on 28 July.

Its figures compare the total number of officers and ratings, which the study found number 1,892,720, with the total demand for 1,881,320, which indicates there are only 11,400 seafarers – just 0.6% – more than current demand (see also page 16).

This is despite the data showing that supply and demand for both officers and ratings have increased in every edition of the report, which was first published in 2005 and has been updated every five

years since, although this latest version was delayed from 2020 because of the pandemic. The figures also show that although supply has increased, demand has increased faster.

But there is an imbalance in the figures: there has consistently been a shortage of officers and a surplus of ratings, highlighting a dearth of technical skills that will be especially vital when heading into the challenges and opportunities that addressing climate change and greater digitalisation pose.

Factors behind the growth in demand for officers suggested in the report include an increase in officers needed on board vessels, with an average of 1.4 officers required per berth. In addition, some officer categories are in especially short supply, such as those with technical management experience. In the tanker and offshore sectors in particular, there is a reported shortage of management-level deck officers.

## Less turnover

The report found that turnover among STCW-certified officers has reduced



There is a small but growing number of women seafarers (image: ILO)



from 8.62% per year in the 2015 report to 6.2% in this latest study, with turnover in 2020 itself falling to 4.5%, although this low figure may be due to “the severe restrictions and consequent employment uncertainty resulting from the COVID-19 pandemic”, the report suggests. David Loosley, BIMCO Secretary General and CEO agrees and expects to see a gradual return to normal turnover rates.

This improvement in retention will have eased the tight supply/demand balance, but it has contributed to an increase in the average age of officers serving at management and operational levels, a trend reflected in an increased average age of ratings serving at support level.

Loosley is not concerned about the increase in average age, saying that better retention of higher-ranked seafarers is positive; “the older the seafarer, the more experience he or she has to offer”.

But he is worried that demand for seafarers is outgrowing supply so, as well as experienced seafarers, “we also need the younger generation as we become increasingly digitalised”.

Another positive trend is an improvement in diversity among the seagoing workforce. The study estimated that 24,059 women are serving at sea, an increased of 45.8% compared with the 2015 report. But as a proportion of the whole workforce, their numbers are still low, representing just 1.28% of the total.

Platten says this needs to be addressed. “We must do more to promote careers at sea to women across all ship sectors, working closely with educators to showcase the industry”, he said. Changes on board can also be made, he added, such as providing safety gear designed for women.

● The full report can be [purchased here](#).

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## Retrain, retain or recruit?

What can be done to attract and retain more recruits to the industry? *ICS Leadership Insights* asked Lars Lippuner, Director of Warsash Maritime School in the UK, to consider three options: retrain ratings to officer status; encourage officers to extend their seagoing careers, and recruit more young people to the profession.

Retraining is already popular and becoming more so, he said, especially – at Warsash – among Indian ratings. About half of his officer trainees are now ratings, with numbers limited by capacity. “I’ve just closed our October entry; we could have taken more”, he said.

Retaining existing officers “would address that shortfall very effectively”, but would not be attractive to some officers and may put off potential recruits. “For many people, the ‘going to sea’ part of their career is only transient”, Lippuner said. It would be better to stress that they “can have a very exciting career ... seeing the world and experiencing the trade ... and know that if they want to come ashore, this great career is waiting for them”.

Recruiting young people into the profession needs a new approach, he suggested, with an emphasis on ‘education’ rather than ‘training’ to attract those who want to learn transferable skills and degree-level qualifications.

In other sectors – such as the law or engineering, he said – “there’s a clear path on how they will have a successful professional career whereas in shipping it’s disjointed. They become an officer, go on a ship and what then?”

## Make the numbers count: Using data as part of company strategy

Focus on ‘pain points’ and ‘gain points’ to benefit from digitalisation

It may seem a basic analysis tool, but a simple review of the press coverage of maritime digitalisation shows how far things have moved on.

Jacob Grieg Eide, Chief Business Development Officer of Norwegian company ScanReach, whose technology moves data wirelessly within ships, told *ICS Leadership Insights* that even five years ago, a Google search would have found very few articles about maritime digitalisation. Now, “you’ll find thousands”.

Lasse Kristoffersen, CEO of ship operator Torvald Klaveness, had also been counting those articles. “Back in 2015, I think it was 10 or 20 articles”, he said last September in an [online interview](#) for its spin-off Klaveness Digital. “Last year, there were more than 20,000 articles.”

Managing Director of Klaveness Digital, Aleksander Stensby, recalled that Kristof-



**Stena Line’s Mecklenburg Vorpommern is one of the latest to benefit from its AI-driven fuel reduction software (Image: Stena Line/Christopher Kullenberg Rothvall)**

fersen had started exploring the benefits of digitalisation “as a little experiment in the corner of the office”. Stensby’s background is in computer science and software development, not shipping, and he found much of the industry’s decision making to be ‘gut-driven’ despite there being a lot of digital information available.

His brief was to identify ‘pain points’ that could be eased by applying technology

and, after much experimentation, Klaveness Digital’s CargoValue software-as-a-service (SaaS) was developed for cargo suppliers and receivers – not shipowners – to help them plan and manage their shipping schedules. This was an activity that had not been previously digitalised but which could benefit the whole supply chain, Stensby said. “We don’t need to reinvent the wheel.”

Eide also spoke of the need to tackle the pain points, but also stressed the flip side and came to a similar conclusion as Stensby: “you need to know what digitalisation can do on the gain side”, which involves setting priorities, he said. “A lot of shipowners only think about how to make a fleet more efficient, or how to reduce expenditures or fuel. Very few are looking at the logistics value chain. You have to start with what needs to be solved.”

David Levy, Chief Marketing Officer at Stena Bulk’s digital spin-off OrbitMI, made a similar point. Digitalisation is “merely a method to transform an organisation in service of some business goal”, he said. So any discussion around applying digitalisation “should be about the decisions, not the data.”

... companies need to identify areas of their business that need improving first, then determine what kinds of information they would need to make those improvements.”

As an example, Levy mentioned IMO and EU decarbonisation targets. Companies should select the types of data they need to keep track of their progress towards these goals, such as bunker consumption, carbon content of their fuels, speed and weather conditions. “The list is long, but not unmanageable”, he said.

Then identify the sources of that information and their quality, get the data and process it. “If you start with a clear, measurable business goal and use that as your Polestar, you will find the right types and amounts of data”, he said.

Stena Line, the group’s ferry operator, has done that to develop its Stena Fuel Pilot, which has been using artificial intelligence (AI) since 2018 to reduce fuel consumption on seven ferries so far, including two additions to the scheme [announced in July](#). Its Stena Fuel Pilot is said to deliver 2-5% fuel savings.

Erik Lewenhaupt, the operator’s Group Head of Sustainability, explained that the system collects data such as wind,

waves, route and timetable and, when activated by the nautical officer on bridge, sets the main engine propulsion requirements in near real time. It is primarily an operational tool, but it is collecting a lot of data that will be used in the future to add other features and to compare vessels.

### AI is no threat to crew

Despina Theodosiou, co-CEO of Tototheo Maritime, which offers sat-comms, navigation and digitalisation services, wanted to allay fears that using AI implied replacing crews with autonomous ships. “These tools were developed to help people, onboard and ashore, make timelier and more effective decisions” she said. Cargo owners and others are already benefiting from digital tools and “they expect their transport service providers do so too” she added.

DNV Maritime Digital Director Bjørn-Johan Vartdal also offered a long-term perspective, but raised this point for further consideration: “As more decisions are based on data, there is an increasing concern related to data quality and the algorithms processing the data, as quality issues here may affect the quality of decisions. This is therefore also an important area of focus as the digitalisation of shipping continues its rapid advance.”

## How much data is too much?

“It doesn’t help to have tonnes of information if you cannot analyse it in a reasonable way”, believes Tor Svanes, CEO of the e-navigation and ship performance specialist Navtor. “You have to [decide] what you really need ... and quality-control the data”.

Svanes offered an example of a potential source of data-overload: “Do you really need speed or fuel consumption every minute?” he wondered. “What will you use all this data for?” Navtor offers a NavBox data hub to convey data ashore, which collects readings every 15 minutes, with an option to switch to real-time collection if there is an incident.

David Levy, Chief Marketing Officer at OrbitMI, agrees. “You can wind up with too much data if your approach is: ‘let’s gather and acquire as much data as possible [and] figure out what to do with it later.’ I would not recommend that approach.”

ICS’ Senior Marine Advisor Gregor Stevens echoed his point. “Data in itself is not particularly useful unless you have a specific need for it”, he said. On the other hand, it may be possible to find new uses for existing data. For example, ICS and IT Energy run the seafarer work/rest hours recording system ‘ISF Watchkeeper’ and

have accumulated five years’ of daily data from more than 8,000 vessels. “This is a huge amount of data, but we are currently working on ideas for its use, such as benchmarking or [determining] fleet averages”, Stevens said.

Bjørn-Johan Vartdal, DNV’s Maritime Digital Director, also sees some merit in collecting data for possible future use. “It may sometimes be difficult to pre-determine which data are relevant to meet future needs”, he said, so a strategy of digitising information and managing the data this generates “is recommended, even if all data are not utilised or stored at the present time”.

But at METIS Cyberspace Technology, although its Chief Technical Officer Serafeim Katsikas agreed that having more data “means that you can analyse in more depth and get more insights on various aspects”, he warned of the difficulty of handling large amounts of data.

“In general, I don’t agree with the approach to get any available data and then consider what to do with them”, he said. Instead, “design a scalable solution that will gradually be able to address any new requirements as the digital transformation of your organisation evolves”.

## US: small national fleet; global maritime impact

Global issues and domestic recovery dictate current US maritime priorities

Kathy Metcalf, President and CEO of the Chamber of Shipping of America (CSA), describes the US as “a major maritime nation, but not a major shipping nation”. On first hearing, it seems a contradiction, but she was referring to the small size of the US-flagged fleet and [the most recent data](#) from the US Bureau of Transportation Statistics bears this out.

But there is no doubt about US influence in the global maritime sector and, when asked what her members view as their most important talking points, it was international matters that Metcalf highlighted, in particular decarbonisation-related topics, such as EEXI, CII and Super SEEMP along with ‘green’ ship design and new fuels.

Her members are also keen that shipping should be regulated globally and



Alaska Senator Lisa Murkowski and Michael McGarry of CLIA's North America secretariat welcomed *Serenade of the Seas* to Ketchikan in July, the first ship to call there in 21 months (image: CLIA)

Metcalf singled out the EU's plans to bring international shipping into its emissions trading scheme (ETS) as an example. She does not expect the US to copy the EU's approach. If it did, "who else is going to follow?" she wondered. "If we have ships taxed 24/7 regardless of location by four or five different jurisdictions, we're in trouble".

Of course, the US does have its own national regulations for some aspects of shipping, such as its ballast water management rules and the Jones Act, which controls domestic cargo and passenger movements. "It is unlikely the US will ever ratify the IMO Ballast Water Management Convention due to the legal structure under which discharges to the water are regulated" in the US, Metcalf said.

These include the Clean Water Act and the Vessel Incidental Discharge Act (VIDA), which will come into force once implementing regulations have been finalised by the Environmental Protection Agency (EPA) and the US Coast Guard (USCG). The EPA should have finalised its regulations in December 2020, but has not yet done so, and the USCG has two years after that to finalise its own. Only then will VIDA come into force.

"With the new Biden administration's more stringent stance on environmental issues, we suspect that the pending EPA

regulations are being reviewed ... with likely proposals for more stringent discharge standards", Metcalf suggested.

#### Jones Act and the PVSA

As for the Jones Act and the similar Passenger Vessel Services Act (PVSA), "CSA's position has always been to support the provisions of these statutes", Metcalf said. Waivers are introduced from time to time based on national security requirements, she said.

Offshore activities have long been an area where the Jones Act has been a discussion point and the International Marine Contractors Association (IMCA) led negotiations during the Trump administration to retain access for foreign-flag vessels.

In [an online summary](#) of the current situation, IMCA's Chief Executive Allen Leatt says that recent action by the Biden Administration shows that it "will clearly do what it can to expedite permitting for offshore wind projects." But he expects that there will be "continued efforts ... to persuade the Biden Administration and the new Congress to further restrict international offshore energy vessel activities."

Meanwhile, on the US West Coast, the PVSA has been in the spotlight. It limits the transportation of passengers between two US ports to US-flagged vessels, which makes Canada a vital



The Biden Administration is supportive of offshore wind projects (image: Coastal Resources Management Council)

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The Biden Administration “will clearly do what it can to expedite permitting for offshore wind projects”

Allen Leatt

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Alaska has been “drastically impacted by the lack of cruise tourism in 2021”

Michael McGarry

”

calling point for Alaska cruises operated by non-US cruise ships.

So after [Transport Canada announced](#) in February that cruise vessels are banned from all Canadian waters until 28 February 2022, the US government introduced the [Alaska Tourism Restoration Act](#) to waive the PVSA's requirement for a call in a foreign port. It became law on 24 May.

Michael McGarry, who heads the North American Secretariat of the Cruise Lines International Association (CLIA), welcomed the new legislation. “This was a monumental feat by Alaska's leaders”, he said. About 60% of all visitors from the mainland arrive via cruise ship so its communities have been “drastically impacted”, he said.

The first cruise ship to benefit from the new rules, Royal Caribbean's *Serenade of the Seas*, [arrived in Alaska](#) on 9 July.

Six days later, Canada's Transport Minister Omar Alghabra [brought forward the end of the ban](#) to 1 November. The cruise ship industry “represents more than Can\$4 billion (US\$3.2 billion) annual input into the Canadian economy”, he acknowledged; “we applaud the Government of Canada for its decision”, McGarry said.

It is a situation that underlines the paradox that Metcalf had noted. Alaska's cruise operators found themselves high on the agenda in both Washington DC and Washington State because they provide a vital part of the US maritime infrastructure yet none of the ships that provide the service is part of the US national shipping fleet.

## Biden's impact at home and abroad

Much has been said about President Biden's American Jobs Plan – including in [the June issue](#) of *ICS Leadership Insights* – that commits US\$1 trillion to infrastructure projects, some of which will be maritime related

But at the time of writing, the US Congress is still debating the legislation and Kathy Metcalf, President and CEO of the Chamber of Shipping of America (CSA), believes that if it had been a purely infrastructure-based bill, it would receive strong bi-partisan support. Instead, “the Democrat majority has added a number of provisions ... that are not conventional infrastructure projects”, she said.

She is more optimistic about foreign trade, predicting that “discussions with nations as regards to foreign affairs will be more open and transparent than in the previous administration”. But of trade policy itself she said there is “an announced policy to promote free trade but a potentially opposite policy to promote the manufacturer of goods, provisions of services in the US”.

A significant change in policy with President Biden's arrival is a recommitment to the Paris Agreement on climate change and a wish to see net-zero global carbon emissions by 2050. Metcalf says that this “will clearly change the past US position at IMO which had supported the interim GHG strategy”.

She expects this will result in “a much more engaged US delegation during future IMO discussions on climate change and the shipping industry”.



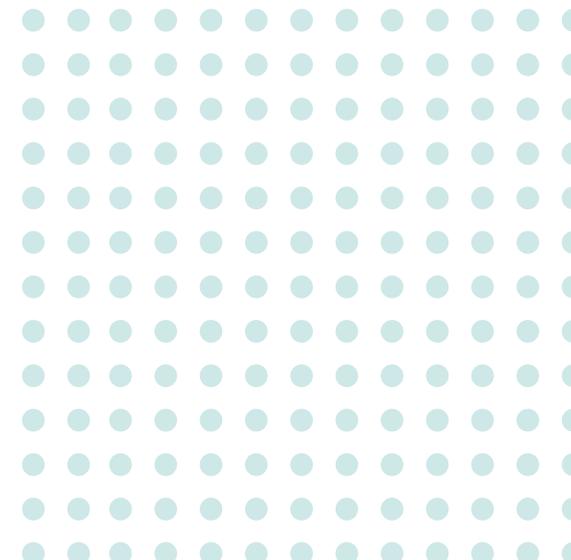
## Seafarer supply and demand, 2005–2021

	SEAFARERS	2005	2010	2015	2021
Supply	Officers – supply	466,000	624,000	774,000	857,540
	Ratings – supply	721,000	747,000	873,500	1,035,180
	<b>Total – supply</b>	<b>1,187,000</b>	<b>1,371,000</b>	<b>1,647,500</b>	<b>1,892,720</b>
Demand	Officers – demand	476,000	637,000	790,500	883,780
	Ratings – demand	586,000	747,000	754,500	997,540
	<b>Total – demand</b>	<b>1,062,000</b>	<b>1,384,000</b>	<b>1,545,000</b>	<b>1,881,320</b>
Balance	Officers (shortage)	-10,000	-13,000	-16,500	-26,240
	Ratings (surplus)	135,000	0	119,000	37,640

Demand for seafarers continues to grow according to the latest ICS/BIMCO [Seafarer Workforce Report](#). Its findings show the shortage of officers is extremely acute and the overall surplus of 11,400 of both ratings and officers is particularly narrow. (See also Analysis, page 9)

Source: Seafarer  
Workforce Report Country  
Questionnaire 2021,  
Manpower Reports  
2015 and 2010

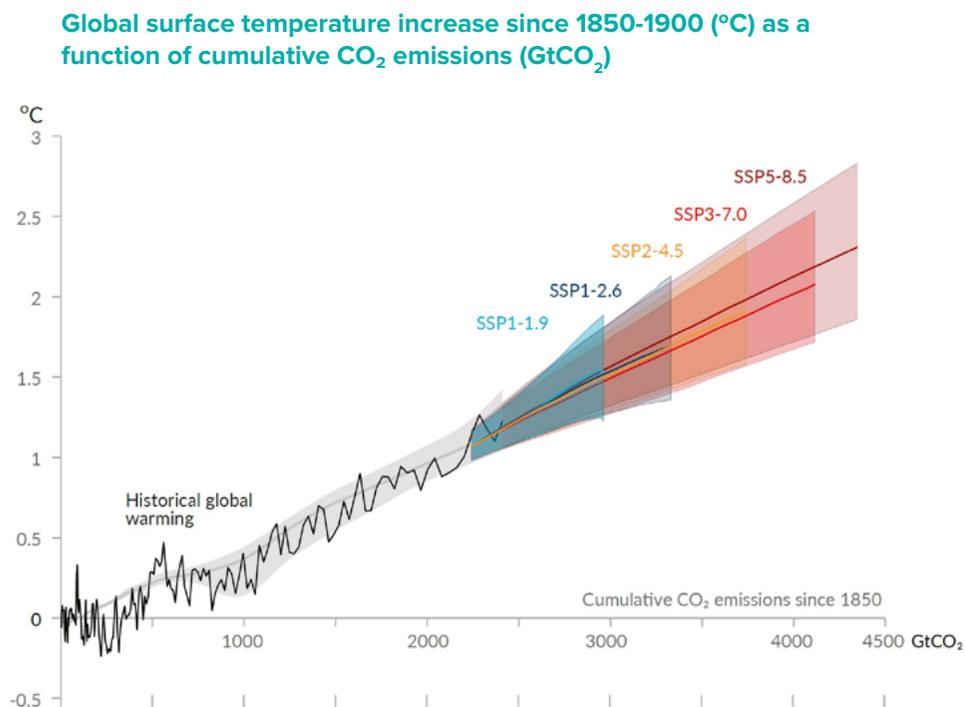
**Note:** The estimates for 2021 are not directly comparable to previous reports due to changes in approaches to data collection and definitions used in the scope of the report.





# Every tonne of CO<sub>2</sub> emissions adds to global warming

There is a near-linear relationship between cumulative CO<sub>2</sub> emissions and temperature increases, according to the [the latest report](#) from the Intergovernmental Panel on Climate Change (IPCC) (see also page 8). This graph shows historic data to 2020, followed by the ranges and median lines of five illustrative scenarios described in the report until 2050.



Source: IPCC

ICS is the principal international trade association for merchant shipowners and operators, representing all sectors and trades and over 80% of the world merchant fleet.

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