



International  
Chamber of Shipping

# LEADERSHIP INSIGHTS

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## Capt Karuppiah Subramaniam: Port Klang's practical mind

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DECISION MAKER: CAPT KARUPPIAH SUBRAMANIAM

## Collaboration needed, says Malaysia's practical port manager

IAPH President Capt Karuppiah Subramaniam wants to set priorities for policymakers, ports, shipping and the maritime supply chain

Capt Karuppiah Subramaniam, General Manager of Malaysia's Port Klang Authority (PKA) describes himself as a practical man. It is a valuable attribute when faced with developing the solutions he believes are needed for the members of the International Association of Ports & Harbors (IAPH).

He became its president for two years in June and told *ICS Leadership Insights* in November that practical solutions were needed in particular to address "a lot of gaps in infrastructure" that have been revealed over the past two years by the COVID pandemic, some of which were probed at the association's June virtual World Ports Conference in Antwerp.

They might be physical, digital, skills- or government-based gaps, but to tackle



them they must first be defined. To do that, IAPH is planning a series of eight regional workshops in cooperation with the World Bank.

[An announcement](#) in late November said that these workshops will aim to deliver “an accurate picture of the issues the port industry must address as well as a list of priorities for policymakers, port authorities, shipping and all players in the supply chain”. These insights “will set the agenda for IAPH2022”, a conference that will take place in Vancouver in May.

Attendance at these workshops will be by invitation and will include a wide cross-section of industry representatives who will be tasked with setting out “a blueprint for the industry”.

Perhaps the most significant current impact from COVID on ports is congestion and the effect this has had on global supply chains, sparked by increasing consumer demand throughout the pandemic.

“I don’t see a quick fix anytime soon”, Capt Subramaniam said, explaining that the congestion is caused, to a large extent, “by hinterland logistics disruption and long-dwelling transshipment containers which are not delivered as planned due to blank sailings and lack of freight space on ships”.

To resolve this, “there needs to be greater collaboration between ports, logistics players and shipping lines to find short term solutions to clear containers from ports”, he believes. In the long term, there should be port expansion, more liner capacity and more new containers.

#### Inter-sector communication

Collaboration is also needed more generally, he indicated. Over the past 50 years, trade has evolved from conventional breakbulk cargo shipping until today, when about 80% of trade is carried on container ships, which has had a big impact on port operations. Addressing this requires inter-sector communication, practical solutions and investment, he said.

But port investment is very complex, requiring approvals from local regulatory authorities, environmental bodies and the population around a port, so it “takes longer to plan and execute a port development plan than getting ships from a shipyard”. And ports “are here to stay ... so long-term planning is very important [and] we have to have greater working relationships between ports and shipping” to be able to deliver “service reliability, efficiency and quick turnaround”.

To continue providing that level of service, ports need “more collaboration [with] up-front information about what the



CMA CGM and other shipping lines joined IAPH at its 2021 virtual World Ports Conference (image: Port Klang)

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We need greater working relationships  
between ports and the shipping industry  
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shipping industry is doing and planning so we can prepare ourselves”.

It is no coincidence, then, that IAPH’s Antwerp conference in June featured speakers from major ship operators, including the CEOs of MSC, Hapag Lloyd, CMA CGM and CMB, and the Executive VP of Holland America Lines. “Previously, not much was done on collaboration and discussion with shipping lines”, Capt Subramaniam said.

He already has relevant experience in this area, with regular dialogue with the [Malaysian Shipping Association \(MASA\)](#), whose members represent all sectors of that country’s shipping activities. PKA is a government agency and MASA provides “the voice of the industry for the government to hear”, its chairman, Dato’ Ir Abdul Hak Md Amin, writes on its website.

MASA’s membership includes local representatives of a number of international operators “and we keep very close communication with them, not just in their local offices but also in their headquarters. ... This first-hand information helps us a lot”, Capt Subramaniam said.

But it is not only cargo-handling infrastructure that would benefit from better communication: environmental themes, such as just-in-time arrivals and future fuelling requirements are also key con-

## Count on digitalisation for the environment

Digitalisation can make a significant contribution towards meeting environmental ambitions, believes Capt Karuppiah Subramaniam, General Manager of Malaysia’s Port Klang Authority (PKA). “If we increase the efficiency of processes in the port, that will indirectly lead towards a lot of reduction in in the use of energy”, he said. In Port Klang, for example, there is an ongoing scheme to widen the scope of its ‘single window’ system, which established a standard means of communicating between the port and its users.

This mirrors initiatives taken by IAPH to accelerate digitalisation, specifically at the ship-shore interface. A joint [IAPH/World Bank study](#) published in December 2020, *Accelerating Digitalization*, links digitalisation to port efficiency throughout its text and, in one case study, notes that using data can allow stakeholders to “better allocate equipment and labour ... thereby reducing cost and energy use”.

At a practical level, Port Klang is implementing a number of energy-saving schemes. Renewable energy – particularly solar – plays a

Port Klang has set out a number of environmental initiatives (image: Port Klang)

key role in this, Capt Subramaniam said. Located near the equator, “we have a fair share of sunlight”, he said, so a programme is in hand to fit solar panels to many roofs in the port and any future warehousing must be fitted with panels.

In addition, much of its equipment has been replaced with electrical-driven alternatives and all its lights are now LEDs. Shore power is expected to be included in future developments at the port and a scheme to convert domestic waste into energy is also being explored.

[Addressing an event during COP26](#) organised by Maritime UK, he expressed support for the IMO-Norway [GreenVoyage2050](#) project, which he said explores how shipping and ports can work together to reduce GHG emissions. IAPH is an official partner for this project and experts from member ports will contribute to training and capacity-building workshops on onshore power supply at selected ports in Asia, Africa, Black Sea/Caspian Sea, Caribbean, Latin America and the Pacific.

siderations. IAPH has already studied the logistics of supplying LNG and, in 2018, issued an [LNG Bunker Operations Audit tool](#), which many ports worldwide have adopted, including Port Klang.

Other fuels, such as green methanol, ammonia and hydrogen “are a different kettle of fish altogether”, Capt Subramaniam said. Few ports are ready to handle them, yet shipping lines are already ordering ships that will need access to them. “We are playing catch-up here”, he said, but IAPH’s Climate and Energy Committee has this on its agenda so “we hope to have some lively discussions on this and probably come up with new standards”, he said.

This will become relevant for a number of ports within three years: AP Møller-Maersk’s plan for eight (plus four options) methanol-fuelled 16,000TEU vessels, which was [announced in August](#), will see the first vessel enter service in Q1 2024.

### Funding global infrastructure

How this infrastructure could be financed was addressed in an [IAPH submission](#) to IMO’s Marine Environment Protection Committee meeting (MEPC 77) that started on 22 November – a few days after ICS spoke to Capt Subramaniam.

Among other things, it notes “the divide between developed and developing

countries in terms of port infrastructure projects and initiatives targeting the decarbonisation of shipping” and advocates that a market-based mechanism (MBM) be created to raise funds, of which “a significant share ... should be allocated to ... developing countries”.

It is not just fuel supplies that would be covered: shore power and other emissions-reducing technologies are addressed in the submission and “the cost of such facilities is going to be huge”, Capt Subramaniam predicted. Funds would have to be raised through “a fair and equitable kind of mechanism that everyone feels comfortable with”.

He said that Port Klang would “try not to” draw on those funds for its own investment and reported that Malaysia is currently providing assistance to some developing countries via IMO.

This has echoes of the ‘[just transition](#)’ concept set out in the 2015 Paris Agreement, and Capt Subramaniam agreed that, without such a transition strategy, “there will be a group of people who will be left behind”. It will require practical collaboration with many sectors of the economy – not just shipping – including retraining for those in carbon-related industries that are impacted by the decarbonisation agenda, but “it’s still very early days”, he said.

## COVID: local difficulties but a global response

Capt Karupppiah Subramaniam, General Manager of Malaysia’s Port Klang Authority (PKA), has experienced two responses to the COVID pandemic: locally in Malaysia and globally, through his role as IAPH President.

Since June, Port Klang has played a key role in a [vaccination scheme](#) led by Malaysia’s Ministry of Transport that addresses maritime, aviation and land transport services. PKA’s role was to supervise vaccinations for port workers while the Marine Department of Malaysia managed seafarer vaccinations.

These were administered on board ships because Malaysia does not allow shore leave, apart from medical emergencies and for crew changes – a situation that Capt Subramaniam is trying to change. “I’m an ex-mariner so I know how difficult it is to come into a port and not be able to step ashore”, he said.

For crew changes, both departing and arriving seafarers must abide by the same quarantine requirements as any other travellers, which was originally two weeks. This has been reduced to one week, thanks to the national vaccination programme reaching 80%

of the population, and Capt Subramaniam expects these requirements will be eased further in the near future – perhaps in January.

At an international level, IAPH set up its IAPH-WPSP (World Port Sustainability Programme) COVID-19 Response Taskforce and developed a [guideline](#) to respond to the crisis. The taskforce

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also collected regular ‘barometer’ reports from ports, culminating in a [final report](#) in May 2021. Details of a successor to the barometer are due to be published by the end of the year.

“We are certainly not hoping for another pandemic”, Capt Subramaniam assured *ICS Leadership Insights*, “but at least the lessons learned can be [applied] domestically, regionally and on a global basis”.

## Governments react to Omicron variant with new travel restrictions

An increasing number of countries are introducing temporary travel restrictions following the World Health Organization designating the new COVID-19 variant Omicron “a variant of concern” on 26 November.

As of 28 November, 56 countries have imposed travel measures in relation to the Omicron variant, according to the Event Information Site for National International Health Regulation (IHR) Focal Points. This includes both restrictions towards South Africa, where the variant was first reported, but also towards other countries, including 6-8 countries in Southern Africa.

Of the 56 countries, the majority have updated their measures to include denial of entry or suspension of flights from or to countries in the Southern African region or where the variant has been detected, while other countries have prioritized enhanced surveillance, testing upon arrival and quarantine.

WHO is updating its travel advice and information can be found on its [site](#).



Health workers in PPE in Mumbai. (image: Shutterstock/Manoej Paateel)

ICS members will continue to be sent fortnightly updates. Currently, the overall global risk is considered ‘very high’. However, as the knowledge and understanding of Omicron is rapidly evolving, ICS will also issue members with guidance and updates as developments occur.

Current health advice states that the variant, also known as B.1.1.529, can be detected by current PCR tests. It is expected, but not certain, that Rapid Antigen Tests should still be able to detect COVID-19 infections caused by the Omicron strain. Normal measures to prevent COVID-19 are said to be effective against

the spread of Omicron, including wearing masks, social distancing, hygiene, good ventilation, screening and testing and quarantines.

ICS, along with major transport organisations and unions IATA (the International Air Transport Association), IRU (the International Road Transport Union) and ITF (the International Transport Workers’ Federation) were planning a meeting with WHO on 6 December to discuss the impact of omicron on international transport sectors.

They will renew urgent calls on governments to restore the freedom of movement for transport workers who cross international borders. The heads of the organisations will also reiterate the [clear steps](#) governments must take to prevent a return to the overly-restrictive travel bans seen throughout the pandemic. These joint steps were first issued in an [open letter](#) to governments in September during the UN General Assembly.

ICS Covid Guidance documents available for [download here](#)

## ICS urges WTO to prioritise maritime transport in trade negotiations

World Trade Organization (WTO) Director General Dr Ngozi Okonjo-Iweala has responded to calls from ICS to prioritise maritime transport in multilateral trade negotiations. [The calls were made](#) ahead of high-level WTO meetings during November 2021.

ICS told Dr Okonjo-Iweala that formal discussions on the liberalisation of maritime transport services at the WTO have long been halted and national governments’ commitments towards liberalisation of maritime services in previous negotiations lack legal certainty.

Responding to ICS’ comments, Dr Okonjo-Iweala, said: “there is increasing interest in the maritime transport sector, including the underlying issues leading to supply chain bottlenecks. We already met with some of the major shipping companies and next year we plan to hold a comprehensive dialogue with the entire sector, to gain a better understanding of these issues, what their difficulties were and what can be done to address it. This could lead to the WTO exploring other issues impacting the sector.”

## Tangible actions for shipping from COP26

While the main negotiations at COP26 may not have delivered against its original ambitions, shipping made some important steps forward. At meetings held on the margins of shipping's flagship [Shaping the Future of Shipping](#) conference on 6 November (see page 8), partnerships were announced on two key areas: people and technology.

ICS will form part of a [Just Transition Maritime Task Force](#), which will push forward shipping's climate goals while protecting its workers and their communities, ensuring opportunity for all. It will focus on the development of new green skills and green and decent work, identifying best practice across the value chain and providing policy recommendations for an equitable transition – with a specific focus on developing economies.

The task force founding members include the ICS, representing shipowners, the International Transport Workers' Federation (ITF), representing seafarers and port workers, and the United Nations Global Compact, the world's largest corporate sustainability initiative.

Other influential UN organisations including the International Labour Organization (ILO) and the International Maritime



Left to right – IMO Secretary-General, Kitack Lim, ICS Secretary General, Guy Platten and Javier Manzanares, Deputy Executive Director of the Green Climate Fund, meeting in the margins of the Shaping the Future of Shipping conference in Glasgow at COP26 (image: ICS)

Organization (IMO) will join the task force as formal partners.

Meanwhile, the Deputy Executive Director of the [Green Climate Fund](#), the Secretary General of the International Maritime Organization, and the Secretary General of the International Chamber of Shipping met to [discuss funding options](#) for the proposed US\$5 billion 'IMO Maritime Research Fund' (IMRF).

The potential availability of up to [US\\$1.5 million](#) from the GCF Project Preparation Facility (PPF) could fast track the creation of the IMRF; the US\$5 billion fund would accelerate research and development into zero emission technologies to be used by shipping.

Javier Manzanares, Deputy Executive Director of the Green Climate Fund, said:

"GCF is proud to have joined the global methane pledge, which has strong synergies with this initiative, and welcomes moves to foster innovation that will drive the climate transformation of the maritime industry."

However, progress on the fund has [been delayed](#) following the latest MEPC 77. ICS expressed disappointment that "insufficient time was dedicated to allow IMO Member States to take a decision on the US\$5 billion fund at this session". However, Guy Platten, ICS Secretary General, said: "We will continue to work with governments to ensure that concerns are address so that this fund can be implemented as soon as possible." The fund will be discussed at next year's MEPC.

[Register here](#) to watch the recording of the full Shaping the Future conference

## ESG guidelines updated

The Norwegian Shipowners Association (NSA) has released an updated version of its 2020 [Environmental, Social and Governance \(ESG\) guidelines](#).

The guidelines will help companies report on sustainability in compliance with requirements and expectations from various stakeholders.

Harald Solberg, NSA CEO, said: "Shipping companies are increasingly required to comply with multiple and changing ESG related standards and regulations. As a result, we have updated our ESG reporting guidelines to assist our members in applying relevant principles when communicating ESG practices and performance."

The NSA guidelines are based on leading ESG frameworks.

## Shipping's COP conference supports more ambitious 2050 target

Speakers at the ICS [Shaping the Future of Shipping conference during COP26](#) unanimously supported proposals to upgrade IMO's GHG strategy target to aim at net zero GHG emissions by 2050 during a session looking at policy, technology and frameworks for shipping's future.

Session chair Lord Adair Turner, Chair of the UK's Energy Transition Commission, said that the cost premium "doesn't matter". Even if freight rates have to be 25% higher, "the impact on consumer prices ... is going to be so small that we won't even notice it", he predicted.

Nick Brown, CEO of Lloyd's Register, said that the mood in the industry has changed in the past five years and that "the voice of the industry is now quite clear that some form of market based measure is needed as quickly as possible".

Also commenting on the change in mood was Bud Darr, EVP for Maritime Policy and Government Affairs

at the MSC Group. "We have a unified position around wanting carbon pricing and a market-based measure, preferably at a global level", he said, and "governments need to catch up [and] be with us shoulder-to-shoulder".

Business also has a significant role to play, said Andrew Light, Assistant Secretary for International Affairs at the US Department of Energy. To make net-zero a reality, there must be some economic benefits, he said. "Fundamentally, climate action is job creation. ... That is the only framing that is going to make net-zero a reality".

IMO Secretary-General Kitack Lim attended the conference and a number of speakers addressed him directly

during their presentations. In a closing address to delegates he acknowledged this, saying: "I've felt, on behalf of IMO, pressure to do more". He added: "We must upgrade our ambition, keeping up with the latest developments in the global community."

Speaking to *ICS Leadership Insights* after the event, ICS Secretary-General Guy Platten said there had been "almost uniform consensus about what needs to happen next [and] I definitely felt that there's a willingness to get these things done now", he said.

However, results from the latest MEPC 77 have done little to move forward shipping's ambitions. Read more on page 11.

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Andrew Light (left)

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## ‘Political unclarity’ threatens shipping’s green fuel progress, say shipping leaders

As shipping moves towards adopting new fuels there should be more rules, argued Svein Steimler, President and CEO of NYK Group Europe.

He told the politicians present at the conference: “You need to get your act together and tell us what to do” and stressed that rules should apply internationally: “we’re working across the globe; we cannot work on the basis that some rules apply here and some rules applying there”.



Svein Steimler (NYK Group Europe): “Come out with rules and we will comply” (image: ICS)

Rolf Habben Jansen, CEO of Hapag Lloyd, told a similar story. What threatens progress is “unclarity in the political field”. For example, “we don’t know whether everybody accepts ‘carbon-neutral’ fuels or ‘carbon free’ fuels”.

He called for a stable international regulatory framework rather than regional rules, but “I am a pragmatist”, he said. “That will be the case [and] we need

to stop chasing all these illusions”. His pragmatism extends also to fuels. Carbon-neutral fuels are not available at scale, so LNG cannot be ignored, he said.

Another advocate of LNG is DNV’s CEO, Knut Ørbeck-Nilssen. “We should stop talking about what we want to do in 2050 and talk about what we need to do now”. In his view, LNG and LPG give savings of 15-25% on CO<sub>2</sub> emissions, he said, and “if you were able to save 20% on your cost, you wouldn’t dismiss it”.

## Fuel choices and infrastructure investments must be coordinated

If the goal is for shipping to operate with zero-carbon fuels, “we cannot invest in infrastructure [based] on LNG”, said Lasse Kristoffersen, CEO of Torvald Klaveness and Vice Chair of ICS.

Speaking in a personal capacity during a session looking at future infrastructure requirements, he pointed out that an LNG vessel today may still be

operating in 2050 “and then we’re supposed to be at zero”. Hydrogen is not an alternative either, in his view. Instead, “we have to make ammonia work”, based on renewable energy.

Chris Wiernicki, Chairman, President and CEO of ABS, was not so sure. “I would argue ammonia is about 10 years away from where LNG is [today]”, he said,

and “hydrogen is probably 10 years behind ammonia”.

For container operator ONE group, CEO Jeremy Nixon said that making LNG more renewable will need an enormous amount of green energy, particularly green hydrogen. That will need international support, from governments, the IMO and UN, “to make sure we get that right amount of fuel”.

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We’re going to need an enormous amount of green energy

Jeremy Nixon

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Whatever fuel emerges, ports will play a vital roles, Wiernicki said. Yet ports “fall below the radar relative to ships [in terms of] regulations”. Take hydrogen, for example. In addition to addressing its storage and handling requirement, ships that use it are likely to be bigger than current equivalents which will have an impact on port facilities, he said.

## Financing for an uncertain future demands planning for technology upgrades

“How do you make any investment choices with so much uncertainty?” wondered Daniel Klier, President of Arabesque Group, a financial technology company, who chaired the financial session of the Shaping the Future of Shipping conference.

For existing ships, there are some straightforward parameters, suggested Euronav CEO Hugo De Stoop, especially when retrofitting technology that will reduce consumption. It is more complex for newbuildings. “Investors



Daniel Klier  
(Arabesque Group):  
Shipping is a very organised industry  
(image: ICS)

are going to look at the longevity of the assets” so vessels ordered now must be capable of retrofitting in the future with technology that will use zero-emission fuels, he said.

Lord John Browne of Madingley, Chairman of the environmental investment group BeyondNetZero presented an assessment of financing priorities based on his experience in the energy sector. As well as looking for “technology that works and can be ... lively and efficient for the future”, investors also want to

know about the competence and commitment behind an investment.

Bringing an Asian perspective to the discussion, William Fairclough, Managing Director, Wah Kwong Maritime Transport Holdings, mentioned the inaugural [Greater Bay Maritime Forum](#), which took place in Hong Kong on 1 November and which explored how the banking and maritime communities are going to work together in the region. Based on what he heard there, “one thing is very clear: financing is not going to be an issue,” he said.

## Seafarers’ wellbeing matters in shipping’s ‘just transition’

In the transition to a zero-carbon future, the discussion should not only be about fuels, but also about its impact on people, said Sturla Henriksen, Special Adviser, Ocean, to the UN Global Compact. He was chairing the final conference panel, which looked at “a just transition for shipping’s future” and focused on seafarers’ experience.

Stephen Cotton, General Secretary of the International Transport Workers Federation (ITF) said that a ‘just transition’ meant that “people are safe in their jobs, secure in their employment and appreciated”. And when the industry talks about ESG – environment, social and governance – matters, “everybody wants to talk about the E, but what about the ‘social’ [aspect]?”, he said.

Echoing some of Cotton’s sentiments, ICS Secretary General Guy Platten paid tribute to the cooperation between ICS, ITF, IMO, ILO and the UN Global Compact. “If we don’t take that learning and move it into this just transition, then then I think we shouldn’t be here”, he said.

Also taking part in the session was Katrin Harvey, COO of the Ban

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Make sure that nobody is left behind

Katrin Harvey

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Ki-moon Centre for Global Citizens. She said that a just transition should create opportunities for

more diversity in the industry, involving more women, young and indigenous people, “and make sure that nobody is left behind”.

Platten concurred, saying that about 2% of seafarers are women so “we’re missing out on 50% of the world’s talent”. That must be addressed, he said, otherwise “we are going to kick ourselves as we move forward”.

# Muted COP26 spawns shipping declarations

At the end of COP26, the event's President, Alok Sharma, presented [a cautious assessment](#) of its achievements. "We have kept 1.5 [°C temperature rise] alive. ... But I would still say that the pulse of 1.5 is weak", he wrote in a closing statement on 13 November.

And although he described the gathering's [final agreement](#) as "historic", it was reached only after hours of haggling that saw a commitment in the draft version to "to accelerate the phasing out of coal and subsidies for fossil fuels" watered down to become a commitment aimed at "accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies".

Despite being a significant emitter of GHGs, shipping – and transport as a whole – is not mentioned in the final document, although a [summary of the conference's outcomes](#) published by its host government, the UK, mentions the [Clydebank Declaration](#) to develop the world's first green shipping corridors. "This groundbreaking collaboration will play a central role in the decarbonisation of shipping", the summary notes.

In addition, two other significant shipping initiatives emerged from COP26: a [Declaration on zero emission shipping by 2050](#), which commits its signatories "to strengthen global efforts to achieve zero emissions from international shipping by 2050", and the [Operation Zero](#) declaration that sets its North Sea offshore wind signatories on a path "with a view to making zero-emission operations and maintenance vessels a reality in the region by 2025".

"This is the first time that shipping has had such a high profile at a COP", said ICS Secretary General Guy Platten after the event, noting that the industry's attendance was not only by its representative bodies, but also by CEOs and other senior executives.

It provided an opportunity for ICS to make the case to international delegations for some industry initiatives, he said, and to hear their priorities – particularly from developing nations. "We need to make sure ... that we are not hard-baking in solutions for the developed nations", he said.

Shipping's profile during the event was supported by an International Maritime



Scotland's First Minister Nicola Sturgeon opened the International Maritime Hub ahead of COP26 (image: David McDonald)



Hub, organised by Maritime UK and hosted by the City of Glasgow College, which was the venue for a number of maritime-themed events, including the ICS conference, Shaping the Future of Shipping (see page 8).

Many at that conference and across shipping had hoped that two issues that were widely debated before and during COP26 would have been reflected in decisions taken at IMO's Marine Environment Protection Committee, which started 10 days after COP26 ended. One initiative was to strengthen the ambitions of IMO's GHG reduction strategy by amending its 2050 goal to net-zero emissions, and the other was a proposal by ICS and others to establish a US\$5 billion IMO Maritime Research Fund (IMRF) funded by a levy on bunker fuel to support R&D into technologies to achieve zero-carbon shipping.

Neither was agreed. A spokeswoman for the IMO's secretariat explained that there had been a proposal to adopt a resolution on the specific zero-emission target, while others wanted to wait to review zero emission targets until the whole IMO GHG strategy could be revised. That is now the plan, with a target date for adoption of 2023, which is the date the strategy was originally due to be amended.

[Platten said in a statement](#) that the outcome was “almost as if COP 26 never happened” and that MEPC had “missed the opportunity to take forward a range of GHG reduction measures which would accelerate the development of zero emissions ships that are urgently needed at scale to decarbonise our sector”. He was also disappointed that insufficient time was dedicated to allow IMO member states to take a decision on the US\$5 billion R&D fund at this session.

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The adoption of both these measures will be the only way to deliver on net zero emissions from shipping by 2050 while ensuring an equitable transition

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But he committed to continue to work with governments to agree to measures that the industry has proposed, including the R&D fund and a levy-based carbon price for shipping. “The adoption of both these measures will be the only way to deliver on net zero emissions from shipping by 2050 while ensuring an equitable transition that leaves no one behind”, he said.

## Clydebank conceives corridors to decarbonisation

In a bid to meet the various commitments of the [Paris Agreement](#) and the [IMO's Initial GHG Strategy](#) 22 states signed the [Clydebank Declaration](#) at the start of COP26.

It commits governments to collaborate with port operators and others to develop ‘green shipping corridors’ between two or more ports. The goal is “to accelerate the decarbonisation of the shipping sector and its fuel supply” for vessels that operate along these routes.

No routes are yet identified in the declaration, but its signatories hope there will be at least six by the middle of this decade. Once a route has been established, participation in the scheme is voluntary, the declaration stresses. “All vessels transiting a green corridor would not be required to be zero emissions”, it states.

Capt Karupiah Subramaniam, General Manager of Malaysia's Port Klang Authority and President of the International Association of Ports & Harbors, welcomed the initiative, especially if it is applied to long routes such as Asia-Europe, trans-Pacific and trans-Atlantic.

One of their benefits, he told *ICS Leadership Insights*, is that they will encourage coastal states to concentrate on solving emission problems in their local waters.

## N Sea offshore wind sector sets 2025 target

In a declaration launched during COP26 operators in the North Sea offshore wind sector signed up to [Operation Zero](#), with a view to making zero-emission operations and maintenance vessels a reality in the region by 2025.

Its 28 founding members include major companies from across the offshore wind supply chain from five European countries that have the largest amount of installed offshore wind capacity – the UK, Germany, the Netherlands, Belgium and Denmark – plus Sweden.

The declaration notes that the North Sea Basin has just under three quarters of the world's installed offshore wind capacity and that the sector relies on vessels that emit GHGs, which contribute to its carbon footprint. "Operation Zero aims to demonstrate shipping's leadership in climate action in the offshore wind sector", it states.

One of the major industry operators behind the scheme is Bibby Marine and its CEO Nigel Quinn told *ICS*



*Leadership Insights* that it commits companies to, among other things, share best practice in the decarbonisation of operations and maintenance vessels in the offshore wind sector and maintain an open dialogue

Bibby's Zero-C project is in line with Operation Zero's ambitions (image: Damen)

between industry and government to facilitate this transition.

"In my experience of COP26 I've concluded that there is a lot of desire within the marine industry to engage in reducing emissions", Quinn said.

Asked whether any projects are currently working towards the 2025 goal defined in the declaration, he said that [Bibby's Zero-C project](#), which is being developed in conjunction with ORE Catapult, is currently reviewing biofuel, hydrogen, ammonia, methanol and battery concepts against a traditional marine diesel design.

The project is supported by the funding organisation MaRI-UK and in September Bibby won a grant from the UK Government Department for Transport for a feasibility study into decarbonising an SOV retrofit and newbuild, [in collaboration with Expleo and Houlder](#).

It is also working with University of Lancaster and LiNa Energy to develop new lithium and cobalt-free solid-state sodium battery technology for marine applications.

# Hub hopes for The Philippines

MARINA's 10-year plan positions the archipelago at the heart of global shipping



Three years ago, the Philippines' Maritime Industry Authority (MARINA) set out an ambitious 10-year, eight-point [Maritime Industry Development Plan](#) (MIDP) that would, among other things, improve ship safety and strengthen its ship registry. But its ambition extends far beyond those goals: they form part of an initiative to develop the Philippines to become a global shipping hub, offering transshipment and bunkering services; upgraded shipyard facilities, an industrial marine park and a "world-class maritime education and training institution", alongside promoting its ship register as part of a community that will include ship finance, shipowning, chartering and other such business ventures.

Even though the MIDP has not yet been formally approved by President Rodrigo Duterte, several elements of it are already bearing fruit. For example, one key part of the plan – to improve safety standards for domestic ships – has already had an

effect with the publication earlier this year of new rules (see page 16). Another aspect of the plan saw the publication, on 31 October, of [an incentive scheme](#) for domestic owners and operators to invest in IACS-classed tonnage.

Three weeks earlier, an MoU was signed between MARINA and the country's Technical Education and Skills Development Authority, to develop training programmes for the shipyard sector, which aligned with two of the MIDP's goals, [a MARINA statement](#) noted.

## New institute

And in February, MARINA opened its own training institute – MarTI – which is intended to provide national and global maritime leadership training. Its initial activities were limited by COVID-19 restrictions, but MARINA Administrator VAdm Robert Empedrad (ret) [said during the opening formalities](#) that it had been put into service immediately because the maritime sector "is a very progressive and fast-paced industry and if MARINA

**MARINA's 10-year MIDP will boost The Philippines-flagged fleet (image: PTC)**

and its stakeholders will not act accordingly, the Philippine Maritime Industry will be left behind”.

Gerardo Borromeo, CEO of the shipmanagement and crew management company Philippine Transmarine Carriers (PTC) and a private sector alternate Trustee for Overseas Shipping for MARINA, welcomes the MIDB. Its implementation has been delayed by the pandemic, he told *ICS Leadership Insights*, but that does not affect its goal of making the Philippines a more conducive place for investment, for example by introducing a tonnage tax regime similar to those available in many other jurisdictions.

Its goal, he summed up, is to boost the maritime sector’s contribution to the national economy. Hitherto, it has typically contributed about 6% of GDP, “but studies have shown that, by working together in an integrated approach, we could make the industry’s annual contribution to GDP between 12% and 15%”.

That is where MARINA is heading and, with the next national elections due in May 2022, having a 10-year plan bridges across administrations. “The next administration should make this a primary focus of its agenda”, Mr Borromeo said.

## New broom cleans up ahead of EMSA report

When VAdm Robert Empedrad (ret) was installed as Administrator of The Philippines Maritime Industry Authority (MARINA) in March 2020, he took office just days after [an audit](#) by the European Maritime Safety Agency (EMSA) into whether its training facilities were compliant with STCW requirements.

EMSA’s report has not yet been published, but Empedrad is not expecting positive feedback. [Interviewed on 24 November](#) as part of a ‘Philippines Focus’ session during the virtual CrewConnect Global conference organised by Informa, he told Gerardo Borromeo, CEO of the shipmanagement and crew management company Philippine Transmarine Carriers, that the European Commission “will issue a negative report”.

After that, The Philippines will have two months to submit a corrective action plan before a final decision is taken and he is confident that actions he has taken at MARINA in the 19 months since those inspections will be sufficient to effectively address and resolve EMSA’s findings.

EMSA has been making periodic inspections of Philippines training facilities for several years but the reply to this latest report will be different, Empedrad said. In the past, MARINA’s response to them has not involved the key industry stakeholders, but he has already held two workshops to develop a comprehensive action plan backed by the whole industry and he is confident this will counter whatever findings EMSA’s report will contain.

Speaking earlier to *ICS Leadership Insights*, Borromeo paid tribute to Empedrad, saying that because of his former naval role, “he comes from a very disciplined background”.



**MARINA Administrator Robert Empedrad is planning to reorganise seafarer training (image: PTC)**

He is applying some of that naval experience to a planned overhaul of the nation’s maritime training system. Onboard and academic training will be separated, so that any individual taking a maritime degree will focus purely on academic work, which will include simulator-based training and special laboratory practical experience. Students will then graduate and only then pursue their focused onboard training which MARINA will closely monitor.

He plans to introduce this in stages, starting in 2022 with the next cohort of students, reaching their fourth year of study in 2025.

## “ Filipino seafarers still want to go to sea

It is possible that the parliament that emerges from those elections will include a member representing the shipping industry. Under The Philippines constitution, up to 20% of the seats in Congress can be allocated to ‘sectoral’ members and from 2013 until 2019, ANGKLA (Anchor), the Maritime Party of the Philippines, secured enough votes to have a seat in the House of Representative and Borromeo hopes that elections due in May 2022 will return this party to parliament.

The Maritime Party “was a good voice for the industry” he said, enacting a legislative agenda that included strengthening MARINA as the central maritime authority, increasing its annual budget for operations, and even leading to the creation of pilot admiralty courts in the Philippines for the first time and moving the nation closer to its ambition of being a full-service maritime centre.

## No shortage of Filipino seafarers despite COVID concerns

Despite the difficulties that seafarers have faced during the pandemic, there is no shortage of trainees. “The allure of a career at sea is because, financially, it’s a very rewarding career”, Gerardo Borromeo, CEO of the ship-management and crew management company Philippine Transmarine Carriers (PTC) said.

But quantity does not guarantee quality: as a crew manager, “we need to find the right competent individual who’s got the mindset, the willingness to develop ... and the flexibility to work within a multicultural

environment”, he explained, “so there is a challenge”.

At the start of the COVID-19 pandemic, some seafarers might have been prompted to stay at home with their families, but now, with vaccinations available, “Filipino seafarers still want to go to sea”, Borromeo said.

Vaccines are being supplied both by the government and the private sector, with companies such as PTC purchasing a stock to be able to vaccinate seafarers before they leave to join their ships, while returning crew have to quarantine before continuing to their homes.

Another significant effect of the pandemic has been its impact on training. Some could be conducted online, but recertification often requires hands-on training. “We need to make sure that when we redeploy our crew, they are still properly certified and trained”, which might delay a seafarer’s return to sea.

That in turn can delay another seafarer’s return home which, initially, provides an opportunity to earn more pay but there comes a point when they want to get home. “We’ve got to try to constantly find that balance” he said.

## Improvements seen in maritime safety

Ferry travel in the Philippines does not have a good reputation. Nonetheless, ferry safety is improving (see Facts & Figures, page 17), first noted in [a study](#) by the industry body Interferry, funded by the Lloyd’s Register Foundation and based on two visits, in March and May 2019.

Interferry’s Director for Regulatory Affairs, Johan Roos, told *ICS Leadership Insights* that its report can provide guidance to other regions.

This year, the Maritime Industry Authority (MARINA) published new Philippine Ship Safety Rules and Regulations (PSSRR), covering Philippines-registered ships (not just ferries). They are in two parts: one addresses ships of [less than 500gt](#) while the other is aimed at ships [over 500gt](#).

In a foreword to the regulations, MARINA Administrator VADM Robert A Empedrad (ret) wrote that these new

rules were developed as part of its 10-year Maritime Industry Development Plan (MIDP), mentioned elsewhere in this report.

They were prioritised within the MIDP’s agenda, he said, and assured his readers that “this administration will continue to uphold its commitment to ... a culture of safer people, safer ships and a cleaner marine environment”.

## Philippine ferry safety's improving trend continues

Ferry safety in The Philippines is continuing to improve, according to data from the Baird Maritime Passenger Vessel Accident Database.

It has been reviewed for *ICS Leadership Insights* by Johan Roos, Director for Regulatory Affairs at the industry association Interferry, which had visited the country twice in 2019 to explore its then-reported improvements (see page 16). This latest data confirms that “the overall trend is solid”, Roos said at the end of November.

The 2008 peak reflects the 862 fatalities in the capsizing and sinking of the ropax ferry *Princess of the Stars* during a typhoon in June that year. According to Interferry's [2019 study, that was](#) “an epiphany for the Philippines and its ferry industry”.

Source: Baird Maritime Passenger Vessel Accident Database

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