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Image and front cover: IMO



DECISION MAKER: KITACK LIM

Ukraine adds to pressure on IMO

Kitack Lim outlines future plans amid IMO's immediate priorities

No previous IMO Secretary-General has faced a period in office with pressures on IMO such as those Kitack Lim has encountered during his second and final four-year term. It began on 1 January 2020 and, within days, COVID-19 began its global spread. In March that year, the UK – where IMO is based – entered lockdown and the following month, IMO [announced comprehensive changes](#) to its meeting schedule, which continue to be held remotely.

And now, Ukraine. It was little more than a week after Russia had invaded and a few days before an Extraordinary Session of the IMO Council (see page 6) that he spoke to *ICS Leadership Insights*.

He was fresh from addressing the eighth meeting of the Sub-Committee on Ship Systems and Equipment at which [he had told delegates](#) of an internal emergency task force to monitor the situation. It followed [an earlier statement](#), issued just two days after the inva-

sion, in which he said that “shipping, particularly seafarers, cannot be collateral victims in a larger political and military crisis.”

But by the time of our interview, Lim – a former seafarer – confirmed that “unfortunately some ships have been damaged [by] bombs, missiles or mines and some seafarers are hurt or seriously injured”.

Asked what IMO could do in response, he drew a distinction between the UN’s political role, as shown in [its Resolution](#) calling on Russia to end its offensive, and IMO’s practical purpose. “I am planning to organise a meeting among littoral countries to exchange views and develop specific ideas”, he said.

A week later, [the Council Meeting proposed](#) setting up a ‘Blue safe maritime corridor’ and invited the Secretary-General to “take necessary immediate actions” to take it forward “with the cooperation ... of relevant parties including littoral states”. Lim has subsequently initiated contact with the relevant parties with a view to securing the safety of seafarers and ships in the region.

Covid continues

Meanwhile, two years into the pandemic, COVID is still a risk and continues to create difficulties for seafarers. “Access to vaccination globally is still an issue”, Lim said, so “we must not relent in our efforts to support seafarers to get vaccinations and boosters ... and facilitate their access to work and to crew change.”

He drew attention to IMO’s [Seafarer Crisis Action Team](#), set up in May 2020 to address individual cases of seafarers stranded because of COVID-related restrictions, and the more recent [Assembly Resolution A.1160\(32\)](#), adopted during IMO’s Assembly meeting in December 2021, which he hopes Member States will implement. Among other things, it designates seafarers as ‘key workers’, which would facilitate shore leave and safe and unhindered movement across borders and prioritise their vaccination in their national COVID19 vaccination programmes.

Despite the difficulties that COVID has brought, Lim believes it will leave some positive legacies. It has created “a much higher awareness of the value of seafarers and of shipping’s contribution” to the global economy, he said. It has also highlighted the need for better support systems to be put in place for seafarers, particularly in relation to their interaction with port services. To address that “we will start a project in the near future ... to increase collaboration in the port area”.

In some regions, there is already good collaboration but in others, there is less coordination so IMO will appoint an external consultant to prepare a report setting out best practice in collaborative systems in ports. This will be presented to a future meeting of either IMO’s Facilitation Committee (FAL) or its Maritime Safety Committee. “This is important”, Lim said. “We are trying to start as soon as possible”, and the choice of commit-



IMO’s new Strategic Direction acknowledges the significance of women in the maritime sector (image: IMO)

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We have to develop smarter regulation
Kitack Lim

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tee for its delivery is likely to depend on the time needed for its research.

Lim mentioned a few initiatives already in place in some ports that might form part of the study, such as safe transport corridors between ports and airports to facilitate seafarers' arrivals and departures. It might also address how seafarers' families are supported while their relatives are at sea.

New strategic direction

This concern is reflected in a new Strategic Direction on the human element that IMO's Assembly adopted in December, which highlights the role of seafarers and other personnel and acknowledges the significance of women in the maritime sector.

Lim coupled this new focus with concern about seafarers' mental health, saying that however sophisticated ships become – thanks to automation and digitalisation, for example – “if the [seafarer] is not very motivated, it causes a problem”.

This new direction is prompting a review into how effectively some IMO requirements are being implemented, such as the ISM Code and the STCW Convention, Lim said. “Member States have started looking at safety culture, safety management and seafarers' performance”, he explained. “My own ambition is that IMO needed to look more at the human element [so] my personal perspective is aligned with the position of Member States.”

Smart thinking

Although Lim's term of office still has 21 months to run, he reflected on his ambitions when he took up the role. When he stood for election, his “Number One [manifesto pledge] was the effective implementation of IMO conventions”; now he hopes the next Secretary-General – who will be elected in June next year – will add a slightly different emphasis: “I would like to highlight ‘smart’ implementation above ‘effective’ implementation”, he said. In this way, “we can increase safety and environmental protection”.

As an example, he mentioned Port State Control (PSC). There are [10 regional PSC groupings](#), including the USCG, but “how much have we done in terms of harmonising the format and information sharing between PSC regimes?” he wondered.

When it comes to IMO conventions, taking a smart approach may require their texts to be reassessed. “We have to develop smarter regulation to be more realistic, bearing in mind real [shipping] operations”, he said. “I welcome good collaboration [between] Member States and the industry”, which compares favourably with other industries and their governing bodies, making it “an extraordinary success; I am very proud of that”.

Beyond a plea for smartness, however, it is too soon to say what else will be in his handover message to his successor. “It is not the time to disclose what I hold in my pocket”, he said.

COP 26 vs MEPC 77

With IMO's Marine Environment Protection Committee holding its 77th meeting (MEPC 77) in early December 2021, just days after the end of the 26th United Nations Climate Change Conference (COP 26), some industry organisations were disappointed that MEPC's outcomes did not embrace the ambitions set at the earlier gathering.

ICS Secretary General Guy Platten, for example, expressed concern that Member States did not adopt proposals for an R&D fund to support research into zero-carbon ships or a levy-based carbon price for shipping. “Every delay moves us further away from reaching pressing climate goals”, he said in [a subsequent statement](#).

WSC had hoped MEPC 77 would engage in discussions to revise the goals set out in IMO's Initial GHG strategy, in line with COP 26's goal of net-zero decarbonisation by 2050. But its [meeting summary](#) said it was “disappointing to watch the same governments that were making lofty statements at COP26 ... fail to walk the talk when it comes to real action at the IMO”.

But IMO Secretary-General Kitack Lim told *ICS Leadership Insights* that the UNFCCC and IMO's negotiations and mandates are not exactly comparable. The 2015 Paris Agreement on climate change mitigation “is based on nationally-defined contribu-

tions from each country, while at IMO, we are developing legally-binding requirements that apply to ships calling in every port around the world”, he said. “This is a totally different concept.”

So before any discussion can take place at MEPC about revising its Initial Strategy, “we have to have evidence on the future availability of zero-carbon fuels for the global shipping industry in different regions of the world to support [a new] level of ambition”, he said. “Like during COP26, IMO focused on the possible impacts on developing states of such measures; these states need to continue to have equal access to maritime transport services”, Lim said.

He acknowledged that “most Member States are ready to upgrade the level of ambition” and the meeting decided to adopt a revised strategy in mid-2023. This, he said, “was very wise [of] our Member States”, making MEPC 77 “very successful”.

But so too was COP 26, he added. It was “more productive than I expected” and it underlined the present realities of climate change by emphasising “that we are no longer considering climate change as it will impact future generations, but the very real and present threat to our generations”, he said.



'Fair and equitable' R&D fund proposal put forward

Maputo, Mozambique: The new proposal would see R&D funds allocated to developing nations that are adversely affected by climate change. (image: Victor Espadas Gonzalez/ Shutterstock)

Representatives of the global shipping industry, supported by governments, have laid out proposals on how a planned global R&D fund could be tailored to [support developing economies](#).

Updated proposals submitted to the International Maritime Organization outlined how a planned US\$5 billion IMO Maritime Research Fund (IMRF), designed to accelerate the development of zero-carbon technologies and fuels, could also be used to support the maritime decarbonisation efforts of developing countries.

Led by ICS and eight other international shipping associations, the modified proposal envisages allocating about 10% of the fund to greenhouse gas (GHG) reduction projects

in developing countries, including climate vulnerable small island states.

The updated proposals respond to questions raised by developing countries about ensuring access to the money raised by the R&D fund. The IMRF aims to raise US\$5 billion via a US\$2 levy per tonne of marine fuel consumed, to be paid for entirely by industry.

Simon Bennett, Deputy Secretary General of ICS, said that industry would earmark some US\$50 million per year to support GHG reduction projects in developing countries, including Small Island Developing States. "This would be a major boost to the IMO's existing programmes to ensure that the global net zero transition is fair and equitable," Bennett added.

ICS reiterates supply chain concerns over Ukraine

ICS has warned that current supply chain disruption will worsen due to the Russian invasion of Ukraine. Russian and Ukrainian seafarers represent 14.5% of the global workforce.

Cancelled flights have made crew changes diffi-

cult. Fears over crew safety and increasing insurance premiums to send ships to both countries have also discouraged shipowners from sending vessels.

ICS and industry partners presented an eight-point plan on how to ensure

seafarer wellbeing at an Extraordinary Session of the IMO Council, held 10-11 March. This included calls for states to ensure seafarers can access their pay, and for the establishment of safe corridors for ships to leave ports in Ukraine. Read more on [p6](#).

Ukraine crisis appeal launched for seafarers

The [Seafarers International Relief Fund](#) (SIRF) has launched an appeal to support seafarers and their families impacted by the Ukraine crisis.

The SIRF is currently addressing basic human welfare – shelter, food, water, transport, access to medical services, along with practical financial help. Support for seafarers and their families will be funded by the SIRF and delivered by maritime charities,

trade unions and other not for profit organisations working in various countries.

The fund is managed by The Seafarers Charity, whose CEO, Catherine Spencer, said on 22 March that SIRF had already approved grant awards of £100,000 (US\$132,000).

Donations can be made [here](#). A list of support helplines for seafarers and their families can be found [here](#).

Updated COVID guidance released

ICS has issued updated pandemic guidance for owners and seafarers. The changes reflect the latest pandemic knowledge

and covers new variants, including Omicron.

Updates have been made to three of its publications

covering vaccinations and protecting the health of seafarers. Latest publication information can be found [here](#).

Seafarers stranded ‘in the line of fire’

Thousands are trapped on ships in Ukraine with dwindling supplies of food

An estimated 140 ships and 2,000 crew are stranded in the Sea of Azov and Black Sea with limited access to resources as a result of Russia’s invasion of Ukraine, according to NATO figures quoted by ICS’ Director of Employment Affairs, Natalie Shaw.

“They are stuck in the line of fire. It could be for a couple of weeks or it could be for much longer but you can imagine the mental health consequences for them and their families”, she said.

She was talking to *ICS Leadership Insights* on 24 March, a day after a joint ICS/ITF media briefing during which ICS Secretary General Guy Platten mentioned a ship in Mariupol that had 20 Romanian seafarers on board and only three days of food. “We’re working very hard with the UN agencies to seek the assistance of Medecins Sans Frontieres, the Red Cross and other agencies” to get food and victuals to them, he said, or to evacuate them safely.

Steve Cotton, General Secretary of the ITF, said during the same briefing that there are “high levels of anxiety” among seafarers, based on feedback via ITF’s local support network, and “despite the best efforts of us, the ICS, ILO and the IMO, we’re a bit powerless to help them.”



With Russia providing about 10% of the world's seafarers and Ukraine another 5%, they are critical to the global labour supply, especially in senior roles, Cotton said. "It would be extremely difficult to replace that 15%, particularly in the more sophisticated ships" so, at the request of its Ukrainian affiliate organisation, ITF wrote to the Ukraine authorities to ask that seafarers be granted 'essential status' and be exempted from conscription. Cotton said an answer was yet to come.

Shaw shared his concern and noted difficulties in relieving crews with new seafarers.. But "there must be a way. We can't keep people on board vessels indefinitely", she said.

To coordinate information and potential responses, ICS is leading a taskforce of international organisations, national associations and shipping companies who meet twice each week to share details of emerging problems and potential solutions.

IMO action

An Extraordinary Session of the IMO Council was held on 10-11 March to address the impacts on shipping and seafarers of the situation in the Black Sea and the Sea of Azov and [a statement](#) released after the event underlined the basis of its decisions.

The statement referenced the [UN's Resolution ES-11/1](#), adopted by the UN General Assembly on 2 March, that "condemned the declaration by the Russian Federation of a

'special military operation' in Ukraine ... and demanded that [it] immediately cease its use of force". It set out two actions:

1. "To encourage the establishment ... of a blue safe maritime corridor to allow the safe evacuation of seafarers and ships"; and
2. a proposal to support seafarers with a number of measures, including that they be allowed to sail from Ukraine "without threat of attack".

The ILO quarterly Governing Body meeting on 22 March, made a similar appeal in a [Resolution](#) calling on "all parties to allow safe and unhindered passage to safe destinations outside of Ukraine, including for seafarers".

Establishing a safe corridor, however, "is proving very challenging, very difficult and very, very dangerous", Platten said during the ICS/ITF briefing. But even if a corridor were agreed, "there are reports of mines on the approaches to ports and other factors that make it a very complex environment", he said. Nonetheless, "work is ongoing to establish this corridor" but "the strong advice at the moment is for crew to stay on their ships".

● One way of supporting seafarers in Ukraine is via the Seafarers International Relief Fund (SIRF), managed by The Seafarers Charity. Donations in any currency can be made via the [SIRF website](#).

Relocation help is on offer

Returning home may not be attractive or possible for Ukrainian seafarers, so some ship managers are helping their families relocate out of the country.

Anglo Eastern employs more than 1,000 Ukrainian seafarers through its Odessa office. Vinay Singh, Group Managing Director, HR, told *ICS Leadership Insights* on 17 March that the office staff had contacted most families to offer help either to relocate within Ukraine or to leave the country, with 52 families having emigrated at that time, some making a five-day journey to Latvia.

"A few of the families have taken help from our offices in Riga and Hamburg once they have crossed the border", he said. "We are also assisting one seafarer and family to temporarily stay in Canada", he added.

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There must be a way. We can't keep people on board vessels indefinitely

Natalie Shaw, ICS

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Crew escapes as troops close in

War interrupts a tanker's routine loading plans

MTM Rio Grande's hose was connected and ready to load a cargo of sunflower oil in Nika Tera port near Mykolaiv on 24 February when news arrived that the cargo would not be loaded: Russian troops had begun their invasion and Ukrainian authorities had shut down terminal operations.

Melissa Canilang, executive assistant to Rajiv Singhal, managing director of the ship's manager, MTM Ship Management in Singapore, told *ICS Leadership Insights* what happened next. The ship could not sail – not least due to mines and warships – and its Filipino crew started rationing the ship's provisions.

On 2 March, "circumstances became more worrying", Canilang said, when the Bangladeshi bulk carrier *Banglar Samriddhi* was hit by a missile about 1.5km away. The next day, a plan was made and a contract signed to evacuate the crew.

After spending a night putting the ship into cold layup, the crew assembled at the dock gate at 1100 on 8 March. Their route took them by bus from Nika Tera across the bridge at Mykolaiv and on to Odessa before crossing into Moldova and then Romania

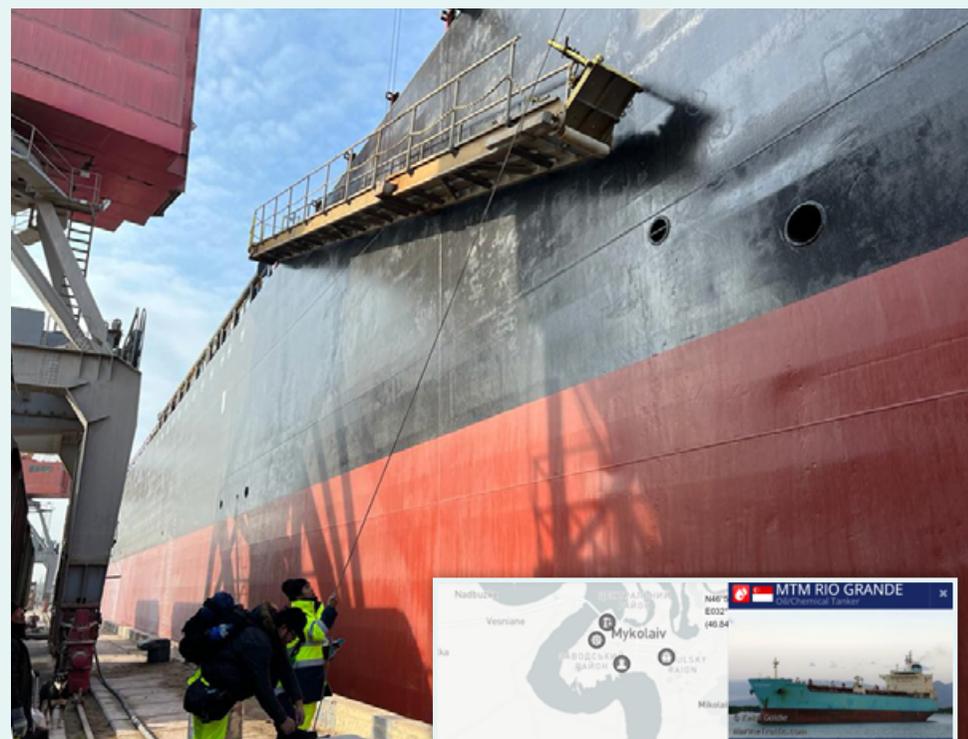
to fly home from Bucharest. The 20km between Nika Tera and Mykolaiv was the most dangerous part: the Russian line of advance was just east of the river with bombardment of Eastern Areas of Mykolaiv.

The road to Odessa was heavily protected by Ukrainian military, with thorough document checks at many checkpoints, before the crew arrived to find make-shift sleeping arrangements in a hotel's basement bomb shelter.

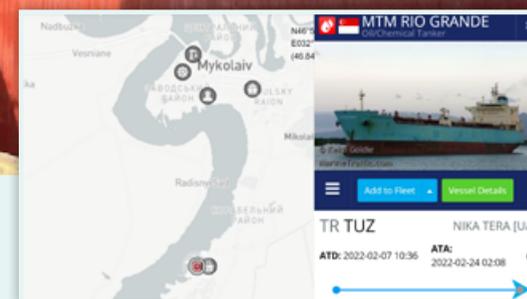
Early the next day, a short bus ride should have taken them to the Moldovan border, but the narrow muddy road was congested so the crew walked the last 7km to rendezvous with transport into Romania and then a seven-hour ride to Bucharest before boarding a flight the next day for Manila.

"The Captain and Chief Engineer have been commended by the owner for maintaining their composure and displaying excellent leadership qualities and the full crew showed great discipline and resilience", Canilang said.

The ship has not been forgotten; "we have people watching her until we are permitted to depart the port", she said.



MTM Rio Grande's crew raise the gangway as they leave their ship (image: MTM Ship Management)



Inset: The ship remains at its berth, 20km south of Mykolaiv's river crossing (image: MarineTraffic)

Class gets ready for new fuels

What factors make a design future-ready?

With a future dependent on new fuels such as carbon-free hydrogen and ammonia to meet emissions targets, ships are receiving class notations confirming them to be 'ammonia-ready'.

Suezmax tanker *Kriti Future* became the first 'ammonia-ready' ship in service when it was delivered by China's New Times Shipbuilding to Avin International of Greece in January, classed by ABS. In [a statement](#), the class society said that the ship "complies with the ABS Ammonia-Ready Level 1 requirements, indicating it is designed to be converted to run on ammonia in the future".

No ammonia-fuelled engines are yet available, and ABS Vice President, Technology, Gareth Burton, confirmed that "the details of the engine would not be included within the scope of the review" when assessing a design's ammonia-readiness. 'Level 1' status "indicates that the alternative fuel arrangements for the vessel have been considered at a conceptual level", he said.

Material that must be submitted for a ship to be considered ammonia-ready includes arrangements for its fuel storage, supply and vapour handling system; bunkering station;



machinery space; and vent mast and venting arrangements, he said.

In March [Bureau Veritas \(BV\) announced](#) it was supporting the classification and construction of two 40,000m³ LPG carriers at Hyundai Mipo Dockyard that will be 'ammonia prepared'. The first delivery will be in June 2023. They will be the first to receive that notation, which focuses on the spaces and structural components that will accommodate fuel tanks, fuel handling equipment and vapour treatment systems. It also covers requirements for converting engines and boilers for ammonia use.

A design concept for an ammonia cargo/bunkering terminal (image: Econnect Energy)

Will we be ready in time?

Although shipping is exploring new fuels, is the transition moving fast enough to meet IMO's and other climate goals? Class societies are well placed to see such trends develop and to hear owners' concerns and questions as they plan their future strategies.

At Lloyd's Register, Rob Tustin, said that although "there are owners with ambitious plans and the ability to secure forward supplies of sustainable energy, this is not the majority". The problem is infrastructure, he said, so "the investment-readiness level is low for zero-carbon ammonia, hydrogen and methanol because of several key production processes not yet being mature".

In 2021 "approximately 30% of the ships ordered, in terms of gross tonnage, were powered by alternative fuels", reported DNV's Christos Chryssakis. The vast majority of these were specified with LNG – a very fast development when compared to just one or two years earlier. But many owners are also exploring building vessels that can be retrofitted to other fuels, such as methanol or ammonia, so "we can definitely say that the industry is moving fast towards decarbonisation", he said.

"The first wave of LNG uptake demonstrated that the industry is capable of moving quickly on new fuels", said Ulrik Dan Frorup of BV Marine & Offshore, and he is encouraged "to see so much willingness and increased appetite to meet the 2050 goals set throughout the maritime value chain".

BV published a [full ammonia rule note](#) in July last year, but has designated it as 'tentative', ahead of receiving operational feedback, a BV spokesman explained.

Asked how rules can be developed for particular fuels when there is little practical experience of their use, Ulrik Dan Frorup, Chief Commercial Director of BV Marine & Offshore, said that BV's experience of risk methodology and LNG as fuel "has provided a blueprint of how safe innovation is possible". It has also benefited from its experience of ammonia as cargo, he said.

Ready or not

At Lloyd's Register, 'Readiness' "is an interesting development", remarked Rob Tustin, its North Asia New Construction Manager. An assessment of whether a proposal is 'ready' would be based on aspects of its design and construction that are in accordance with LR's Rules and Regulations on the contract date and is "often associated with a low level of capital investment and the allocation of space for bunker tanks", he said.

"We believe that a robust approach to readiness is in the best interests of the industry", he added, and the class society looks for "a viable and verifiable transition investment plan", which he believes will become a requirement from financial institutions.

There is very strong interest in the requirements for building ammonia-fuelled vessels among shipowners, yards, designers and

major charterers, according to Christos Chryssakis, Senior Researcher in DNV's Research & Innovation department.

The society's updated rules, which came into effect on 1 January, include a notation for gas-fuelled ammonia ships, and he said that "the industry is trying to understand the implications for ammonia-fuelled vessels with respect to safety requirements and their differences from other designs". He also noted very strong interest in DNV's existing rules for methanol-fuelled ships; "recent ordering of methanol-fuelled container ships has sparked new interest", he said.

What role for retrofits?

Retrofitting may be an option for reducing carbon emissions, Tustin believes, although "the history of LNG readiness tells us that retrofitting energy systems is not plain sailing, or cheap," he said.

In the longer term, he suggested that ship design could become more modular, making future upgrades more practical. "Whilst the focus is on GHG emissions of ships in operation, one eye needs to be on the next chapter; circulatory. As a resource-intensive industry, new designs could put shipping in a leading position in both arenas", he said.

At DNV, Chryssakis believes that existing conventional designs "may start using various types of advanced biodiesel in the second half of this decade", as a means of staying compliant with regulatory and market requirements.

New fuels; new training

As new fuels become more widely used, training in their handling will become essential, believes Jeffrey Parfitt, Head of Safety and Environment at The Nautical Institute (NI). Yet in discussions about how new fuels will be introduced to shipping, "almost without exception, the human element is ignored", he told *ICS Leadership Insights*.

"You cannot expect a seafarer to undertake training the day before boarding when the complexities of operations and the hazards of fuels carried at -253°C and -33°C require us to ensure they are fully and properly prepared for this new environment", he added.

In response, the NI is working with training provider Ocean Technologies Group (OTG) to create what they call a 'green curriculum' to provide support. It is being developed by a group of stakeholders that includes the ICS, ITF and IMarEST as well as the NI and OTG. A first group meeting took place on 24 March and more organisations are expected to join.

Raal Harris, Group Creative Director at OTG, said that training resources must be developed quickly, if trained seafarers are to be available by IMO's first CO₂ emissions target date of 2030. He does not believe there is time to establish training standards through STCW so "we're going to have to look at other ways of setting a standard that people can work to".

Details of the project have not yet been published; "the first work we're doing is getting our arms around the size of the task to put together the kinds of curriculums we're going to need" Harris said.

Geography gives Norway concerns and confidence

Sanctions hit shipping as NSA report presents a positive assessment

With a 200km border in the north of their country, Norwegians are very aware that they are one of Russia's neighbours. So far, the relationship has been a peaceful one, Harald Solberg, CEO of the Norwegian Shipowners Association (NSA), told *ICS Leadership Insights*.

Yards in the region benefit from fishing operations and the two countries cooperate over search & rescue operations in the Barents Sea. Both activities are excluded from sanctions that Norway enacted on 18 March, mirroring those put in place by the EU.

But Solberg stressed the NSA's and the nation's support for sanctions. "It is important for us as a neighbouring country of Russia to have a clear stance on this conflict ... and we are prepared to take on board stricter sanctions", he said.

Their impact on Norwegian shipping companies will be significant. Previously, Norwegian-controlled ships made around 1,300 Russian port calls annually; "this will be reduced significantly", he said.

As for seafarers "it is very important for us to facilitate a good safe working environment onboard ships and safe travel to and from the



Growing demand for electric power in Norway – such as for the ferry *Bastø Electric*, operating across the Oslofjord, will create a deficit of renewable energy (image: Sefine Shipyard)

ships and ensure that salary earned in service on board is paid."

A week before Norway imposed sanctions, [Solberg had stressed](#) the importance of them being defined as clearly as possible to avoid "companies themselves being forced to take action outside the authorities' decisions". That concern remains: Russian oil, for example, is not sanctioned but "many companies have decided from a moral point of view that they will not carry Russian oil", he said.

Nor-Shipping: integral to the industry

Nearly a year later than planned, Nor-Shipping will take place 4-7 April in Lillestrøm, north of Oslo. After an initial postponement from June last year to January, the arrival of the COVID omicron variant forced a further delay for what would have been the 50th anniversary of the first Nor-Shipping in 1971.

Over that period, it has become an integral part of Norway's shipping sector. "Nor-Shipping is very important for us, commented Harald Solberg, CEO of the Norwegian Shipowners Association (NSA), because it provides "a meeting place where we can discuss important issues within our industry".

Sidsel Norvick, the event's director, pointed to the number of people who do not visit the show to underline its significance: while about 30,000 people walk through its doors, she estimated that it attracts another 20,000 to Oslo for business discussions alongside it.

With shipping ranked as one of Norway's leading industries, Nor-Shipping attracts significant backing: King Harald V opens the event and attends the conference and the Ministry of Foreign Affairs coordinates VIP invitations through Norway's embassies. This year, Norway's Prime Minister, Jonas Gahr Støre, will be hosting what Norvick called a "high-level meeting" at his residence during the show.



Positive outlook

Russia's invasion came after NSA had prepared its annual [Outlook Report](#), which was published in March, based on a survey of its members comparing their experiences during 2021 with 2020. It found that profitability in the industry is increasing, there are fewer ships in layup and Norwegian shipowners are planning investments in new green technology.

It shows that “we are heading back to a more normal situation” and, despite uncertainties surrounding the Ukraine situation, “we have a more positive outlook,” Solberg said. That includes the offshore sector, which has seen a downturn since the oil price falls in 2014.

But the Norwegian offshore fleet is the second largest in the world and is now not only benefiting from a global uplift in oil and gas activity, but also in offshore wind.

Domestically, however, Norway's government does not view offshore wind as a priority. Norway is already self-supporting in renewable energy – and is exporting electricity – thanks to its hydropower resources, so the argument against windpower is that its output would be more expensive than current supplies, pushing up prices for Norwegian consumers.

But Solberg urges a long-term view, saying that neither the present nor previous govern-

Maritime industries provide vital employment along Norway's west coast
(image: Aker Solutions)

ments “have done their homework” on the benefits of investing in offshore wind. With the growth in electric vehicles, ferries and other consumers, “we have to realise that we will have a deficit of renewable energy, and we definitely have a deficit in Europe”, he said. On that basis, producing more green energy could support investments in, for example, green ammonia and hydrogen production, which will be valuable for shipping and other sectors in the future.

Pay hike threatens ship calls

When Norway's left-of-centre Labour Party-led government came to power in October 2021, one of its policies sparked a disagreement with the shipping industry over seafarers' pay.

Proposed regulations are due to be tabled in mid-April that would require crew on all ships operating in Norwegian waters to be paid in line with Norwegian workers, said Harald Solberg, CEO of the Norwegian Shipowners Association.

“If you operate constantly in Norwegian waters, we agree that Norwegian wages should apply”, he told *ICS Leadership Insights*.

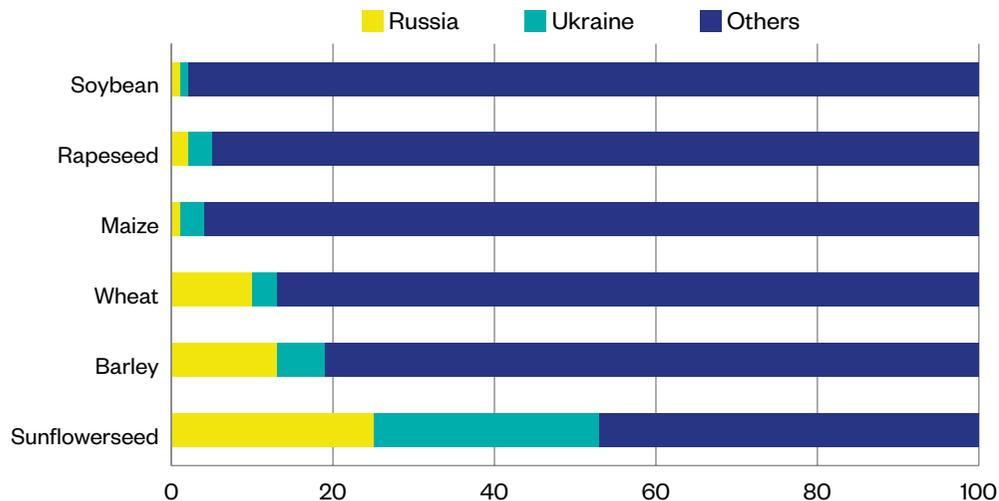
Whether the higher rates would be imposed on ships making just a single call at a Norwegian port is not clear, but most international voyages that touch Norway make more than one call.

On the day he spoke to this publication, Solberg had met a parliamentary group to discuss the situation.

Once the regulations have been tabled, hearings will be held for about three-months before a legal proposal is put before parliament in the autumn.



Invasion hits grain prices and production, says FAO



Russian and Ukrainian shares of global production in selected crops averaged across 2016/17 – 2020/21 (source: FAO)

Russia's invasion of Ukraine has brought into focus the two countries' importance to global agricultural markets. The resulting global supply gap caused by the conflict "could raise international food and feed prices by 8-22% above their already elevated baseline levels", the UN's Food & Agriculture Organization (FAO) warned in [a report](#) published on 25 March.

In 2021, either the Russian Federation or Ukraine (or both) ranked amongst the top three global exporters of wheat, maize, rapeseed, sunflower seeds and sunflower oil, the report notes, while the Russian Federation was the leading supplier of nitrogen fertilisers and in the top three for potassium and phosphorous fertilisers.

Even if other producers expand production of grains and sunflowerseed, a considerable supply gap will remain "if the

conflict keeps crude oil prices at high levels and prolongs the two countries' reduced global export participation beyond the 2022/23 season", the report says.

It estimates that, as a result of the conflict, "between 20% and 30% of areas sown to winter crops in Ukraine will remain unharvested during the 2022/23 season", while "considerable uncertainties surround Ukrainian farmers' capacity to plant crops during the fast-approaching spring crop cycle".

There are also risks to animal welfare: "the conflict is also likely to affect the ability of Ukraine to control its animal disease burden, significantly increasing the risk of proliferation of animal diseases, notably of African swine fever (ASF), within Ukraine and in neighbouring countries" the FAO predicts.

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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