



Leadership Insights

ICS Centenary edition

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for urgent action on decarbonisation



Rising to the challenge

Emanuele Grimaldi, ICS Chairman, president and MD of Grimaldi Euromed

We as an industry stand on the precipice of great technological, societal and global change. Shipping continues to emerge from the storm of COVID-19, as we also weather supply chain instability, geo-political challenges, and of course, the biggest challenge of all, decarbonisation. We are a resilient and resourceful industry and it is up to us all to confront these challenges head on and enact the practical solutions required to achieve our goals. ICS will be here to lead the way.

This June, I was appointed as new ICS Chairman of the Board as the organisation celebrated its 100th year and I am honoured to continue the great work that has come before me. I will build upon the excellent legacy that my predecessor Esben Poulsen has left and will commit to delivering upon his ongoing goals and the work that must continue as we move ever closer to 2050.

As we move forward, we will forge new, practical paths to help support and guide the maritime industry into this transformative new era. Collaboration and reaching out beyond the borders of our own maritime industry is essential if we are to achieve our collective goals.

This special Centenary issue of *Leadership Insights* is launched just weeks after ICS held its Shaping the Future of Shipping summit, which brought together leaders from maritime, finance, energy, government and beyond to push forward meaningful change for the decarbonisation of shipping. We all know that the time for talking is over. We must act now, and we must act decisively, to ensure we have access to the fuels, financing, infrastructure and skills needed to achieve net zero carbon emission goals. As you will read in this issue, important, practical steps have been taken during the summit that will

lead to real-world change and bring us closer on the path towards net zero carbon emissions. Such action is a testament to the drive and resourcefulness of shipping and such bold measures must continue if we are to meet our decarbonisation goals.

We however, cannot do this alone. We will continue to work closely with UN bodies and governments to make change happen. If we are to keep pace with the rapid transformations happening in the world we must not only turn our gaze but our voices outward. Let us tell those outside shipping why our industry matters to them. ICS has and will continue to communicate and demonstrate that shipping will be a great enabler in decarbonising the world, transporting zero-emission fuels globally. It is our duty to communicate the value shipping has to economic stability and in tackling climate change to world leaders and the general public. Building this understanding will only benefit our industry and give us a voice at the table when important decisions are being made about our future. This is especially important at a time when we face a rapidly fragmented international regulatory regime.

Importantly, we must recognise that no change can be achieved without our workforce. On 25th June we all joined together to celebrate the Day of the Seafarer. It is a day that gives us a chance to honour and value their essential contributions to the maritime industry. However, this goes far beyond one day. ICS has not only helped to push forward a review of the STCW but is working with partners to develop a green curriculum and as a founding partner of the Maritime Just Transition Task Force will ensure that all seafarers are afforded the training, skills and opportunities to enable shipping's green transformation.

I am incredibly hopeful about the future of our industry and look forward to us all rising to the challenges that lie ahead.



Laying a foundation for shipping's emissions challenge

A breakthrough year for industry action on emissions will only be meaningful if governments actively support decarbonised shipping, says Christopher J. Wiernicki, ABS Chairman, President and CEO.



According to Wiernicki, the next decade will be instrumental in defining the next 30 years of GHG emissions action. He notes that new business drivers and even a new language – the cost of CO₂ per tonne mile, for example – are emerging as shipping shifts its focus to the challenge.

“The next ten years will determine the speed and scope of the transition, as well as what is desirable versus what is doable. New shapers are emerging, of which regulation is one, and new boundary conditions need to be looked at as we go through the clean energy transition.”

Among those boundary conditions for new clean fuels are safety, availability, scaling up production and developing distribution infrastructure – an area Wiernicki believes has been under-explored to date. While the intent may be there to differing degrees, outcomes must be pinned down a lot quicker than the current pace of progress suggests they will be.

The timescale of LNG's evolution as a widespread alternative fuel is a case in point. While LNG-fuelled vessels today fill many pages of the orderbook, it has taken decades for the fuel to write its place in shipping, gradually fulfilling all those boundary conditions.

“We can debate the limitations of LNG, but the point is that any alternative fuel will have to go down the same path to become scalable and available. 2050 may seem like a long way away, but for the next family of fuels it is going to come sooner than we think.”

Enlisting governments

To accelerate the progress, Wiernicki suggests that the laudable moves from the shipping industry itself – a “commercial gravity” that he says has grown in force dramatically over the past year – will not be sufficient. Shipowners, charterers and technology companies have all been working hard, but they need government support to help remove some of the risks involved in prototype development and infrastructure investment.

“This is where the message needs to resonate. We can get to IMO's 2030 targets with a relatively clear line of sight, but the industry will have a hard time get-

ting to 2050 unless they get some help. Governments need to step up. Their expenditure and investment is going to drive the speed and scope to get us there.”

Governments are starting to “wake up,” he says. But a lot needs to be done in the remainder of the 2020s to give shipping a fighting chance of meeting its long-term targets. Clean fuel is one area where state intervention will be critical. Hydrogen and its derivatives are “government fuels”, says Wiernicki – a reference to both the huge state investments and the regulatory frameworks needed to enable their production and widespread use.

“You need the government to step in and put these big blocks together so we can use them commercially.”

Harmonised frameworks

As regulatory frameworks emerge, governments also need to play a role in ensuring they are harmonised. Wiernicki cites the EU’s Emission Trading Scheme as a “big deal” but notes the discrepancy between the market-based measure and IMO’s own timeframe for emission reductions.

“A vessel can follow a carbon trajectory based on IMO requirements, but it may not be able to trade in Europe in 10 years’ time without modifications. The low-hanging fruit is to get the regulatory framework locked down, otherwise they are moving targets. There are tough decisions to be made.”

Discussions at COP26 were an important statement of intent on shipping’s emissions reduction, notably the Clydebank Declaration, whose signatories committed to develop green corridors that could help to validate the idea of zero-emission shipping. Stakeholders will include governments and ports as well shipowners and technology providers. Wiernicki believes that, despite few concrete projects to date,

these initiatives are crucial to accelerating maritime climate action.

“A green corridor is more than a ship going on from one port to another on clean fuel; it is a microcosm of decarbonisation that involves looking at regulation, safety, infrastructure and ship-to-shore connectivity through a compliance, commercial and market lens. It is a wonderful opportunity but more needs to be done.”

The role of class

Within the context of decarbonisation, Wiernicki sees classification societies occupying a “sweet spot” to help drive progress. Class already acts as a bridge between government and industry in several areas, as well as acting as a guardian of safety and an independent technical authority.

“It is exciting to be leading a class society at this time, bringing everything that we have done together to be that industry partner helping to move things forward. Class is built for this.”

In the drive to accelerate the transition and to bridge the gap between government and industry, there is an important role for membership associations like ICS too, says Wiernicki. They can help to raise awareness that shipping has a critical role to play in global decarbonisation, and that governments that ignore it risk missing their own environmental targets.

“Every year counts and we want to make sure we are not just working on industry projects but there is some higher-level momentum moving forward,” he concludes. “I hope that we can make the speed and scope of decarbonisation consistent with the outcomes we want, and that by the end of the year we begin to see industry and government working closer and talking about the right things.”





Discussions at a previous IMO meeting of MEPC 74, May 2019. Credit: IMO

News

Long-term deliberation trumps short-term action at MEPC 78

The 78th session of the IMO Marine Environment Protection Committee ended in early June with unfinished business on critical aspects of shipping's short-term decarbonisation measures.

The MEPC adopted important guidelines for the implementation of the mandatory use of carbon Intensity Indicators (CII) by the existing fleet which will lead to ships receiving an 'A to E' rating in 2024. But a number of critical correction factors to the CII, to take account of operational factors beyond the ship's control, such as bad weather, were dismissed by the MEPC, with further discussion postponed until the review of the system by IMO which ends in 2026.

There is a real concern amongst industry that many efficient and well operated ships could unfairly receive an unduly negative

CII rating, which could be misunderstood by other stakeholders such as charterers with significant commercial implications. This could also create perverse market incentives which could even result in ships sailing in ballast to achieve reduced CII ratings. This has the potential to undermine the effectiveness of the IMO measure to reduce global shipping's total emissions.

ICS Secretary General, Guy Platten said: "ICS has supported the use of CII as a tool to help ships improve their carbon efficiency to achieve the targets IMO has set for the sector for 2030. But without the necessary correction factors, to take account of operational factors which affect fuel consumption which are beyond the ship's control, such as adverse weather in the North Atlantic or extended port waiting time, we fear the current CII system may be unfit for purpose."

As it stands, the CII is an overly simplistic solution to a very complex problem. I would rather see IMO do away with it and focus on actual emissions rather than continuing to perpetuate flawed indexes of this nature.

Bud Darr, MSC Group Executive Vice President, Maritime Policy and Governmental Affairs

MSC Group Executive Vice President, Maritime Policy and Governmental Affairs, Bud Darr agreed that a weak CII will have an impact on how vessels are assessed.

“In the cruise sector there will be substantial weight placed on it by non-governmental organisations and substantial pressures to disclose ratings. For our containerships, lenders and customers will also be looking at the ratings and including it in their decision-making related to our services. They have already begun inquiring about this.

“As it stands, the CII is an overly simplistic solution to a very complex problem. I would rather see IMO do away with it and focus on actual emissions rather than continuing to perpetuate flawed indexes of this nature. We’d like to see more focus on developing a combination of effective command and control mechanisms, together with a global market-based measure.”

Funding gap

The industry proposal which was initially developed by BIMCO, WSC and ICS to establish a US\$5 billion International Maritime Research Fund (IMRF) to accelerate R&D of zero carbon technologies, to be paid for by a US\$2 levy on fuel consumption, was also rejected by the IMO. ICS and other international shipowner associations had submitted a revised proposal to address concerns among governments about ensuring an equitable energy transition, allocating a portion of funds to be collected to IMO’s GHG Trust Fund to support GHG reduction projects by developing countries.

The IMO Committee (MEPC78) decided that the IMRF will not be taken forward as separate self-standing measure prior to the eventual adoption of any IMO market-based measure, which, if ever agreed, is unlikely to generate funds for R&D until about 2030, which may be too late to ensure that large numbers of zero carbon ships will appear on the water in the next decade.

Guy Platten, ICS Secretary General, said after MEPC: “By refusing to take forward the shipping industry’s proposed research and development fund, the IMO has wasted its opportunity to kick start a rapid transition to zero-carbon technologies which will be vital if we are to decarbonise completely by 2050.”

There was concrete progress in other areas. A widely supported decision to introduce a sulphur emissions control



(picture IMO HQ in London) Shipping industry leaders have warned urgent action is needed to push forward regulations to meet zero emission targets. Credit: IMO

area (ECA) covering the entire Mediterranean Sea was accepted. And there was growing momentum in other important discussions, Darr noted:

“It was encouraging to see many governments now supporting a net zero target for 2050, which aligns the ambition that shipowners support. It was also encouraging to see some stronger support for a global carbon price and associated market-based measure, which is something the industry sees as part of the path forward.”

Platten noted that some progress has been made at MEPC 78 on carbon pricing and said “concerted and urgent action is now required” to ensure pressing GHG targets can be achieved. Similarly, the World Shipping Council (WSC) called for sustained momentum after MEPC 78. John Butler, President & CEO of WSC, said: “Container and vehicle carriers are already investing in the development of zero GHG technologies and are committed to enabling the industry’s transition to zero. Governments need to take decisive action now to provide clear regulatory structures and market signals that drive investment and support ambitious front runners.”

Emerging agreement now needs to be converted into workable proposals. These will be discussed at intersessional working groups and at the next MEPC meeting in December, with a view to finalising the review of IMO’s initial greenhouse gas reduction strategy at MEPC 80 in June 2023.

Industry is already investing in the development of zero GHG technologies and is committed to the transition to zero. Governments need to take decisive action now to provide clear regulatory structures and market signals that drive investment and support ambitious front runners

John Butler, President & CEO of World Shipping Council

Containership data builds business case for JIT arrivals

Just In Time (JIT) arrivals could result in a significant drop in fuel consumption and associated emissions according to a recent study by the IMO-Norway Green-Voyage2050 project's Global Industry Alliance to Support Low Carbon Shipping (Low Carbon GIA). The study, named [Just In time Arrival: Emissions reduction potential in global container shipping](#), used AIS data from the calendar year 2019 (pre-pandemic), to calculate fuel reduction in three JIT scenarios.

In the case where container vessels were able to adjust their speed average over the entire duration of a voyage, JIT Arrivals demonstrated fuel savings per voyage of 14.16%. A saving of 5.90% could still be achieved when JIT was applied during the last 24 hours of the voyage and 4.23% when applied in the last 12 hours. Given increasing bunker costs, which at time of print ranged from \$585-950 per tonne of HSFO-380 and \$900-1580 per

A saving of 5.90% could still be achieved when JIT was applied during the last 24 hours of the voyage and 4.23% when applied in the last 12 hours

tonne of VLSFO 0.5%, this reduction in fuel consumption will result in significant cost savings.

"Although our study was based on containership data, it demonstrates that there are both, environmental and operational benefits to arriving Just In Time – and these may also apply to other ship segments to varying extents," explains Astrid Dispert, Project Manager of IMO-Norway Green-Voyage2050. "However, these are only theoretical findings and further work needs

to be undertaken to promote understanding of JIT arrivals among relevant stakeholders"

The increasing environmental focus and tightening emission regulations are prompting conversations about technical and operational means by which to reduce shipping's carbon footprint.

"In fighting climate change, global shipping has a steep mountain to climb, and we need to pull all levers to deliver in line with the Paris Agreement. The study underlines that while we work to accelerate and scale the availability of the future green fuels, in the short-term significant emissions reductions can be achieved by bringing vessels, terminals and ports together to exchange standardised data and facilitate Just In Time arrivals," said Capt. Andreas M. van der Wurff, Port Optimisation Manager at A.P. Moller-Maersk and Chair of the Low Carbon GIA Ship-Port Interface workstream.

ESG reporting framework to aid tanker access to finance and talent

As public, customer and investor demands increase for evidence of sustainability efforts, tanker operators are recognising the needs for clear and comparable reporting of environmental and social governance (ESG). The challenge has been taken up by tanker operator association Intertanko, which has developed a standardised ESG reporting framework for the sector.

The framework, along with guiding principles, mapping tools and a dedicated web resource, are outcomes of a project between several of working groups (including environmental, commercial, human element and safety committees). That involvement highlights both the

scope of issues covered and the complexity of developing a standardised framework.

"The industry is aligned on ESG being important but not on why we're doing it," explained Intertanko Deputy Managing Director Tim Wilkins. "For larger companies, the reasons are primarily driven by large scale stakeholder interest and investment, but smaller companies are less likely to operate under those assumptions."

The framework draws on standards from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) as well as the tanker industry's own standards and data. It

aims to minimise administrative burden on operators by adopting a non-prescriptive approach that enables them to use the right metrics for their specific data and processes.

Engagement with trusted partners and acceptance by charterers, investors and regulators is crucial to the credibility of the new framework, said Wilkins. He argued that consistent reporting will help the public understand how operators are striving towards better governance, with better public buy-in driving fundamental to securing successful recruitment and access to finance.

Tsakos Group Deputy Chairman Vassilis Papageorgiou, who is responsible for the

tanker owner's newbuilding programmes, fleet management and energy and environmental department, noted that a single reporting framework would help operators show how they are evolving to meet society's expectations on social and environmental issues.

"Many companies are either in the process or have already used ESG principles to demonstrate their strategy and ambitions, but the industry lacks a single framework designed for the tanker sector," he said. "An ESG reporting standard is an important step in order to be able to provide a normalised framework and the guiding principles that will facilitate reporting in a consistent and comparable manner."

Cross-collaborative solutions forged at maritime decarbonisation summit

The ICS Shaping the Future of Shipping Summit sets out priorities and next proactive decarbonisation steps for the industry

Maritime leaders issued clear calls during COP26 for greater collaboration and industry-led action to ensure decarbonisation targets can be achieved. Heeding those calls, the International Chamber of Shipping (ICS) convened a summit of more than 100 CEOs and government representatives on 21 June to push forward international, cross-sectoral collaboration and agree to tangible actions required to accelerate the industry's transition to net zero carbon fuels.

Three key priorities emerged from the day-long summit: the urgent need to establish a global market based measure, the rapid prioritisation of research and development for alternative fuels and propulsion technologies, and, vitally, the need for development and access to clean fuels, not only for shipping but for all global transport industries.

Mark Cameron, Executive Vice President and COO, Ardmore Shipping, attended the summit and noted a "seismic shift" that has taken place in the maritime industry. "I am seeing full engagement and a push for change for the first time," he said. "And that seismic shift is coordinated. This is not just a coalition of the willing but it is outcomes focused, it is not political but looking purely at solutions."

One such solution was unanimously agreed to by attendees at the Shaping the Future of Shipping summit with the announcement of a practical public/private cross-sectoral project to establish a Clean Energy Marine Hubs Taskforce. It will work to bring together different parts of the transport and energy value chain, including ports, energy companies, and shipping companies, to coordinate and join decarbonisation efforts and unlock



Esben Poulsson, former ICS Chairman, addresses attendees at the ICS Shaping the Future of Shipping summit 2022. Credit: ICS

This is not just a coalition of the willing but it is outcomes focused, it is not political but looking purely at solutions

Mark Cameron, Executive Vice President and COO, Ardmore Shipping

investment and infrastructure required to provide access to green fuels in key logistical regions.

Clean Energy Marine Hubs

The first priority will be to take forward the proposed Clean Energy Marine Hubs (CEMH) with a view to launch the hubs initiative by September's Clean Energy Ministerial meeting of 29 energy ministers from leading governments. The creation of global hubs at key ports around the world would help develop stronger cross-sector collaborations that link the energy sector with the maritime value chain, enabling policy makers and industry stakeholders to quickly unlock clean energy deployment.

As highlighted in the International Chamber of Shipping (ICS) report, *Fuelling the Fourth Propulsion Revolution*, shipping will not only require access to vast amounts of zero carbon emission fuels – up to all the world's current renewable energy output – but will also play a fundamental role in delivering these fuels globally and act as an enabler for governments and industries to achieve their climate targets. It stresses the need for the “establishment of international cooperation projects” to achieve these goals.

“Currently, energy companies, ports, governments, shipowners and other key transport sectors and stakeholders have been largely working in silos. Each segment has its own priorities but also holds its own unique knowledge and understanding of what will be required to decarbonise the world.” Guy Platten, Secretary General, ICS, said. “This taskforce gives us a mandate to bring major players together, to share knowledge, collaborate, and importantly de-risk investments to take real-world action and create the necessary infrastructure in the most strategic locations to ensure we can work together not only to decarbonise our own industries but the world.”

Ports will play a pivotal role in the Task Force and investments for the transmission of alternative fuels will dictate future shipping routes and support the development of green corridors.

Patrick Verhoeven, Managing Director of the International Association of Ports and

Harbours, said: “The global port community has a responsibility to offer refuelling hubs for maritime transport and also has a great opportunity to facilitate the trade of green fuels. No one industry can achieve the world's decarbonisation goals independently; platforms such as this which promise to bring us together will be crucial to making those goals a reality.”

Next steps for the taskforce are already underway to map out the key stakeholders required for the initiative and outreach to grow and develop the network, ahead of the intended formal launch in September.

Platten added: “This is the start of an important process. It is not just another declaration or commitment but is real world work that is now underway and will form a vital piece of the global decarbonisation puzzle.”

Market based measures

The pressing need for a market-based measure to help decarbonise shipping via a carbon price on emissions was emphasised in discussions throughout the summit. In 2021, industry groups submitted a proposal to shipping's UN regulatory body, the International Maritime Organization (IMO), to bring forward negotiations around a global MBM by several years. Now, representatives of shipping's value chain have doubled down on the urgent establishment of this measure, viewing it as key to reach the industry's ambitious decarbonisation goals.

“There was a clear drive from participants that the shipping industry needs a market

based measure and it needs one now,” said Stuart Neil, Director of Strategy and Communications at ICS.

Attendees of the conference also agreed to rapidly prioritise R&D for innovating low and zero-carbon fuels and technologies. In the absence of an IMO led proposal to advance R&D industry leaders committed to take forward unilateral approaches to advance this initiative and explore other forms of collaborative coalition.

Clear direction

While MBMs, R&D and access to fuels were topics that all attendees aligned on, multiple discussions were had across a range of topics including how to achieve a just transition to the role of insurance in shipping's decarbonisation, that will pose further collaborative opportunities.

Platten noted: “There was a richness of discussion and eagerness for knowledge sharing that created myriad ideas and avenues to go down and we can work collaboratively on. The role of ICS and the new Clean Energy Hub Taskforce will be to pull that work together, give it purpose, direction and, importantly, create tangible results.”

Those in attendance all shared notes of optimism on how committed maritime leaders are to take decisive action on decarbonisation. Speaking to *ICS Leadership Insights* at the end of the summit, Bud Darr, Executive Vice President and MSC and ICS Board Member, concluded: “The quality of discussions at the Shaping the Future of Shipping summit was strong. We have come far as a shipowner community, and are having massively different conversations than even four months ago. The nature of items owners are willing to fully commit to is indicative of a genuine desire to decarbonise by 2050 and today reinforced that momentum.”

From left: Guy Platten, Secretary General, ICS, Trudy Harrison, MP for Copeland and Parliamentary Under Secretary of State at the Department for Transport, Ioannis Plakiotakis, Minister of Maritime Affairs and Insular Policy, Svein Steimler, President and CEO, NYK Group, and Karrie Trauth, SVP Shipping & Maritime, Shell, United Kingdom at the opening panel for the ICS Shaping the Future of Shipping Summit, June 21st 2022. Credit: ICS



Piecing together the emissions regulation puzzle



As new shipping emissions regimes emerge across the world, an effective dialogue between regulators and operators will be critical to ensure measures are successful.

Increasingly localised emissions governance is creeping into the maritime sector. For shipowners and operators, a fragmented global regime is far from ideal, adding costs and not necessarily working to truly lower global emissions. For ports and governments, local regulations are fundamental to their own air pollution and climate ambitions. Reconciling those two perspectives is key to meeting environmental targets without hindering maritime trade.

Two current pieces of legislation highlight the trend. In Europe, a regulation on the use of renewable and low-carbon fuels in maritime transport, known as FuelEU Maritime, is due to come into effect in 2024. Complementary to shipping's inclusion in the European Emissions Trading Scheme (ETS), FuelEU Maritime determines stepped reductions in the carbon intensity of fuel used for shipping – starting at 2% in 2025 and reaching 75% by 2050 – as well as demanding zero emissions at berth for container, ropax and passenger vessels.

Reducing emissions at berth is also the focus of the California Air Resources Board's latest update to its Ocean-Going Vessels At Berth Regulation. Next year container, reefer and cruise vessels at berth in California ports will need to use shore power or an approved alternative technology to reduce emissions including particulate matter, NOx, SOx and greenhouse and reactive organic gases. Under a new extension to the regulation, car carriers and tankers will need to comply by 2025 (or 2027 for tankers visiting Northern Californian ports).

Ship operator concerns

Those regulations may be outliers in setting local emissions requirements, but further fragmentation is anticipated. Discussions are already taking place on including shipping in emissions trading schemes in Japan and China. Shipowners are monitoring these moves with concern, if not trepidation. John Michael Radziwill, Chairman and CEO of C Transport Maritime, notes that fragmentation and the uncertain regulatory environment are a source of extra cost and work for everyone in the industry.

"In addition, the lack of clarity regarding the implementation of some upcoming regulations is making it difficult to anticipate properly their impact and to commit to any significant investment."

Radziwill cites shipping's inclusion in the European ETS, which was recently postponed by a year to 2024, with full emissions now included from that date rather than the gradual step up previously envisaged.

"The lack of guidance and change of plan means it is complicated to understand the real impact of regulations and how to be compliant," says Radziwill.



Diesel exhaust seen emitting from cargo ship at the Port of Oakland, California.
Credit: Shutterstock

For other operators, regional fragmentation is not only a compliance headache but a threat to the integrity of the global regime governing shipping. For Ioanna Procopiou, CEO of Sea Traders and founder of Prominence Maritime, there are several reasons for concern. She also references the European ETS.

“Shipping is a global industry requiring global rules. A regional measure will undermine the role of IMO and could lead to carbon leakage, meaning higher CO₂ emissions outside the EU. It will distort competition by adding a cost element to the ships trading at European ports. And as shipping is the most environmentally friendly form of transportation, if you shift to other means of transport, you will increase pollution and make the problem worse.”

The global regime

Views on the global regime for shipping emissions, as dictated by IMO regulations, lie at the heart of arguments for both those advocating regional incentives and those who argue against them. In many instances – including California and Europe – IMO’s current emissions regulations do not come close to matching local ambitions.

One of the precursors to California’s At-Berth Regulation was the Los Angeles-Long Beach Clean Air Action Plan, introduced by the ports in 2006 to tackle sulphur emissions. The plan, which was later updated to tackle wider emissions and include shore power requirements, was eventually succeeded by action on a state level. According to Dr Geraldine Katz, Executive Director of the Port of Los Angeles at the time that the Clean Air Action Plan was introduced, IMO’s progress was simply too slow for California in light of community demands to cut air pollution.

“There were active community interests that would have blocked our investment plans if we hadn’t taken action,” she explains. “As a major port you cannot afford to not develop for five years. The lowest common denominator approach [to regulating emissions globally via IMO] was not good enough for us. Today, where you have major ocean ports and active community concern, I think you will continue to see those ports stepping out.”

It is a similar case in Europe, where the FuelEU Maritime regulation is proposed

The lack of guidance and change of plan means it is complicated to understand the real impact of regulations and how to be compliant

John Michael Radziwill, Chairman and CEO of C Transport Maritime

as part of an economy-wide package driving EU towards carbon neutrality by 2050. Ricardo Batista, Policy Officer at the European Commission's DG-MOVE Waterborne Directorate, suggests that the EU initiative is not out of step with IMO, but is rather intended as a catalyst for decarbonisation at international scale.

Regulatory consideration

"The incremental ambition proposed by FuelEU, with mild targets for the initial years – a 6% reduction in carbon intensity for energy used onboard for 2030, for example – will allow operators to start the transition at minimum cost," says Batista. "That can easily be achieved by drop-in biofuels at a lower blend than is usually found in road diesel today."

Such a target plays an important role for later moves at a global level, he adds, providing an example for the wider scale transition. The regulation also allows for revision of the IMO targets progress to a position where they meet or surpass FuelEU Maritime requirements. EU member states and the European Commission are working at IMO level to try to achieve this.

"We see this as taking a short-term leadership position with a goal of long-term global harmonisation," he explains.

Ricardo also notes that the Commission's target for shipping emissions is not to reach net-zero by 2050 but was set slightly lower, at 75%, in recognition of the challenges the sector faces in abating emissions. Counting shore power as zero emissions under FuelEU Maritime is another such recognition. Currently no shore power is carbon neutral, but recognising it as such for shipping places the onus on other elements of the economy to deliver those emissions reductions.

The California Air Resources Board (CARB) has been similarly mindful of the impact of its measures on ship operators, according to regulators. Bonnie Soriano, Freight Activity Branch Chief at CARB's Transportation and Toxics Division, notes that the updated At-Berth Regulation involved a four-year assessment period during which CARB held more than 400 meetings with stakeholders including major ship operators using Californian ports. The wide range of contingency

measures offered and the long lead-in time until the regulation is enforced both testify to that consideration.

Regulations in Europe and US are likely to be far from the last that diverge from IMO's global regime. Indeed, a new proposal currently under draft in California – the South Coast Air Quality Management District's Ports Indirect Source Rule – could place further requirements on ports to ensure they only cater for low-emission vessels.

A gold-standard local regulation should take into account both the impact on ship operators and a harmonious fit with a global regime governing a global industry. But shipping will need to adapt too. As disparate regulations increase the demand for efficiency and higher operating standards, Radziwill argues that shipping could learn from the cooperation that C Transport Maritime often finds working with owners across its bulk carrier pools: "It is more important than ever for the shipping community to get together and share knowledge, costs and opinions to reach economies of scale and greater efficiency".



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ICS centenary: shaping the future of shipping for 100 years



The maritime industry met in June to celebrate the ICS centenary and forge solutions for the future

The International Chamber of Shipping (ICS) has marked its 100 year anniversary with a week of activity in June, culminating in an industry black tie dinner, decarbonisation summit and AGM, which ushered in its new Chairman Emanuele Grimaldi, president and MD of Grimaldi Euromed.

While delayed by a year due to the pandemic, major industry figures gathered to acknowledge the work that ICS has done in the last century, and to find solutions to one of the biggest challenges that lies ahead, decarbonisation, at the [ICS Shaping the Future of Shipping summit](#).

Reflecting on change

ICS also launched a [Centenary book](#), in which key figures from ICS' past and present look back over the organisation's achievements and major milestones as part of its role as the principal trade association for shipowners and operators for the last 100 years.

As the book notes, the organisation has faced multiple challenges in that time, formed in the post World War I era, it weathered the impact of World War II, and led and supported the industry through international challenges of the Cold War, major global recessions and of course, most recently the COVID-19 pandemic and the ongoing supply chain crisis and conflict in the Ukraine.

Esben Poulsson, ICS Chairman, said: "The shipping industry today is very different to that which existed when ICS passed its 75th anniversary. Over the past quarter century, with the support of ICS, the industry has made great strides to improve its standards of safety and environmental protection. ICS is currently leading the industry's collective response to the threat of climate change. As it continues to help shape the future of shipping, ICS is committed to the achievement of net zero emissions by 2050."

While ICS and industry leaders prepare to accelerate unprecedented action to face arguably its biggest challenge yet, climate change, an extract from the minutes of ICS' first meeting in 1921 shows that many of the challenges that shipowners faced a century ago are very similar to those they continue to face today - as is the collaborative spirit. The minutes in the book paint a picture of an industry coming together to discuss the need for continued international cooperation, as well as the best way to influence and shape the new body of international shipping regulations being created to tackle environmental and safety issues.

Shaping shipping

The Chamber's work began after the ground-breaking Diplomatic Conference of governments in London in 1914, when the first Safety of Life at Sea Convention

(SOLAS) was adopted, prompted by the loss of 1,500 lives during the Titanic disaster of 1912. Seven years later SOLAS, though not yet ratified, was an important agenda item at ICS' first meeting, as outlined in the minutes: "We felt that it was incumbent upon us, in calling this conference, to include in the agenda some of the most important provisions of that Convention [SOLAS], namely, the subdivision of passenger vessels, lifesaving appliances and wireless...These, I think you will agree, are very important and pressing matters, calling for international consideration by shipowners."

Throughout the 1920s, ICS members set up a number of committees to carry into effect the general principles agreed at its first meetings. This included work on deck cargoes, load lines, lifesaving appliances, 'wireless telegraphy' and taxation of shipping earnings, issues which remain central to the work of ICS.

In 1961, ICS became the first non-governmental organisation to achieve consultative status at the International Maritime Organization (IMO). Kitack Lim, Secretary General, IMO, says: "ICS has supported the development of all the principal IMO instruments, including both the first and very latest iterations of the SOLAS, MARPOL and STCW Conventions which, together with the ILO MLC, which are acknowledged today as the four key pillars of global maritime regulation. ICS has also been at the forefront of other key IMO developments, such as the adoption, almost 30 years ago, of the ISM Code."

Full speed ahead

ICS continues its leading role to shape and forge international maritime regulation. This is particularly evident in recent years in ICS' work on decarbonisation, with submissions and calls to the IMO to reduce maritime carbon emissions to [net zero by 2050](#), to introduce market-based measures, to encourage research and development, as well as its work on multiple regulations including carbon intensity.

A guiding hand

To help shipping navigate through change, ICS produces publications and best practice guidance on maritime safety, environmental protection and the employment and training of seafarers. During the 1970s, these included the first editions of the International Safety Guide for Oil Tankers and Terminals (ISGOTT), produced jointly with the oil industry, and the ICS Bridge Procedures Guide, a copy of the [latest edition](#) of which is still carried on board most commercial ships trading internationally today.

International support

During the International Chamber of Shipping's Centenary black tie dinner [a film](#) produced by ICS was shown to celebrate the vital contributions that shipping has made to the global economy of the over the past 100 years and ICS; key role in supporting and shaping the modern maritime industry. Heads of state and politicians, including the President of Cyprus, Nicos Anastasiades, and the Chief Executive of Hong Kong SAR, Carrie Lam, as well as Foreign Minister of Italy and Transport ministers from around the world, shared how shipping has shaped their own country and the vital role it continues to play in their nations economic development. Carrie Lam, Chief executive, Hong Kong SAR, said: "The efficient flow of goods is very important, [shipping] supports economic activities, it serves people's daily necessities and so is a very important part of the global economy."

100 years of International Chamber of Shipping

The ICS Centenary film is free to watch on the ICS website; please click on the screenshot of the video (left) or visit: <https://www.ics-shipping.org/news-item/charting-100-years-of-the-shipping-industry/>

However, as incoming ICS Chairman Grimaldi notes in the Centenary book, favourable outcomes of decarbonisation efforts will also hinge on the work ICS and the maritime industry is undertaking to engage outside its usual sphere of influence, as witnessed at the recent Shaping the Future of Shipping summit: "Success will also depend on governments, and stakeholders other than shipowners, ensuring that new zero-carbon fuels will be available in ports worldwide on a commercially viable basis. The scale of the ambition involved with this collective endeavour is truly impossible to exaggerate."

Continued cooperation

ICS Secretary General Guy Platten notes in the Centenary book that 2022 has seen a whole host of priorities for the organisation: responding to the crisis in Ukraine, and helping the industry "emerge from the global pandemic", as well as tackle issues brought about by greater digitalisation and stresses of the global economy. However, he underscores that the "the greatest long term priority for ICS is to address the overriding challenge of our age – the

phase-out of greenhouse gas emissions as soon as possible."

Underpinning this work is the need for continued cooperation inside and out of the maritime industry. Today, ICS is forging new relationships with governments and external stakeholders and continues to be active at all intergovernmental bodies that have an impact on shipping, including the International Labour Organization, the UN Conference on Trade and Development (UNCTAD), the Organization for Economic Co-operation and Development (OECD) and the World Trade Organization (WTO).

ICS also continues to work closely with its social partner, ITF, as shown by their joint co-operation to address the crew change crisis throughout the COVID-19 pandemic and their important work on ensuring a '[just transition](#)' for the maritime workforce as the shipping industry seeks to decarbonise.

Poulsen remains positive that the Chamber's long history of cooperation will allow the industry to navigate any hurdles that the next century holds: "Despite the many geopolitical challenges confronting the world today, I am confident that, within ICS at least, this good cooperation will be sustained. The history of ICS, and the reason why it has been so effective when liaising with governments at bodies such as the IMO, is the willingness of its member national shipowner associations to co-operate in the best interest of the entire global industry. Long may this great cooperation continue."



Access to emergency healthcare for seafarers has been limited during and after COVID-19. Credit: Shutterstock

While digital healthcare has been given a boost, governments must do more to ensure access to medical care for seafarers

Following the effects of COVID-19 and the crew change crisis, seafarer health and wellbeing are increasingly in focus. While port restrictions and reduced shore leave has led to an increased use of telemedical services onboard, as well as an evolution in the quality of telemedical health services as a result of the pandemic, there remains an ongoing concern regarding access to in-person and emergency medical care.

Ismael Cobos Delgado, Deputy Director of the International Maritime Organisation (IMO) Maritime Safety Division, said, "IMO's SCAT team received numerous requests for assistance from seafarers that were unable to disembark their ships to receive medical care ashore during the COVID-19 pandemic. Receiving such care can be a matter of life and death. While tele-medicine and shipboard publications are valuable medical resources, there is also a legal obligation under IMO and ILO conventions to render assistance to seafarers in distress, including medical assistance."

In March 2022, the International Chamber of Shipping (ICS) called on governments around the world to ensure access to medical care for seafarers, after it emerged that crews continue to be refused urgent treatment at ports during the pandemic.

[In a recent report](#), the International Labour Organisation's (ILO) Special Tripartite Committee of the Maritime Labour Convention, commenting on the latest report of the Committee of Experts (made up of 20 eminent jurists) noted "...with deep regret the existence of cases of denial of access to medical care ashore for seafarers, even in situations of the utmost urgency".

Publicly reported examples throughout the pandemic include seafarers with broken limbs being asked to [remain on board](#) and take painkillers, a chief [engineer vomiting blood not allowed to disembark](#), and even the body of a ship's master who suffered a fatal heart attack being refused repatriation.

In lieu of access to medical shore leave, shipowners and seafarers have had to develop strategies to become more self-sufficient. Crews have often had to act as first line responders, supported by telemedical services and information in medical guides onboard mandated by the Maritime Labour Convention (MLC) 2006. As a result, not only have there been calls to update the guides in question - provided internationally by the World Health Organisation (WHO) or regionally by the flag state - but it has also led to a greater focus on preventa-

tive actions and raising awareness of resources available for crews.

“Seafarers are currently dealing with a new normal where many of the issues that began or worsened during COVID continue today, including difficulties accessing shore leave and medical services while on contract. This is one of the reasons we’ve extended our services to now not only support seafarers who contact us directly, but also offer information that might assist with preventative measures, such as physiotherapy exercises that can help reduce the risk of musculoskeletal injuries with repetitive physical work,” said Sandra Welch, CEO of the maritime charity Seafarers Hospital Society (SHS).

Government action required

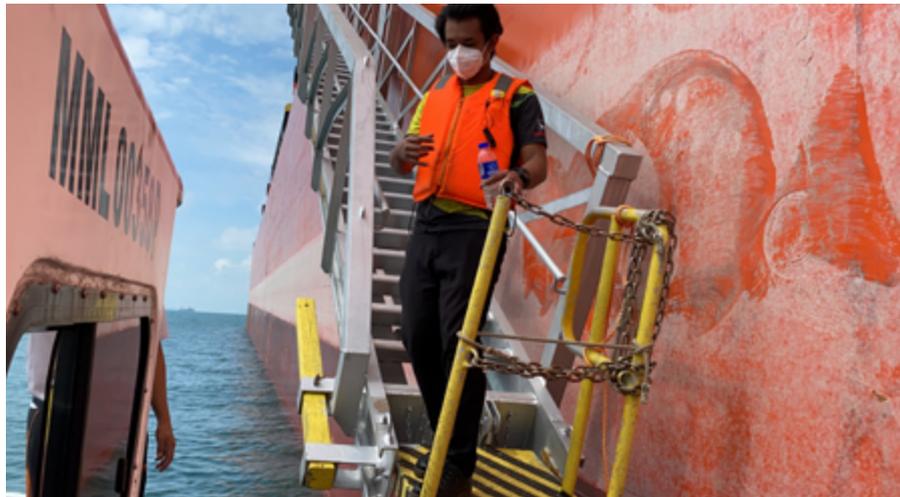
Relying on owners and crews to intervene in medical emergencies is not, however, a long-term solution. ICS’ [calls in March](#) echoed the ILO report’s recommendations, urging governments around the world to designate and treat seafarers as key workers, provide access to medical care ashore when needed, and prioritise seafarers for Covid-19 vaccinations.

The ILO’s committee also linked the denial of seafarer medical treatment as a further stressor on an already overstretched global supply chain. It said that “...the crew change situation remains critical and appears to be deteriorating, which jeopardises the safe and uninterrupted delivery of vital supplies.”

Call for updated information

Seafarers, shipowners and operators, unions such as the International Transport Workers Federation (ITF) and the ILO have argued that existing medical advice available onboard, such as the WHO’s *International Medical Guide for Ships* (Third Edition, 2007), is impractical and outdated for contemporary circumstances. The guide is perceived as too bulky and academic in nature, making it difficult to use by seafarers onboard, particularly those who are less comfortable with the English language.

“The World Health Organisation (WHO) *International Medical Guide for Ships* (Third Edition, 2007) has not been reviewed by the intended audience - real seafarers - but was reviewed by doctors. While this ensures that the medical advice provided is correct, its actual practical use in the field leaves much to be desired,” said Captain Pradeep Chawla, Group Managing Director,



Medical crew going down the gangway of tanker. Credit: Shutterstock

IMO’s SCAT team received numerous requests for assistance from seafarers that were unable to disembark their ships to receive medical care ashore during the COVID-19 pandemic. Receiving such care can be a matter of life and death

Ismael Cobos Delgado, Deputy Director of the International Maritime Organisation (IMO) Maritime Safety Division

QHSE and Training, with the Anglo Eastern Univan Group and member of the Inter-tanko Human Element Group.

“If you have an emergency or something like a heart attack onboard, then you do not have time to look for a fat manual and read a whole page of text,” he pointed out. “What you need is a brief list of steps to follow, ideally in a pictorial format, and these would be best if available as cards rather than a whole book.”

To address such concerns, ICS has produced a new *International Medical Guide for Seafarers and Fishers (First edition)*, authored by Dr. Sue Stannard. Due to be published in November 2022, it is written in simple English, which avoids the use of colloquialisms, has pictorial representation and highlighted quick actions, and contains pull cards that can easily be brought to the scene of an incident. The

guide is intended to be user-friendly and prescribes the most up-to-date internationally available medicines.

While any focus solely on COVID-19 would likely date the guidance involved, the information provided expands on existing risk management for pandemics. While information continues to be available for COVID-19, Ebola, SARS, etc in terms of spread and symptoms, there is further up to date general guidance on how to isolate anyone affected onboard – information that could be valuable as the industry now faces the possibility of a series of monkey-pox outbreaks.

Need to focus on seafarer training

While the provision of information remains a high priority, Captain Chawla argues that existing seafarer medical training is not fit for purpose. “I would strongly advise that the training period be increased and the modelled courses lay down the minimum equipment and medicines required,” he said.

Existing seafarer training for first aid would need to be updated to include updated medical knowledge and techniques, particularly guidance in case of emergency. Chawla flags the need for a uniformity in first response training, as different regions and facilities may suggest that the seafarer use medicines or medical equipment that are dated, unavailable in that region, or available but unfamiliar to the seafarer in question.

While an international guide may be the first step to greater uniformity of seafarer medical training, updates to international regulation, such as in the ongoing review of STCW, and an end to governments blocking medical aid ashore must be achieved if seafarer healthcare is to improve.

ICS in Action

A round-up of ICS news and activities over the last month

Emanuele Grimaldi appointed ICS Chairman

The board of the International Chamber of Shipping (ICS), appointed Emanuele Grimaldi, President and Managing Director of Grimaldi Euromed SpA, as Chairman of the Board on 22 June.

Grimaldi, a former president of both Confitarma and European Community Shipowners Association (ECSA), was formally voted in as chairman by the ICS Board of Directors last year. Alongside ICS Secretary General, Guy Platten, his mandate will include working to find private and public solutions to a range of issues facing the sector, including decarbonisation, digitisation, diversity, and crew change.

He succeeds former chair, Esben Poulsen, Executive Chairman ENESEL PTE. LTD., who has served as ICS Chair since 2016, and who steps down after serving three terms of office. Read more [here](#).

ICS launches 'Shipping Policy Principles for Pandemic Recovery' at WTO event

ICS launched its [Shipping Policy Principles for Pandemic Recovery](#) in Geneva during the World Trade Organization (WTO) 12th Ministerial Conference.

ICS attended the conference alongside other leading business organisations. This follows WTO Director General, Okonjo-Iweala's proposal for a formal Dialogue between the WTO and the maritime transport sector, highlighting the importance of collaboration between the WTO and the global shipping industry.

The new Shipping Policy Principles strengthen the shipping industry's commitment to the maintenance of a rules-based global trading system and a global regulatory framework which embraces

open markets and fair competition; plus strict adherence to internationally adopted standards.

Guy Platten, ICS Secretary General, said: "We are committed to engaging with the WTO in this comprehensive Dialogue, and hope that our ICS Shipping Policy Principles will provide a building block for discussions between the shipping industry and governments."

ICS launches Barometer survey 2022

ICS has launched its [Maritime Barometer Survey](#), and is calling on maritime leaders to share their views. The Barometer is a tool for evaluating current trends in the maritime industry and to glean valuable insights into key issues being faced by maritime leaders. Question topics include decarbonisation, the impact of the pandemic and how shipping will manage the world's shifting geopolitical landscape. The anonymous survey will form the basis of the Maritime Barometer report, to be published early 2023. Click [here](#) to take the survey.

New three year global minimum wage safety net deal agreed

In late May, the UN International Labour Organization (ILO) convened the bipartite round of negotiations between shipowners, and seafarer unions across the world, coordinated by the ICS and the International Transport Workers' Federation (ITF) respectively.

The social partners agreed to structure the new [3-year deal](#) through annual increases, up to \$673, from 1 January 2023 to 1 January 2025.

Charles Darr (Swiss Shipowners' Association), Spokesperson for the shipowners group, called the new deal "a win-win for both shipowners and seafarers".

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.

For more ICS contacts: www.ics-shipping.org/contact-us/

Contact us

International Chamber of Shipping
7th Floor, Walsingham House,
35 Seething Lane, London
EC3N 4AH
+44 (0) 20 7090 1460
info@ics-shipping.org
www.ics-shipping.org

Editorial

Intent Communications

Tanya Blake
tanya@intentocommunications.co.uk

Namrata Nadkarni
namrata@intentocommunications.co.uk

Samira Nadkarni
samira@intentocommunications.co.uk

Design and layout

Phil McAllister
phil@philmcallisterdesign.com
+44 (0) 1273 737481

Press and Communications

Duncan Bray,
Woodrow Communications
+44 (0) 7972 224445

Sales

Richard Emsley
richard.emsley@ics-shipping.org
+44 (0) 7730 289459

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