



Leadership Insights

Issue no: 19 | April 2023

Decision Maker – Kenneth Lim

Building resilient decarbonised futures p2

News

G7 countries target net zero shipping by 2050 p5

EU Net Zero Industry Act incentivises CCS p6

Cautious optimism as UAE abandonments fall p7

IPCC report urges advanced net zero targets p8

News Analysis

Trade woes for South Asian nations p9

ICS in action

New partnership to enhance crew insights,
safeguarding lives at sea, recognition of Filipino
seafarer certificates p10

The value of trust

Maritime and Port Authority of Singapore's
Kenneth Lim highlights the value of a common
sense of mission when collaborating and
building networks of trust.



Heavy hitter



The Port of Singapore has cemented its position as a key maritime hub, leading the charge on decarbonisation, digitalisation and supply chain resilience. Kenneth Lim, Assistant CEO, Maritime and Port Authority of Singapore (MPA) tells *Leadership Insights* about the factors contributing to its ongoing success.

Q How successful were the MPA's interventions during the pandemic, and how are you continuing to improve resilience to potential supply chain issues in future?

A Our maritime hub was resilient and performed well through the pandemic. In 2022, we achieved our second highest container throughput of 37.3 million twenty-foot equivalent units (TEUs), remained the world's largest transshipment hub, and retained our position as the world's largest bunkering hub.

Recognising the critical role that seafarers play in keeping global supply chains open, MPA established the Shipping Tripartite Alliance Resilience Fund (STAR Fund) with Singapore Shipping Association (SSA), unions and international organisations to ensure that crew changes are conducted safely amongst seafaring nations. Our CrewSafe audit programme, with more than 40 accredited facilities in crew source nations, has provided quality control checks for crew change processes across quarantine, medical, and testing facilities for more than 280,000 crew changes to date.

Moving on from the pandemic, we must now work towards the next bound of growth amidst expectations of a global economic slowdown in 2023. We have identified four key focus areas: driving digitalisation, decarbonisation and alternative fuels, developing future-ready maritime talent and continuing collaboration.

Q Which of the many impressive planned developments to further Singapore's competitiveness as a logistics and maritime knowledge hub are you most excited about?

A As global demand for maritime trade is expected to grow, the deployment of the Next Generation Vessel Traffic Management System which incorporates Smart Collision Detection and Proactive Traffic Management, will be a key enabler to ensure continued safe and efficient shipping and port operations.

The rollout of digitalPORT@SG™ Phase 2 in 2023 includes modules for just-in-time vessel planning into terminals, one-stop access to marine services such as bunkering, supplies and repairs, as well as an

We are also looking forward to the establishment of three maritime 5G base stations by this year which will create the world's first public and largest 5G maritime testbed for applications like remotely assisted pilotage advisory and delivery drones

Active Anchorage Management System to optimise the usage of anchorage spaces. This can significantly reduce ships' turnaround time in port, as well as greenhouse gas emissions (GHG) by minimising ships' idling time at anchorages.

We are also looking forward to the establishment of three maritime 5G base stations by this year which will create the world's first public and largest 5G maritime testbed for applications like remotely assisted pilotage advisory and delivery drones. Another goal is increasing the number of start-ups supported by MPA five-fold, from 30 in 2021 to 150 by 2025 via our Smart Port Challenge (SPC), run in partnership with the Port Innovation Ecosystem Reimagined at BLOCK71 (PIER71™). We have supported 50 start-up projects with grant funding of SGD \$2.45 million so far.

Q In the energy transition, do you see MPA's role as anticipating demand for clean fuels, or instead setting an agenda that ship operators can follow as they make their fuel choices?

A I think commercial cooperation should be flexible with as many ships as possible that should be able to come and go rather than directional positioning by a lot of ships. In the latter you are locked into Contracts of Affreightment (COAs) and need vessels to cover them, which takes away your flexibility.

We designed our Capesize, Supramax and Panamax pools to have this agility. Ships can come in with three months' notice and leave with three months' notice - or really, at the end of your voyage. This is the same as having a single ship in a spot market. If the owner wants to take a directional view, perhaps to de-risk their long shipping risk, then they can take their ship out of the flexible cooperation, and fix it in the time charter market, or sell it - all of which would require a three month window anyway. We don't want to take away any flexibility from owners.

Agile scaling up has improved our performance. Our Capesize pool performed at around 14% better than the Baltic Capesize Index in 2022, net of differentials and fees - and our Supermax pool performed 8% better than the Baltic Supramax Index, net of differ-

entials and fees. So the benefit of being in our pool versus the spot market was between USD \$600,000 to \$800,000 per ship, which is pretty substantial, particularly for owners with multiple vessels in our fleet.

Q How could the shipping industry as a whole better prepare for the oncoming shift towards a resilient, decarbonised global logistics network?

A Supply chains are becoming more complex as governments and companies around the world reconfigure their supply chains to enhance resilience. Singapore is focusing on four areas:

1. Digitalisation: This will enable faster vessel clearance, enhance port efficiency, and reduce ship turnaround time. Not only will this help us cut down on delays in the logistics network, but it will also cut greenhouse gas emissions by minimising ship's idling time at anchorages. Besides rolling out Phase 2 of digitalPORT@SG™ in 2023, we will also work with Singapore Trade Data Exchange (SGTraDex), Jurong Port and their partners to pilot a data sharing initiative that focuses on supplies procurement, fulfilment and lighterage logistics. This is in addition to initiatives that the MPA has previously rolled out including electronic bills of lading (EBL), digital bunkering (e.g. e-BDN) projects, and DigitalOceans to harmonise API/data standards and promote global data standards.

2. Cybersecurity: As maritime systems become increasingly digitalised, the maritime industry must also be prepared with the right tools to manage the risk of cyber incidents that could disrupt the flow of vessels and cargo at our ports. We will establish the Maritime Cyber Assurance and Operations Centre (MCAOC) by 2025 to provide real-time security monitoring and dissemination of information to mitigate threats, advise on system recovery and measures to take following an incident, and facilitate cyber threat information-sharing among maritime stakeholders.

3. Talent: The industry must also attract and develop a steady pipeline of maritime talent across all levels, who are equipped with the right skills and expertise as the industry transforms. Increasingly, this will also include



A more resilient and decarbonised global logistics and shipping network can only take place when liked minded partners come together to raise the collaboration efforts between ports and shipowners/operators

skills and expertise in decarbonisation, digitalisation and cybersecurity. We offer internships, scholarships and pre-employment training as well as a career conversion programme for maritime and non-maritime talents – as well as our well-known Maritime Leadership Programme.

4. Collaboration: A more resilient and decarbonised global logistics and shipping network can only take place when liked minded partners come together to raise the collaboration efforts between ports and shipowners/operators. We have just started the movement to bring together the collective resources and will of our partners through Green and Digital Shipping Corridors, and will continue to reach out and bring onboard all the stakeholders along the entire value chain to develop solutions, standards and enablers to facilitate efficient port calls, cargo flows, and paperless handling through the port of Singapore and partners.

Q What are the greatest misconceptions that shipowners have about Singapore ports and how would you like to redress them here?

A The continued success of Singapore as a global transshipment hub did not simply happen

by virtue of our strategic location. Over the last two years, COVID-19 and geopolitical tensions have caused supply chain disruptions that have resulted in reduced cargo throughput, port closures, and crew change challenges – which also affected us.

But Maritime Singapore came together- port operator PSA deployed more resources and manpower, and the strong tripartite partnership allowed Singapore to remain open and serve as a “catch-up” port for shipping lines. This was a partnership built over many years that is based on trust and a common sense of mission to ensure Singapore succeeds.

Our success was also enabled by a vibrant International Maritime Centre here in Singapore, which provides a very conducive business environment for shipping companies – and we have seen strong take up by local and international banks with shipping portfolios as well as the insurance sector, which was strengthened through the opening of the Swedish P&I Club in Singapore.

The Singapore Chamber of Maritime Arbitration (SCMA) continues to be integral in the global maritime arbitration landscape, particularly in Asia and there are currently about 30 leading shipbroking firms in Singapore - many of which are expanding.

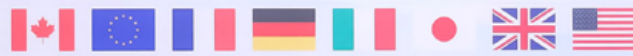
We do not take for granted the success of both our ports and International Maritime Centre and will continue to strengthen our attractiveness and “stickiness” for shipping companies to set up and expand their business [here](#).

G7

SAPPORO

Ministers' Meeting on Climate, Energy and Environment

April 15 and 16, 2023 Sapporo, Japan



News

G7 countries target net zero shipping by 2050

Seven of the world's biggest economies have reaffirmed their commitment to more stringent emission targets for international shipping. The G7 Ministers' Meeting on Climate, Energy and Environment on April 15-16 noted the group's common aim of working towards an International Maritime Organization (IMO) greenhouse gas (GHG) target of net-zero emissions by 2050, with new intermediate targets in 2030 and 2040.

The [statement](#) from the G7 group – comprising Canada, France, Germany, Italy, Japan, the UK and the US – comes less than two months before the critical MEPC 80 meeting at which a new IMO emissions reduction ambition and strategy will be decided. Following the introduction of short-term measures at the beginning of this year (including the Carbon Intensity Indicator and the Energy Efficiency Index for Existing Ships) discussions will also continue on mid-term measures.

The group added: “We commit to work for the development and adoption of mid-term measures by 2025, consisting of regulatory signals and incentives to

We commit to work for the development and adoption of mid-term measures by 2025, consisting of regulatory signals and incentives to accelerate the transformation of shipping

accelerate the transformation of shipping, such as the introduction of zero-emission ships in the early stage, while recognising the importance of a just and equitable transition that leaves no one behind.”

Elsewhere in the [communiqué](#), the group outlined commitments to continue working towards the adoption of the new UN treaty on the Marine Biodiversity of Areas Beyond National Jurisdiction (BBNJ), scheduled to take place on June 19-20. The BBNJ treaty will include the establishment of protected areas to improve conservation of marine biodiversity, as well as greater scrutiny of ocean industries including shipping, fishing and aquaculture.

Commitments were also made to further clamp down on illegal, unreported and unregulated (IUU) fishing, including through the UN Food and Agriculture Organization's Agreement on Port State Measures, which aims to prevent IUU vessels from entering ports and landing their catches. Another pledge targeted marine plastic litter through existing G7 and G20 action plans, as well as IMO's efforts to reduce abandoned, lost and otherwise discarded fishing [gear](#).

IPCC report urges advanced net zero targets

The latest findings of the Intergovernmental Panel on Climate Change (IPCC) [Climate Change 2023: Synthesis Report](#) have prompted UN Secretary General António Guterres to call on all countries to bring forward their net zero plans by a decade to meet greenhouse gas (GHG) targets. The current trajectory of global GHG emissions in 2030, based on nationally determined contributions (NDCs) announced in October 2021, shows that there are gaps between projected emissions from implemented policies and those from NDCs. This indicates that current finance flows are falling short of the levels needed to meet climate goals across all sectors and regions.

Peter Thorne, Director of the ICARUS centre at Maynooth University and section facilitator of the IPCC report, said, “we have the tools, the technology and

the financial headroom to be able to cut emissions and keep warming well below 2 degrees, but we must act now to achieve this.” Its findings indicate a high likelihood of global warming of 1.5 °C above pre-industrial levels and related global greenhouse gas emission pathways taking place in the 2030s.

Thorne explained that “all industries and sectors can be active players under this paradigm. Available options differ by sector, and for maritime the focus is clearly on more sustainable fuels of various types.” The International Energy Agency (IEA) has previously [reported](#) that shipping is currently not on track to meet its emission targets, and has noted a clear need for technological innovation, supportive policies and collaboration across the value chain to drive the adoption of low- and zero-carbon fuels and technologies

for oceangoing vessels. While it reports an anticipated increase in [low and zero carbon fuels by 2030](#), it foresees a significant market share only occurring in 2050 based on maritime’s current trajectory.

The IPCC report also emphasises the economic benefits offered by air quality improvements as a result of reduced emissions. This can be achieved through immediate global action, examples of which include access to clean energy, low-carbon electrification, and the promotion of zero- and low-carbon transport. Increased international cooperation can further enable climate resilient development, such as enhanced access to appropriate financial resources, particularly for disadvantaged areas, sectors, and people, as well as inclusive governance and coordinated policies to expedite our journey to [net zero](#).



A place to **MEET**

Space to **CONNECT**

Room to **EXPLORE**



The ICS **MARITIME HUB**
maritimehub.ics-shipping.org
reservations@ics-shipping.org
+44 20 7090 1460

The Maritime Hub offers state-of-the-art meeting rooms in the heart of the City of London. Unique spaces to meet, engage and collaborate – tailored to your requirements.

Cautious optimism as UAE abandonments fall

As recently as December 2022, the UAE was listed as the country with the highest incidence of abandonment in the world – ICS recorded 29 such cases during the course of the year. Fast forward less than four months and welfare groups have noted, despite increasing prevalence worldwide, a significant drop in the number of UAE cases, with just one case reported in the first quarter of 2023.

Abandonments rose dramatically during the global pandemic as a result of the economic dislocation caused by widespread port closures. Despite the gradual resumption of international trade since the latter part of 2021, wider economic and geo-political instability combined to make 2022 the worst year on record for abandonment cases reported to the International Maritime Organization (IMO), with 103 vessels abandoned globally, affecting 1,682 seafarers.

Talking to *Leadership Insights*, Ben Bailey, Director of Programme at The Mission

to Seafarers explained how the UAE may have bucked the global trend. While crediting the UAE government for passing [legislation](#) in 2021 to deter abandonment, he questioned if market conditions had also contributed to the reduction, “many of the ships we have dealt with in the past have been in the offshore energy sector. With energy being in such high demand, I wonder if it’s also to do with the fact that these vessels are needed more than ever.” He added that “certainly, in the past we have seen a rise in cases when prices have dropped.”

That said, the UAE’s success in reducing the incidence of abandonment demonstrates the impact that national legislation and robust enforcement mechanisms can achieve in a limited timeframe. However, whilst cautiously optimistic about the situation in the UAE, Bailey remains concerned that cases may “have gone elsewhere, perhaps to countries where there is absolutely no welfare provision”. Explaining what was required to end the

scourge, he added that “ultimately, abandonment will only stop when every port state has ratified the MLC and has robust inspection regimes.”

Abandonment can have devastating consequences on seafarers, with some left without basic necessities, support, and shore access for protracted periods becoming wholly reliant on charities for survival. Citing the UAE as an example, abandonment at sea can be tackled but success requires political will at the national level. In addition, States should commit to implementing the 2022 ILO-IMO guidelines and make a concerted effort to ratify existing international regulations in order to safeguard the rights of seafarers.

Interested parties can pre-order the ICS publication ‘[Guidelines on the Application of the ILO Maritime Labour Convention, Fourth Edition](#)’ which addresses the wide range of MLC provisions including the 2022 updates entering into force in December [2024](#).



EU Net Zero Industry Act incentivises CCS

The European Union will have an annual target for carbon capture and storage (CCS) under a new act proposed by the European Commission last month. The Net Zero Industry Act aims to accelerate the production of decarbonisation solutions, with CCS listed among eight strategic technologies.

The act has the broad aim of “simplifying the regulatory framework and improving the investment environment for the Union’s manufacturing capacity of technologies.” As well as measures to incentivise, streamline and harmonise the development of technologies, the act proposes a regional carbon injection capacity target of 50 million tonnes by 2030.

“The emergence of a CCS value chain in the EU is currently being hampered by a lack of CO₂ storage sites,” the Commission’s explanatory memorandum noted.

These measures aim at bringing together key relevant assets to establish a single market for CO₂ storage services

“These measures aim at bringing together key relevant assets to establish a single market for CO₂ storage services that large-scale CO₂ emitters, including hard-to-abate industrial sectors, can rely on to decarbonise their operations.”

The next stage of the legislative process will be the act’s first reading at the European Parliament, where it will be adopted or amended before going to the European Council for its first reading. No date has yet been set for the process.

Incentives to support developing technologies and enhanced access to carbon

storage sites would be welcomed by the several initiatives seeking to deploy CCS in the maritime market. Last month the [REMARCCABLE consortium](#) announced its two-year, three-phase demonstration project onboard a Stena Bulk MR tanker, investigating operational challenges around onboard CCS and offloading captured carbon dioxide. The consortium includes [the Global Center for Maritime Decarbonization \(GCMD\)](#), [OGCI](#), [ABS](#), [Stena Bulk](#), [Alfa Laval](#), [the Netherlands Organization for Applied Scientific Research \(TNO\)](#) and [Deltamarin](#).

Erik Hånell, CEO of Stena Bulk, said: “Installing a CCUS system on one of our vessels demonstrates our long-term commitment to technological innovation and sustainability. We intend to use the system beyond the scope of this pilot project, proving to the market what is already possible through [collaboration](#).”

International Medical Guide for Seafarers and Fishers



£225

International Medical Guide for Seafarers and Fishers
First Edition

- Improves medical care on board
- Helps crew be prepared
- Applicable globally
- Comprehensive and up-to-date
- Practical and user-friendly
- Written by maritime medical practitioners
- Globally available medicines and equipment
- Available in print or digital ebook

Includes a Ship's Medicine Chest and removable Action Cards for use in a medical emergency.




In collaboration with





Order now at: publications.ics-shipping.org

Trade woes for South Asian nations

A series of 'once in a lifetime' shocks destabilised South Asian economies last year. Can growing participation in global trade provide a lifeline?

The economies of South Asian nations have been thrown into turmoil by multiple events over the past year, which have eroded the benefits that global trade has delivered to the region over the previous decade. While rising costs and turbulent geo-political factors can certainly account for the majority of the change, these issues have been multiplied by the COVID-19 global crisis. The pandemic has had a disproportionate health impact on developing countries compounded by global supply chain disruption and engorged government debts. Recovery from these effects has been hampered by both local and global factors in Bangladesh, India, Pakistan, Sri Lanka and surrounding nations.

In its report, [Coping with Shocks: Migration and the Road to Resilience](#), the World Bank outlines these issues. "In short order, a series of once-in-a-lifetime shocks has hit South Asia. The devastating floods in Pakistan, a full-blown economic crisis in Sri Lanka, and the ongoing war in Ukraine, which caused skyrocketing commodity prices, are happening when countries in South Asia are still trying to recover from COVID-19," it said.

According to Pronab Sen, director at the Indian School of Public Policy, the impact on energy prices from the Ukraine war is another key factor hindering efforts to restore the balance of payments in these countries. All South Asian countries are energy dependent, making electricity yet another expensive import working against their recovery.

"In Sri Lanka and Bangladesh, the problems essentially stem from the fact that they've simply run out of foreign exchange," says Sen. "Both have approached their bilateral donors for rolling over the debt, but that will not work until they get the balance of payments into some shape. That means increasing



exports — which is not easy when a lot of exports are dependent upon importing first — or reducing imports, which is domestically very painful."

The region's biggest economy, India, has remained relatively resilient although growth has been hindered by the global economic downturn. The country was shielded from regional turmoil partly due to greater foreign investment, which means it is less reliant on trade. And investors are likely to retain a positive outlook. Sen notes that the Indian stock market has proved robust, staying stable despite a recent major financial scandal involving infrastructure developer Adani Group's artificial inflation of its equity price to fund growth.

The outlook for trade in the region depends largely on the global economy, and is thus likely to remain subdued in the short to medium term. The International Monetary Fund (IMF) is advocating its usual brand of medicine: reducing trade barriers to increase global value chain integration and competitiveness. For countries like Bangladesh and Sri Lanka,

which have already put themselves at the mercy of global markets, that may be a bitter pill to swallow.

Analysis of the region paints a complex picture of the benefits of participation in what the IMF calls the 'global value chain' – with no single ladder to success. Of the three South Asian economies that requested IMF bailouts last year, one had largely cut itself off from external trade (Pakistan), another had introduced radical reform to entice greater trade (Sri Lanka), and the last had long been a prime example of growth driven by exports (Bangladesh). The next steps must aim to make that trade, and its benefits, more resilient.

Per the [ICS Protectionism in Maritime Economies Study 2022](#), this resilience is more likely to be achieved with pro-market policies that reduce trade barriers rather than protectionist or restrictive measures. National trade policies in countries with access to efficient maritime transport services are more likely to reap benefits, such as a higher income and competitiveness, when in tandem with corresponding improvements in the quality of its laws and [governance](#).

ICS in Action

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

New partnership to enhance crew insights

Lloyd's Register has become a joint partner with ICS, having acquired IT Energy Systems and Consulting Limited's 50% interest in [ISF Watchkeeper](#). A compliance software solution that helps ship operators to plan, manage and report their crew's rest hours in accordance with STCW and MLC regulations, ISF Watchkeeper is currently in use by over 180,000 seafarers across 700+ shipping companies.

Elliott Adams, ICS' Chief Finance and Commercial Officer, said, "Being able to leverage Lloyd's Register's network and complementary tools provides significant benefits for the industry as we look to expand and further enhance ISF Watchkeeper."

Martin Taylor, CEO of [LR Digital Solutions](#), added, "ISF Watchkeeper has the only comprehensive database of crew working practices and through this we will be able to provide detailed insights to help improve seafarer safety and efficiency at [sea](#)."

Safeguarding lives at sea

ICS has published the first edition of its [International Medical Guide for Seafarers and Fishers](#). Written collaboratively with the International Transport Workers' Federation (ITF) and the International Maritime Health Association (IMHA), the publication offers advice to help seafarers provide relief until telemedical assistance services can be reached.

The guide covers all injuries, illnesses and health issues experienced onboard ships and fishing vessels. It includes action cards to assist first responders and, uniquely, provides a recommended contents list for ships' medicine chests. To address [a key lesson](#)

Secretary-General of the United Nations António Guterres has [written](#) to ICS Chairman Emanuele Grimaldi to acknowledge the [joint open letter](#) concerning the 331 seafarers and 62 vessels stranded in Ukrainian ports. Guterres confirmed that the IMO and ILO remain engaged on multiple tracks to facilitate their safe departure, including advocacy efforts and consultations with relevant parties, and thanked the co-signatories for their continued support.

[from the COVID-19 pandemic](#), it also covers assessing and treating mental health - a first for an international guide. Priced at £225, it is available in [print and digital ebook](#).

Recognition of Filipino seafarer certificates

The ICS has welcomed the European Commission's (EC) [decision](#) to continue to recognise the Philippines training and certification system. The EC initially planned to withdraw its recognition of Filipino seafarer certificates in December 2021 unless serious corrective action was taken.

Commenting on the decision, Guy Platten, ICS Secretary General said it, "is a testament to the Philippines' hard work to make sure seafarer training complies with regulations. Maintaining seafarer training standards globally ensures a brighter future for our seafarers."

The ICS, as a founding member of the International Advisory Committee on Global Maritime Affairs (IACGMA), signed an MoU with Philippines's Department of Migrant Workers to ensure the provision of appropriate training to the country's seafarers in compliance with the STCW [Convention](#).

ICS is proud to have welcomed FEDIL Shipping, Luxembourg and the Brazilian Association of Cabotage Owners to join as Affiliate Member National Associations, so that ICS membership now comprises national shipowners' associations from 41 countries and territories.

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

Namrata Nadkarni

+44 (0) 7598 025 513
namrata@intentcommunications.co.uk

Samira Nadkarni

samira@intentcommunications.co.uk

Gavin Lipsith

gavin@telegraphcommunications.co.uk

Paul Levey

paul@intentcommunications.co.uk

Tamara Parkin

tamara@intentcommunications.co.uk

Design and layout

Phil McAllister

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

Press and Communications

Hannah Patmore

+44 (0) 7498 418 438

Sales

Richard Emsley

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

Disclaimer: Whilst every effort has been made to ensure the quality and accuracy of the information contained in this newsletter at the time of going to press, the International Chamber of Shipping, its affiliates and any person, firm, corporation or organisation who or which has been in any way concerned with the furnishing of the information assume no responsibility as to the accuracy or completeness of and, to the extent permitted by law, shall not be liable for any errors or omissions or any loss, damage or expense incurred by reliance on information or any statement contained in this newsletter. Any views or opinions expressed do not necessarily represent the views or opinions of ICS, its affiliates or any person, firm, corporation or organisation who or which has been in any way concerned with the furnishing of the information in this newsletter.