

# Leadership Insights

Insights from the global leadership community

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## Minding the Gaps

Magda Kopczynska, director-general of  
the Directorate-General for Mobility and  
Transport at the European Commission,  
on building a sustainable and resilient  
transport network





## Decision Maker

# Resilience without borders

Magda Kopczynska, director-general of the European Commission's Directorate-General for Mobility and Transport (DG MOVE) talks to *ICS Leadership Insights* about building sustainability and resilience into the European transport network.

**Q How do you see your current role and what are your core goals in your new position?**

**A** If transport is not well organised, or does not function properly at the European level, we cannot really talk about uniting people and businesses. We saw what happened when COVID arrived and countries started closing their borders; transport couldn't function as it should. And, as is the case with the internal market in Europe, we don't notice transport when it works, but the moment it stops working, everything else comes to a stop.

I really appreciate discussions with representatives from different transport modes, who would each tell me that their transport mode is the most important and should be treated better. But by all saying the same thing, they demonstrate that they are all important, they all matter. We need all transport modes for society and the economy to function properly.

The external dimension of my work is to make sure that every part of my institution, as well as member states and even beyond, also appreciate the importance of transport. I'm thrilled to come back to the fantastic team of people working on European transport policies at DG MOVE.

**Q Can you give us a snapshot of the kind of practical work that's coming out of DG MOVE policymaking at the moment?**

**A** We have a funding instrument called the Connecting Europe Facility used to construct cross-border infrastructure projects. EU member states are relatively good when it comes to transport infrastructure in their countries, but it takes that additional push to make them remember that neither people nor goods stop at borders, especially when those borders technically don't exist.

We need to continue working to reduce the transport impact on the environment. But since climate change seems inevitable, we also have to focus on climate resilience. We need to think about how new infrastructure can be built in a way that it remains resilient no matter what happens. It is also about resilience in many other aspects, including economic and geopolitical resilience. We need to think carefully about where we place our infrastructure and who invests in it.

Cybersecurity is another big part of resilience. We have some pieces of legislation at the European Union level, but we are also working closely with the industry to make sure that this is a topic where we stand with them to make sure cybersecurity is properly addressed.

**Q After experiencing the supply chain disruptions of the past few years, how do you think regulators can build more resilience into logistics?**

**A** The critical events of the last few years in the EU - Brexit, COVID-19, the war in Ukraine - all directly impacted transport flows, for many different reasons. I think this shows that we cannot come up with a magical solution that will make us immune to those 'black swan' events. But we do now know what a transport system needs to be sufficiently resilient.

One thing is good use of information technologies. The information flow that follows cargo along the entire supply chain is extremely important as it helps with better planning and faster response. Companies can develop very effective proprietary systems. But there must also be a way for decision makers and regulators to access that information to manage the transport system properly. That lies at the core of the European Maritime Single Window that we've been working on.

The second element of preparedness is that we need some spare capacity in the system. There was a moment when we literally ran out of empty containers because they were either stuck on the US West Coast or they were

not leaving factories in China. We worked a lot on a land-based corridor linking Europe with China as an additional transport route, but of course the corridor went through Russia and now it's no longer open. A transport system will never be completely resilient to external geopolitical factors, but at least we need to be looking for a backup plan.

**Q How has the discussion on the sustainability of transport moved forward since you were first at DG MOVE?**

**A** Around 13 years ago, we published a white paper on transport which put the topic very much at the forefront. So, long before the Paris Agreement we were discussing at international level about where we go when it comes to dealing with climate change. We made it clear that transport has to become more sustainable.

Of course, the definition of 'sustainability' evolved over time. Even within environmental sustainability, it is not only about climate change, it's also about equality and biodiversity. I believe that the transport sector has embraced the topic and accepted that this is something they have to accommodate, develop and make part of their daily operations.

When we agreed the IMO initial GHG reduction strategy in 2018 and the 50% reduction by 2050, everybody knew the target could have been higher. But it was about starting that discussion. And in July this year, a new, more ambitious 2050 target was agreed. What I find encouraging is that now, finally, nobody in the shipping world is questioning that it will happen.

**Q Is there anything that shipping could learn from other transport sectors about sustainability?**

**A** Somebody asked me a while ago how it is possible that we still have ships colliding at sea, with all the information from radars and connectivity. Of course accidents happen, but sometimes they happen because ships don't see each other.

A lot of companies are looking into autonomous sailing to improve growth, but maybe we need to think even more about that in a way that goes beyond ships themselves, to an entire vessel traffic monitoring system worldwide. Shouldn't we focus even more on using the technologies that are being developed to aim for an objective like zero accidents at sea?

So my challenge to all of us is, can we do more to significantly reduce the number of accidents? I know that accidents are not that frequent, but unfortunately, they are often fatal. And often those accidents shouldn't even happen. Technology should allow us to make sailing much safer.





# Supply chain and turbine operation challenges pose threat to renewable fuel generation

Challenges loom for wind energy's role in shipping's renewable fuel production. ONYX Insight's [Ever-Changing Winds](#) report revealed that nearly 50% of turbine operators anticipate reliability issues with existing and new turbines. Supply chain woes include project delays due to longer lead times, while 30-40% cost increases in Europe compared to two years ago add to the problems.

Europe industry association WindEurope Chief Policy Officer Pierre Tardieu told *ICS Leadership Insights* that post-COVID recovery has also pushed up material prices and created supply chain disruptions. Sourcing of steel has been more difficult since the Russian invasion of Ukraine, he noted.

Global Wind Energy Council's CEO Ben Backwell warns of potential supply chain shortfalls in Europe and the US, exacerbated by reshoring policies.

These concerns could impact shipping's access to renewable fuels and profits. ICS's 2022 [Fuelling the Fourth Propulsion Revolution](#) report indicates that shipping's path to the 2050 net zero target would require electricity from renewable sources to increase by up to 3,000 TWh – the equivalent of the



Wind industry concerned over supply and cost of parts hampering projects.  
Credit: Shutterstock

Shipping's path to the 2050 net zero target would require electricity from renewable sources to increase by up to 3,000 TWh

world's current renewable energy production. By 2050, half of globally traded net zero fuels are expected to be transported by ships.

Backwell calls for partnerships between the wind industry and governments, investors and customers, while ONYX Insight emphasises digitalisation and predictive maintenance. [Read more here.](#)

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## Foreign and national investor interests must align to unlock decarbonisation dividend for LDCs

A major realignment of national and investor interests is required to shift Least Developed Countries (LDCs) away from being commodity exporters and labour providers to become knowledge-based green manufacturing hubs, says Rebecca Grynspan, Secretary General of the United Nations Conference on Trade and Development.

The shift will require large investment. Yet African countries, for example, receive “only 2% of foreign direct investment”, Grynspan told *ICS Leadership Insights*, despite their young demographic and abundant raw materials. To boost foreign investment, she suggested LDCs “change their national investment policy frameworks and adopt more transparent

contract negotiation processes to ensure good contract outcomes.”

Grynspan stressed that “international finance should [also] respond to the investment needs of these countries” and that the existing “international and financial architecture” be reformed to leverage private investment at the required scale. [Read more here.](#)

# Oman positioning as global green fuel hub

As Oman ramps up production of green hydrogen, ammonia and methanol in pursuit of lofty production targets, the Sultanate is eyeing bunkering as an offtaker for its green fuels.

Multiple green fuel production facilities are under development in Oman, including a plant in Duqm expected to produce 100,000 tonnes of green ammonia annually from 2027. The nation has a target of 1 million tonnes of green hydrogen production by 2030, a component of both ammonia and methanol.

Bunkering hubs like Singapore, Fujairah and Rotterdam will struggle

to produce large enough volumes of green fuels to replace current bunkers, Essam Al Shebany, Vice President for Sustainability at ASYAD Group, told *ICS Leadership Insights*, and that could prove to be to Oman's benefit.

"You want to go to where the fuel is produced, because that way the price will be competitive, rather than paying a premium for it to be produced, transported and sold somewhere else. We could be at an advantage with an attractive price for these fuels because they are produced nearby," said Al Shebany. [Read more here.](#)

# Vessel orders could outpace methanol supply

One of the world's leading methanol suppliers has highlighted a gap between expected production of green methanol, and the number of ships expected to be delivered able to use the carbon-neutral fuel. Proman's executive director corporate finance Andrew Craig noted "a significant delta" between projected green methanol demand and availability.

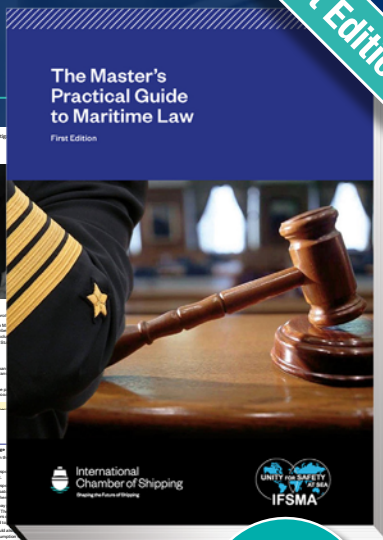
The Methanol Institute is tracking over 90 publicly announced green methanol projects, while Proman is building the world's largest waste to bio-methanol plant in Varennes, Canada, with potential sites being scoped in Europe and the UK. Craig anticipates 100+ methanol fuelled ships to be in service from 2024, which could see methanol demand reach 10 million tonnes by 2027. [Read more here.](#)

# The Master's Practical Guide to Maritime Law

First Edition

This first edition of *The Master's Practical Guide to Maritime Law* is a comprehensive, easy to follow guide written specifically for Masters.

When something goes wrong on board, legal issues often arise, and it is the Master's responsibility to react appropriately. This guide bridges the gap between theory and practice by exploring practical real-world scenarios commonly encountered by Masters, whether in port or at sea. It offers valuable guidance on how to approach legal issues effectively, highlighting best practices, and providing expert advice on managing legal risks with particular emphasis on the commercial aspects that form a significant part of every Master's responsibilities on board.



£250



WinGD will supply ammonia-fuelled engines for two mid-sized ammonia carriers for Exmar LPG. Credit: Exmar

# Ammonia: The chemical chameleon underpinning green ambitions

Can renewable ammonia production be scaled up in time to meet anticipated demand from an increasing number of users, including shipping?

It already keeps buildings cool, purifies water, bolsters agricultural yields and is one of seven base ingredients from which all chemical products are made, from plastics to textiles to medicines. Soon, as an efficient hydrogen carrier, it will also power industrial sectors that cannot be directly electrified, including shipping. But as demand grows for the Swiss army knife of industrial chemicals, how will producers of renewable ammonia keep pace? And how will shipowners claim their share amid so many competitors?

Production of renewable ammonia – either green ammonia produced from renewable hydrogen or blue ammonia where carbon emissions during production are captured – is in its infancy. According to [a report](#) from the International Renewable Energy Asso-

ciation (IRENA), less than 20,000 tonnes of renewable ammonia was produced in 2021, while production would need to reach 566 million tonnes by 2050 to fulfil Paris Agreement climate ambitions.

Around 70% of fossil ammonia – or 127 million tonnes – is currently used to produce nitrogen fertiliser, making agriculture a key driver in demand for a renewable alternative. International Fertilizer Association (IFA) market intelligence director Laura Cross tells *ICS Leadership Insights* that fertiliser producers around the world are in the process of making large-scale investments to decarbonise the supply chain through green or blue ammonia.

Those projects are included in 50 green ammonia facilities IFA has identified as



currently under development, with 3.5 million tonnes of green ammonia capacity expected to start up in the next five years. Including projects to start production after 2027, there is a total of almost 85 million tonnes of green ammonia capacity currently under development. That covers under half of the demand from agriculture by 2030, according to IRENA's projections. The game changer though is ammonia's use as a hydrogen carrier and fuel. By 2050, IRENA predicts that more than half of demand will come from power uses.

### Demand signals

Early movers are starting to order ammonia-run vessels. Yara Clean Ammonia and liner operator North Sea Container have partnered to deliver the world's first containership that will use pure ammonia as a fuel.

"Ammonia is set to become a mainstream sustainable marine fuel and energy carrier by mid-century," says Dominik Schneider, CEO of Swiss marine engine designer WinGD. The company has already announced two orders for

## Ammonia is set to become a mainstream sustainable marine fuel and energy carrier by mid-century

**Dominik Schneider,**  
CEO WinGD

ammonia-fuelled engines. Both are from ship operators controlled by the Saverys family; eight bulk carriers to be built for Bocimar and two mid-sized ammonia carriers for Exmar LPG.

The gas carrier orders highlight an early driver in the uptake of ammonia as a marine fuel. A [report](#) from the University of Manchester's Tyndall Centre, commissioned by ICS, suggested that 20 large ammonia carriers a year need to be built a year between now and 2030 to meet transport requirements. The existing fleet numbers less than 450. With ammonia engine technology emerging, many of

those could be early adopters of ammonia fuel, just as LNG, LPG and methanol carriers use their cargoes as fuel.

With scale up plans to 2030 representing just over an eighth of anticipated 2050 needs, competition may be fierce for the fuel. According to Laura Cross from IFA, a pragmatic, collaborative approach to renewable ammonia supply will be essential to ensure all industries get the ammonia they need.

She says: "The fertiliser industry holds a huge amount of knowledge about the practicalities of producing, trading and storing ammonia, and has shown its eagerness to collaborate with the shipping sector. We see these two markets playing out in parallel rather than one leading the way over another."

If availability can be scaled up, the demands of both industries – and more – should be fulfilled. Cooperation in securing production capacity investments is one way to make sure that happens to avoid a costly bidding war for a scarce resource.

# ICS in Action

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

## Cyber Security Workbook 5th edition available soon

The 5th edition of the *Cyber Security Workbook for On Board Ship Use*, co-authored by ICS, BIMCO and Witherbys, is launching in December 2023.

Updated to account for current cyber threats, the comprehensive two-part workbook contains checklists to assist with day-to-day cyber security risk management (both on board and ashore). The publication includes new sections on topics such as cargo management, passenger ships and case studies to illustrate real world cyber risks.

Pre-order a copy [here](#).

## Updated piracy guide launches December

The *Piracy, Armed Robbery and Conflict at Sea Guide 2024-25* will launch this December. Co-authored by ICS and Witherbys, it provides advice on current piracy and armed robbery hotspots, as well as conflict regions and areas of increased risk. To assist leaders, the Guide includes the latest regulatory guidance, information on international and national cooperation schemes, and industry guidance to aid navigation and passage planning, the development of Ship Security Plans, how to respond to ransom requests, and media management.

Pre-order a copy [here](#).

## COP28: Shaping the Future of Shipping Summit approaches

On 10 December 2023, government representatives, regulators and policymakers will meet with leaders from the interna-

tional maritime and energy sectors at the [Shaping the Future of Shipping Summit: Delivering a Net Zero World](#).

As the flagship maritime event during COP28, the annual summit will provide a platform for public and private sector stakeholders to discuss practical solutions for infrastructure, fuel availability, and financing, and how to prepare the maritime workforce to accelerate the transition to a low and zero carbon emission economy.

Organised by a coalition of leading maritime industry bodies, and coordinated by ICS in partnership with the [Emirates Shipping Association](#), the summit will be hosted under the patronage of the United Arab Emirates Ministry for Energy and Infrastructure.

## Energy efficiency strategies can reduce URN

A study released by the [University of Southampton](#) highlighted significant synergy between the implementation of energy efficiency strategies, to comply with IMO GHG regulations, and the reduction of underwater radiated noise (URN) from commercial vessels.

The ICS commissioned study concluded that, contingent upon the chosen pathways and strategies for meeting the IMO's revised GHG strategy, accomplishing a 3 dB reduction in shipping's contribution to ambient noise within a decade is a feasible goal. For example, the results suggest that reducing vessel speed by 20% can alone cut URN produced by fixed-pitch propeller vessels by 6 dB.

The free report is available for download [here](#).

**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/](http://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

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

##### 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

### 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

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